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**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

In re:

PT HOLDINGS COMPANY, INC., et al.,

Debtors.

07-10340 [Lead Case]

Chapter 11

**PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY
CODE JOINTLY PROPOSED BY THE
DEBTORS AND THE INFORMAL
COMMITTEE OF SENIOR SECURED
NOTEHOLDERS**

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2 **JOINTLY PROPOSED BY THE DEBTORS AND THE**
3 **INFORMAL COMMITTEE OF SENIOR SECURED NOTEHOLDERS**

4 **INTRODUCTION**

5 PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc.,
6 debtors and debtors in possession in the above-captioned cases, jointly with the Informal Committee of
7 Senior Secured Noteholders, propose this plan of reorganization for the resolution of the outstanding
8 Claims against and Interests in the Debtors. The Debtors and Informal Committee of Senior Secured
9 Noteholders are the proponents of this plan of reorganization within the meaning of section 1129 of the
10 Bankruptcy Code.

11
12 **ARTICLE I**
13 **DEFINITIONS AND GENERAL PROVISIONS**

14 For the purposes of this Plan, except as otherwise expressly provided or unless the context
15 otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to
16 them in Section 1.1 of this Plan. Any term used in this Plan that is not defined herein, but is defined in
17 the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the
18 Bankruptcy Code or the Bankruptcy Rules.

19
20 **Section 1.1** *Definitions.* The following terms shall have the following meanings when used
21 in this Plan.
22
23
24
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1 (a) "503(b)(9) Procedures Order" means that certain order of the Bankruptcy Court,
2 dated _____, 2007, Approving Procedures For Administering Claims Under Bankruptcy Code
3 Section 503(b)(9).

4 (b) "Administrative Expense Claim" means a Claim (other than a claim under the
5 DIP Facility) for payment of an administrative expense of a kind specified in section 503(b), 507(b) or
6 1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to section 507(a)(1) of the
7 Bankruptcy Code, including, but not limited to, the actual, necessary costs and expenses, incurred on
8 or after the Filing Date, of preserving the Estates and operating the business of the Debtors, including
9 wages, salaries or commissions for services rendered after the commencement of the Bankruptcy
10 Cases, Professional Compensation, fees and expenses of the Indenture Trustee and its counsel, fees and
11 expenses of the Informal Committee and its professionals, and all fees and charges assessed against the
12 Estates under 28 U.S.C. § 1930.

13 (c) "Affiliates" has the meaning given such term by section 101(2) of the
14 Bankruptcy Code.

15 (d) "Allowed" means, with respect to any Claim, such Claim or any portion thereof
16 that (i) has been allowed by a Final Order of the Bankruptcy Court; (ii) is listed in any of the Debtors'
17 respective Schedules and for which no contrary proof of claim has been filed, other than a Claim that is
18 listed in any of the Debtors' Schedules at zero or as disputed, contingent, or unliquidated; (iii) is
19 evidenced by a proof of claim that has been timely filed with the Bankruptcy Court on or before the
20 Bar Date or deemed to be timely filed pursuant to any Final Order of the Bankruptcy Court or under
21 applicable law, and as to which (A) no objection to its allowance has been filed on or before the Claims
22
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1 Objection Deadline, or (B) any objection to its allowance has been settled or withdrawn, or has been
2 overruled by a Final Order; or (iv) is allowed pursuant to the terms of this Plan (regardless of whether
3 such claim has been listed by the Debtors in their Schedules and regardless of whether a proof of claim
4 has been filed in respect thereof); provided, however, that Claims allowed solely for the purpose of
5 voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be considered
6 Allowed Claims for the purposes of distribution under this Plan.
7

8 (e) “Asserted Amount” means the total amount of a Claim asserted by a Holder
9 against any Debtor.

10 (f) “Assets” means, collectively, all of the property, as defined in section 541 of the
11 Bankruptcy Code of the Estates of the Debtors (including, without limitation, all of the assets, property,
12 interests (including equity interests) and effects, real and personal, tangible and intangible, including
13 all Avoidance Actions), wherever situated as such properties exist on the Effective Date or thereafter.
14

15 (g) “Assumed Contracts” shall have the meaning given such term in Article 5.1 of
16 this Plan.

17 (h) “Avoidance Action” means any claim or cause of action of an Estate arising out
18 of or maintainable pursuant to sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, or
19 553 of the Bankruptcy Code or under any other similar applicable law, regardless of whether or not
20 such action has been commenced prior to the Effective Date.
21

22 (i) “Ballot” means each of the ballot forms that are distributed with the Disclosure
23 Statement to Holders of Claims and Interests included in Classes that are Impaired under this Plan and
24 are entitled to vote under Article II of this Plan to accept or reject this Plan.
25

1 (j) "Bankruptcy Case" means, with respect to each Debtor, the chapter 11 case
2 initiated by such Debtor's filing on the Filing Date of a voluntary petition for relief in the Bankruptcy
3 Court under chapter 11 of the Bankruptcy Code. The Bankruptcy Cases are being jointly administered
4 in the Bankruptcy Court as Bankruptcy Case No. 07-10340-SJJ pursuant to the Order Directing Joint
5 Administration of Cases entered by the Bankruptcy Court on January 31, 2007.
6

7 (k) "Bankruptcy Code" means title 11 of the United States Code, as applicable to
8 the Bankruptcy Cases.

9 (l) "Bankruptcy Court" means the United States Bankruptcy Court for the Western
10 District of Washington, at Seattle or, in the event such court ceases to exercise jurisdiction over any
11 Bankruptcy Case, such court or adjunct thereof that exercises jurisdiction over such Bankruptcy Case
12 in lieu of the United States Bankruptcy Court for the Western District of Washington, at Seattle.
13

14 (m) "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
15 Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as
16 applicable to the Bankruptcy Cases or proceedings therein, and the Local Rules of the Bankruptcy
17 Court, as applied to the Bankruptcy Cases or proceedings therein, as the case may be.

18 (n) "Bar Date" means the date(s) designated by the Bankruptcy Court as the last
19 date(s) for filing proofs of Claim against the Debtors pursuant to that certain Amended Order, dated
20 February 16, 2007, Fixing Deadline for Filing Proofs of Claim.
21

22 (o) "Board of Directors" mean the applicable board of directors of each of the
23 Reorganized Debtors.
24
25

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1 (p) "Business Day" means any day on which commercial banks are required to be
2 open for business in Seattle, Washington.

3 (q) "Cash" means legal tender of the United States of America and equivalents
4 thereof.

5 (r) "Causes of Action" means all Avoidance Actions and any and all of a Debtor's
6 or a Reorganized Debtor's actions, causes of action, suits, accounts, agreements, promises, rights to
7 payment and claims, whether known or unknown, reduced to judgment, not reduced to judgment,
8 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured,
9 unsecured, and whether asserted or assertable directly or derivatively, in law, equity, or otherwise.
10

11 (s) "Certificate" means any instrument, including, without limitation, any note,
12 bond, indenture, or other document evidencing or creating any indebtedness or obligation of the
13 Debtors evidencing a Claim.
14

15 (t) "Claim" means a claim against one of the Debtors (or all or some of them)
16 whether or not asserted, as defined in section 101(5) of the Bankruptcy Code.

17 (u) "Claims Objection Deadline" means the later of the first Business Day which is
18 (i) sixty (60) days after the Effective Date, (ii) sixty (60) days after a specific Proof of Claim was filed
19 or (iii) such other time as may be ordered by the Bankruptcy Court, as such dates may be from time to
20 time extended by the Bankruptcy Court without further notice to parties in interest.
21

22 (v) "Class 3 Contribution" means [_____].

23 (w) "Class" means a category of Claims or Interests described in Article III of this
24 Plan.
25

1 (x) "Creditors' Committee" means the Official Committee of Unsecured Creditors
2 appointed in the Debtors' Bankruptcy Cases pursuant to section 1102(a) of the Bankruptcy Code.

3 (y) "Confirmation Date" means the date on which the Bankruptcy Court enters the
4 Confirmation Order.

5 (z) "Confirmation Hearing" means the hearing before the Bankruptcy Court held to
6 consider confirmation of this Plan and related matters under section 1128 of the Bankruptcy Code, as
7 such hearing may be continued.

8 (aa) "Confirmation Order" means the order entered by the Bankruptcy Court
9 confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which shall be acceptable in
10 form and substance to the Plan Proponents, each in their sole discretion.

11 (bb) "Cure Amount" means the amount required to satisfy the Debtors' obligations
12 under section 365(b) of the Bankruptcy Code with respect to the Debtors' assumption of any Executory
13 Contract or Unexpired Lease which amount will be determined in accordance with the procedures set
14 forth in Article 5.3 of this Plan.

15 (cc) "Debtor" or "Debtors" means, individually, PT Holdings Company, Inc., Port
16 Townsend Paper Corporation, and PTPC Packaging Co., Inc. and, collectively, all of PT Holdings
17 Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., each of which is a Debtor
18 in its Bankruptcy Case.

19 (dd) "DIP Lenders" means the Lenders as defined by the DIP Facility.

20 (ee) "DIP Facility" means that certain post-petition debtor in possession credit
21 agreement, as amended from time to time, provided to the Debtors pursuant to the terms of that certain
22

1 Final Order Under 11 U.S.C. §§ 361, 362 and 364, Fed. R. Bankr. P. 4001, and Bankr. L.R. 4001-2, (A)
2 Authorizing Debtors To Incur Postpetition Indebtedness, (B) Granting Security Interests and
3 Superpriority Expense Claims, (C) Authorizing Use of Cash Collateral and (D) Granting Other Relief.

4 (ff) “Disallowed Claim” means a Claim or any portion thereof that (i) has been
5 disallowed by a Final Order, (ii) is listed in any of the Debtors’ respective Schedules at zero or as
6 contingent, disputed, or unliquidated and as to which a proof of claim Bar Date has been established
7 but no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant
8 to the Bankruptcy Code or any Final Order of the Bankruptcy Court, or (iii) is not listed in any of the
9 Debtors’ respective Schedules and as to which a proof of claim Bar Date has been established but no
10 proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the
11 Bankruptcy Code or any Final Order of the Bankruptcy Court.

12 (gg) “Disclosure Statement Approval Order” means that certain order of the
13 Bankruptcy Court entered on _____, 2007, approving the Disclosure Statement, as may be amended,
14 modified or supplemented from time to time.

15 (hh) “Disclosure Statement” means the written disclosure statement that relates to
16 this Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and
17 Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented from
18 time to time.

19 (ii) “Disputed” means, with reference to any Claim, a Claim or any portion thereof,
20 that is the subject of an objection timely filed in the Bankruptcy Court and which objection has not
21 been withdrawn, settled or overruled by a Final Order of the Bankruptcy Court.

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1 (jj) “Distribution” means any distribution by the Debtors or Reorganized Debtors to
2 a Holder of an Allowed Claim or Interest.

3 (kk) “Distribution Date” means (i) the Initial Distribution Date, and (ii) the first
4 Business Day after the end of the months of March, June, September, and December, commencing
5 with the first such date to occur more than ninety (90) days after the Initial Distribution Date and
6 continuing until the Final Distribution Date; provided, however, that a Distribution Date (other than
7 the Initial Distribution Date and Final Distribution Date) shall not occur if the aggregate value of the
8 consideration to be distributed on account of all Allowed Claims on any Distribution Date is less than
9 One Hundred Thousand and 00/100 Dollars (\$100,000.00), in which case the amount to be distributed
10 shall be retained and added to the amount to be distributed on the next Distribution Date.
11

12 (ll) “District Court” means the United States District Court for the Western District
13 of Washington, at Seattle.
14

15 (mm) “Effective Date” means the day that is the first Business Day after all conditions
16 to the Effective Date have been satisfied or waived pursuant to section 11.2 and 11.3 of the Plan.

17 (nn) “Equity Warrants” means warrants, expiring on the three (3) year anniversary
18 date of the Effective Date, to purchase in the aggregate an amount equal to 5.25% of the New Common
19 Stock issued and outstanding on the Effective Date with a strike price based upon a \$170 million total
20 enterprise value.
21

22 (oo) “ERISA” means the Employee Retirement Income Security Act of 1974, as
23 amended, and any successor statute thereto.
24
25

1 (pp) "Estate" means, with regard to each Debtor, the estate that was created by the
2 commencement by a Debtor of a Bankruptcy Case pursuant to section 541 of the Bankruptcy Code.

3 (qq) "Executory Contract or Unexpired Lease" means all executory contracts and
4 unexpired leases to which any of the Debtors is a party.

5 (rr) "Existing Securities" means, collectively, the Secured Notes and Interests.

6 (ss) "Exit Financing" means the secured financing to be provided by the Exit
7 Financing Lenders, as described in more detail in Article 6.2 of this Plan.

8 (tt) "Exit Financing Lenders" means the lenders to be identified by the Debtors in
9 the Plan Supplement that will provide the financing contemplated by the Exit Financing.

10 (uu) "Filing Date" means January 29, 2007.

11 (vv) "Final Distribution" means the Distribution by the Debtors or Reorganized
12 Debtors that satisfies all Allowed Claims and Interests to the extent provided in accordance with this
13 Plan.
14

15 (ww) "Final Distribution Date" means the date on which the Final Distribution is
16 made.

17 (xx) "Final Order" means an order or judgment of the Bankruptcy Court, or other
18 court of competent jurisdiction, as entered on the docket in the chapter 11 cases or the docket of any
19 other court of competent jurisdiction, which has not been reversed, stayed, modified or amended, and
20 as to which the time to appeal or seek certiorari has expired, and no appeal or petition for certiorari has
21 been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has
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1 been timely filed has been resolved by the highest court to which the order or judgment was appealed
2 or from which certiorari was sought.

3 (yy) “General Unsecured Claim” means any Unsecured Claim other than an
4 Administrative Expense Claim, a Priority Tax Claim, a Priority Claim, a Workers’ Compensation
5 Claim, an Intercompany Claim or a Subordinated Claim.
6

7 (zz) “Guarantees” means each guarantee of the Secured Notes as defined in the
8 Indenture.

9 (aaa) “Guarantors” shall have the meaning given in the Indenture.

10 (bbb) “Holder” means a holder of a Claim or Interest, as applicable.

11 (ccc) “Impaired” shall have the meaning ascribed thereto in section 1124 of the
12 Bankruptcy Code.
13

14 (ddd) “Indenture” means that certain indenture dated as of April 13, 2004 by and
15 among PTPC and the Guarantors and U.S. Bank National Association, as Indenture Trustee, as such
16 indenture may have been amended, supplemented, or otherwise modified from time to time, and all
17 related agreements and documents.

18 (eee) “Indenture Trustee” means U.S. Bank National Association, as trustee, or any
19 successor trustee, under the Indenture.
20

21 (fff) “Indenture Trustee Charging Lien” means a lien that secures repayment of the
22 Indenture Trustee’s fees and expenses, to the extent provided for in the Indenture.

23 (ggg) “Informal Committee” means the informal committee of holders of Secured
24 Notes. The members of the Informal Committee as of the date of this Plan are: (i) GoldenTree Asset
25

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1 Management, L.P., (ii) Murray Capital Management, (iii) Credit Suisse, (iv) Delaware Investment
2 Management, (v) Phoenix Investment Advisor, (vi) Thales Fund Management, L.P., (vii) Wells Capital
3 Management, (viii) Muzinich & Co., and (ix) J.P. Morgan Securities, Inc.

4 (hhh) “Initial Distribution Date” means the Effective Date or as soon as reasonably
5 practical thereafter; provided, however, that in no event shall the Initial Distribution Date be more than
6 five (5) business days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

7 (iii) “Intercompany Claim” means either (i) any Claim against any Debtor held by
8 another Debtor or Non-Debtor Affiliate, or (ii) any Claim against any Non-Debtor Affiliate held by
9 another Non-Debtor Affiliate or any Debtor.

10 (jjj) “Interests” means the equity interests issued by each of the Debtors, including,
11 but not limited to, the common stock of PT Holdings, PTPC and Packaging and any options, warrants,
12 puts, calls, subscriptions or other similar rights or other agreements, commitments, or outstanding
13 securities obligating any of the Debtors to issue, transfer, purchase, redeem, or sell any shares of
14 capital stock or other securities, any claims arising out of any appraisal or dissenter’s rights, any claims
15 arising from rescission of a purchase, sale or other acquisition of any common stock or other equity
16 security (or any right, claim, or interest in and to any common stock or equity security) of any of the
17 Debtors, and any claims for damages or any other relief arising from any such purchase, sale, or other
18 acquisition of such common stock or other equity security.

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

20 (lll) “Management Equity Plan” means a management equity plan that shall be
21 implemented on or as soon as reasonably practicable after the Effective Date to provide designated
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1 members of senior management of Reorganized PTPC with New Common Stock and/or options to
2 purchase shares of New Common Stock representing up to an aggregate amount equal to 10% of the
3 New Common Stock issued and outstanding on the Effective Date. The Management Equity Plan will
4 contain terms and conditions that shall be determined by the Board of Directors of Reorganized PTPC
5 after the Effective Date.

6 (mmm) “New Common Stock” means newly issued shares of common stock of
7 Reorganized PT Holdings, par value \$0.01 per share, to be issued on the Effective Date. Holders of
8 Allowed Secured Notes Claims will receive in the aggregate an amount equal to 100% of the New
9 Common Stock issued and outstanding on the Effective Date, subject to dilution on account of the
10 Management Equity Plan and Equity Warrants.

11 (nnn) “Non-Debtor Affiliates” means PTPC Corrugated Company and Crown
12 Properties Packaging, Ltd.

13 (ooo) “Northwest Capital” mean Northwest Capital Appreciation, Inc. and all of its
14 Affiliates, related entities, successors and assigns.

15 (ppp) “Noteholder” or “Noteholders” means, individually, a holder of a Secured Note
16 and, collectively, all of the holders of the Secured Notes.

17 (qqq) “Noteholder Term Loan Documentation” means the term loan documentation
18 relating to the Noteholder Term Loan Debt, which shall be satisfactory in form and substance to the
19 Plan Proponents, each in their sole discretion.

20 (rrr) “Noteholder Term Loan Debt” means secured term debt issued by the
21 Reorganized Debtors as co-borrowers and guaranteed by each of the Non-Debtor Affiliates pursuant to
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1 the Noteholder Term Loan Documentation in the aggregate principal amount of \$[_____], the terms
2 and conditions of which shall be disclosed in the Plan Supplement and shall be satisfactory in form and
3 substance to the Plan Proponents, each in their sole discretion.

4 (sss) "Old Warrants" means warrants to purchase 86,270 shares of common stock of
5 PT Holdings issued pursuant to the Warrant Agreement, dated as of April 13, 2004, by and between PT
6 Holdings and US Bank, National Association, as Warrant Agent.

7 (ttt) "Other Secured Claim" means a Secured Claim other than a Secured Notes
8 Claim.

9 (uuu) "Packaging" means PTPC Packaging Co., Inc.

10 (vvv) "Person" means an individual, corporation, partnership, joint venture,
11 association, joint stock company, limited liability company, limited liability partnership, trust, estate,
12 unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy
13 Code) or other entity.

14 (www) "Plan" means this joint plan of reorganization as the same may hereafter be
15 amended, modified or supplemented.

16 (xxx) "Plan Proponents" mean the Debtors and the Informal Committee.

17 (yyy) "Plan Supplement" means the document containing the forms of documents
18 specified in Article 13.3 of this Plan.

19 (zzz) "Priority Claim" means a Claim entitled to priority under the provisions of
20 section 507(a) of the Bankruptcy Code other than an Administrative Expense Claim or a Priority Tax
21 Claim.

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1 (aaaa) "Priority Tax Claim" means a Claim against the Debtors that is of a kind
2 specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

3 (bbbb) "Professional Compensation" means (i) any amounts that the Bankruptcy Court
4 allows pursuant to section 330 of the Bankruptcy Code as compensation earned, and reimbursement of
5 expenses incurred, by professionals employed by the Debtors and the Creditors' Committee and (ii)
6 any amounts the Bankruptcy Court allows pursuant to sections 503(b)(3) and (4) of the Bankruptcy
7 Code in connection with the making of a substantial contribution to the Bankruptcy Cases.
8

9 (cccc) "Pro Rata" means with respect to any Claim or Interest, at any time, the
10 proportion that the amount of the Claim or Interest in a particular Class bears to the aggregate amount
11 of all Claims or Interests (including Disputed Claims or Interests) in such Class, unless in each case the
12 Plan provides otherwise.
13

14 (dddd) "PTPC" means Port Townsend Paper Corporation.

15 (eeee) "PT Holdings" means PT Holdings Company, Inc.

16 (ffff) "Record Date" means the date established in the Disclosure Statement Approval
17 Order or any other Final Order of the Bankruptcy Court for determining the identity of holders of
18 Allowed Claims or Interests entitled to vote or accept or reject this Plan and receive Distributions
19 under this Plan. If no Record Date is established in the Disclosure Statement Approval Order or any
20 other order of the Bankruptcy Court, then the Record Date shall be the date of the entry of the
21 Disclosure Statement Approval Order.
22

23 (gggg) "Record Holder" means the Holder of a Claim or Interest as of the Record Date.
24
25

1 (hhhh) "Registration Rights Agreement" means the agreement described in Article 7.4
2 of the Plan.

3 (iiii) "Rejected Contracts" means all Executory Contracts and Unexpired Leases,
4 other than the Executory Contracts and Unexpired Leases identified on Schedule 5.1 as Executory
5 Contracts or Unexpired Leases to be assumed on the Effective Date or contracts otherwise assumed
6 pursuant to an order of the Bankruptcy Court.

7
8 (jjjj) "Reorganized Debtor" or "Reorganized Debtors" means, individually, any
9 Debtor and, collectively, all of the Debtors, in each case on and after the Effective Date.

10 (kkkk) "Reorganized PT Holdings" means PT Holdings on and after the Effective Date.

11 (llll) "Reorganized PTPC" means PTPC on and after the Effective Date.

12 (mmmm) "Retained Actions" means all claims, Causes of Action, rights of action,
13 suits and proceedings, whether in law or in equity, whether known or unknown, which any Debtor or
14 any Debtors' Estate may hold against any Person, including, without limitation, (i) claims and Causes
15 of Action brought prior to the Effective Date, (ii) claims and Causes of Action against any Persons for
16 failure to pay for products or services provided or rendered by any of the Debtors, (iii) claims and
17 Causes of Action relating to strict enforcement of any of the Debtors' intellectual property rights,
18 including patents, copyrights and trademarks, (iv) claims and Causes of Action seeking the recovery of
19 any of the Debtors' or the Reorganized Debtors' accounts receivable or other receivables or rights to
20 payment created or arising in the ordinary course of any of the Debtors' or the Reorganized Debtors'
21 businesses, including, without limitation, claim overpayments and tax refunds, and (v) all Causes of
22 Action that are Avoidance Actions.
23
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25

1 (nnnn) "Schedule 5.1" means the schedule to be provided in accordance with Article 5.1
2 of this Plan (the contents of which shall be acceptable to the Plan Proponents, each in their sole
3 discretion), which shall contain a list of (i) all Executory Contracts and Unexpired Leases to be
4 assumed under this Plan, and (ii) the Cure Amount (if any) for any Executory Contract or Unexpired
5 Lease to be assumed under this Plan.
6

7 (oooo) "Schedules" means, with respect to any Debtor, the Schedules of Assets and
8 Liabilities such Debtor filed in its Bankruptcy Case, as such Schedules may be amended from time to
9 time in accordance with Bankruptcy Rule 1009.

10 (pppp) "Secured Claim" means a claim (as defined in section 101(5) of the Bankruptcy
11 Code) that is secured by a valid, perfected and non-avoidable lien on collateral against any obligor or
12 guarantor to such indebtedness (including any Lien on collateral) to the extent of the value of the
13 holder of the Claim's interest in such collateral as provided in section 506(a) of the Bankruptcy Code.
14

15 (qqqq) "Secured Notes" mean the 11% Senior Secured Notes due 2011 issued pursuant
16 to the Indenture.

17 (rrrr) "Secured Notes Claim" means the Secured Claims against the Debtors arising
18 under the Secured Notes and Indenture, plus applicable fees, charges, costs and interest accrued but
19 unpaid as of the Filing Date.
20

21 (ssss) "Secured Notes Deficiency Claim" means the portion, if any, of the Secured
22 Notes Claim that exceeds the value of any Lien securing such indebtedness, including any Lien on
23 collateral. Solely for the purposes of this Plan and assuming Classes 3A-3C vote to accept this Plan,
24 the holders of the Secured Notes Deficiency Claims, if any, have agreed to waive such Claims. In the
25

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1 event this Plan is not confirmed by the Bankruptcy Court, the holders of the Secured Notes Deficiency
2 Claims, if any, shall retain all rights to assert such Claims with respect to any other proposed plan of
3 reorganization.

4 (tttt) “Securities Act” means the Securities Act of 1933, as amended.

5 (uuuu) “Securities and Exchange Commission” means the United States Securities and
6 Exchange Commission.

7 (vvvv) “Shareholder Agreement” means the agreement described in Article 7.5 of the
8 Plan.

9 (wwww) “Subordinated Claim” means any Unsecured Claim that is subordinated
10 in priority to all other Allowed Unsecured Claims pursuant to the provisions of section 510 of the
11 Bankruptcy Code or other applicable law, including, without limitation, Claims, if any, (a) arising from
12 rescission of a purchase or sale of Existing Securities, (b) for damages resulting from the purchase or
13 sale of Existing Securities, or (c) for reimbursement or contribution on account of such Claims.

14 (xxxx) “Unimpaired” means, with respect to a Class of Claims or Interests, any Class
15 that is not Impaired.

16 (yyyy) “Unsecured Claim” means any Claim other than an Other Secured Claim, a
17 Secured Notes Claim, a DIP Facility Claim, an Administrative Expense Claim, a Priority Tax Claim or
18 a Priority Claim.

19 (zzzz) “Workers’ Compensation Claim” means a claim by an employee of the Debtors
20 arising from or related to their employment with the Debtors for which the Debtors are required by
21

1 state statute to maintain workers' compensation insurance coverage through a program of third party
2 insurance, self-insurance, or state-sponsored insurance.

3
4 **Section 1.2** *Time.* Whenever the time for the occurrence or happening of an event as set
5 forth in this Plan falls on a day which is a Saturday, Sunday, or legal holiday under the laws of the
6 United States of America or the State of Washington, then the time for the next occurrence or
7 happening of said event shall be extended to the next day following which is not a Saturday, Sunday, or
8 legal holiday.

9
10 **ARTICLE II**
11 **CLASSIFICATION OF CLAIMS AND INTERESTS; IMPAIRMENT**

12 **Section 2.1** *Summary.* The categories of Claims and Interests set forth below classify all
13 Claims against and Interests in the Debtors for all purposes of this Plan. A Claim or Interest shall be
14 deemed classified in a particular Class only to the extent the Claim or Interest qualifies within the
15 description of that Class and shall be deemed classified in a different Class to the extent that any
16 remainder of such Claim or Interest qualifies within the description of such different Class. The
17 treatment with respect to each Class of Claims and Interests provided for in this Article II shall be in
18 full and complete satisfaction, release and discharge of such Claims and Interests.

19
20 The classification of Claims under this Plan is as follows:

21

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
22 1	Other Secured Claims	Unimpaired	No
23 2	Priority Claims	Unimpaired	No
24 3A	PTPC Secured Notes Claims	Impaired	Yes

25

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1	3B	PT Holdings Secured Notes Claims	Impaired	Yes
2	3C	Packaging Secured Notes Claims	Impaired	Yes
3	4A	PTPC General Unsecured Claims	Impaired	Yes
4	4B	PT Holdings General Unsecured Claims	Impaired	Yes
5	4C	Packaging General Unsecured Claims	Impaired	Yes
6	5	Intercompany Claims	Unimpaired	No
7	6	Workers' Compensation Claims	Unimpaired	No
8	7	Subordinated Claims	Impaired	No

The classification of Interests under this Plan is as follows:

10	8A	PT Holdings Interests	Impaired	Yes
11	8B	PTPC Interests	Unimpaired	No
12	8C	Packaging Interests	Unimpaired	No

13
14
15 **Section 2.2** *Deemed Acceptance of Plan.* Classes 1, 2, 5, 6, 8B and 8C are Unimpaired
16 under this Plan. Accordingly, pursuant to section 1126(f) of the Bankruptcy Code, Classes 1, 2, 5, 6,
17 8B and 8C are deemed to accept this Plan and are not entitled to vote to accept or reject this Plan.

18
19 **Section 2.3** *Deemed Rejection of Plan.* The Holders of Subordinated Claims in Class 7 will
20 not receive or retain any property under this Plan and, thus, pursuant to section 1126(g) of the
21 Bankruptcy Code, are deemed to reject this Plan, and, therefore, are not entitled to vote to accept or to
22 reject this Plan.

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1 3. such Allowed Class 1 Other Secured Claim will be otherwise treated in a manner so that
2 such Claim shall be rendered Unimpaired pursuant to section 1124 of the Bankruptcy
3 Code.

4 The proposed treatment of each Class 1 Other Secured Claim shall be selected by the Plan
5 Proponents. Any default with respect to any Class 1 Other Secured Claim that occurred prior to the
6 Effective Date shall be deemed cured upon the Effective Date.
7

8 (c) Voting: Class 1 is an Unimpaired Class, and the Holders of Allowed Class 1
9 Other Secured Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f)
10 of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 are not entitled to vote to accept
11 or reject this Plan.
12

13 **Section 3.2** *Class 2 -- Priority Claims.*

14 (a) Classification: Class 2 consists of all Priority Claims.

15 (b) Treatment: The legal, equitable and contractual rights of the Holders of Class 2
16 Priority Claims are unaltered by this Plan. Unless the Holder of such Claim and the Plan Proponents
17 agree to a different treatment, each Holder of an Allowed Class 2 Priority Claim shall receive, in full
18 and final satisfaction of such Allowed Class 2 Priority Claim, one of the following alternative
19 treatments:
20

21 1. to the extent then due and owing on the Effective Date, such Allowed Class 2 Priority
22 Claim will be paid in full in Cash by the Debtors or the Reorganized Debtors on, or as
23 soon as practical after, the Effective Date;
24
25

- 1 2. to the extent not due and owing on the Effective Date, such Allowed Class 2 Priority
2 Claim will be paid in full in Cash by the Debtors or the Reorganized Debtors when and
3 as such Allowed Class 2 Priority Claim becomes due and owing in the ordinary course
4 of business; or
5
6 3. such Allowed Class 2 Priority Claim will be otherwise treated in a manner so that such
7 Allowed Class 2 Priority Claim shall be rendered Unimpaired pursuant to section 1124
8 of the Bankruptcy Code.

9 The proposed treatment of each Class 2 Priority Claim shall be selected by the Plan Proponents.

10 (c) Voting: Class 2 is an Unimpaired Class, and the Holders of Class 2 Priority
11 Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the
12 Bankruptcy Code. Therefore, the Holders of Allowed Class 2 Priority Claims are not entitled to vote to
13 accept or reject this Plan.
14

15 **Section 3.3** *Classes 3A-3C -- Secured Notes Claims.*

16 (a) Classification: Classes 3A-3C consist of all Secured Notes Claims asserted
17 against PT Holdings, PTPC and Packaging, respectively. The Secured Notes Claims are Allowed in
18 full and shall not be subject to any avoidance, reductions, set off, offset, recharacterization,
19 subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses,
20 disallowance, impairment, or any other challenges under any applicable law or regulation by any
21 person or entity. The Secured Notes Claims are Allowed in an amount not less than \$125,00,000 plus
22 applicable fees, charges, costs and interest accrued but unpaid as of the Filing Date.
23
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1 (b) Treatment: On the Effective Date, in exchange for their Allowed Secured Notes
2 Claims against each of the Debtors, Holders of Allowed Secured Notes Claims shall receive, on a Pro
3 Rata basis: (i) the Noteholder Term Loan Debt, and (ii) 100% of the New Common Stock, subject to
4 dilution on account of the Management Equity Plan and Equity Warrants, *provided, however*, that
5 acceptance of the Plan by Classes 3A-3C shall constitute an agreement by the Holders of all Allowed
6 Secured Notes Claims to, upon the Effective Date, (i) contribute, out of the aggregate distribution
7 Holders of Allowed Secured Notes Claims would otherwise be legally entitled to receive, (a) the Class
8 3 Contribution to Holders of Allowed General Unsecured Claims in Classes 4A-4C on a Pro Rata basis
9 if Holders of General Unsecured Claims in Classes 4A-4C each vote as a Class to accept the Plan, and
10 (b) the Equity Warrants to Holders of Allowed Class 8A Interests on a Pro Rata basis if Holders of
11 Class 8A Interests vote as a Class to accept the Plan, and (ii) waive the Secured Notes Deficiency
12 Claims. While each holder of an Allowed Secured Notes Claim possesses an Allowed Secured Notes
13 Claim against each of the Debtors and the Non-Debtor Affiliates, each holder of an Allowed Secured
14 Notes Claim shall only receive one aggregate recovery on account of all Allowed Secured Notes
15 Claims held by such claimant, which recovery is specified in Section 3.3 of this Plan.
16
17

18 (c) Voting: Classes 3A-3C are Impaired. Pursuant to section 1126 of the
19 Bankruptcy Code, each Holder of Allowed Secured Notes Claims in Classes 3A-3C is entitled to vote
20 to accept or reject this Plan.
21

22 **Section 3.4** *Classes 4A-4C -- General Unsecured Claims.*

23 (a) Classification: Classes 4A-4C consist of all General Unsecured Claims against
24 PT Holdings, PTPC and Packaging, respectively.
25

1 (b) Treatment: Each Holder of an Allowed General Unsecured Claim shall receive,
2 in full and final satisfaction of such Holder's Allowed General Unsecured Claim, such Holder's Pro
3 Rata share of the Class 3 Contribution, *provided, however*, that if Class 4A, 4B or 4C votes to reject
4 the Plan, holders of General Unsecured Claims in Classes 4A-4C shall receive no Distributions on
5 account of their respective Claims and all rights with respect thereto.
6

7 (c) Voting: Classes 4A-4C are Impaired. Pursuant to section 1126 of the
8 Bankruptcy Code each Holder of an Allowed General Unsecured Claim in Classes 4A -4C is entitled to
9 vote to accept or reject this Plan.
10

11 **Section 3.5** *Class 5 -- Intercompany Claims.*

12 (a) Classification: Class 5 consists of all Intercompany Claims.

13 (b) Treatment: On or after the Effective Date, all Intercompany Claims will be
14 adjusted, continued, or discharged to the extent determined appropriate by the Reorganized Debtors, in
15 their discretion. Any such transaction may be effected on or subsequent to the Effective Date without
16 any further action by the stockholders of any of the Reorganized Debtors.
17

18 (c) Voting: Class 5 is an Unimpaired Class. Holders of Class 5 Intercompany
19 Claims are conclusively deemed to have accepted this Plan and, therefore, are not entitled to vote to
20 accept or reject this Plan.
21

22 **Section 3.6** *Class 6 -- Workers' Compensation Claims.*

23 (a) Classification: Class 6 consists of all Workers' Compensation Claims.
24
25

1 (b) Treatment: The Debtors will continue all of their workers' compensation
2 programs that were in effect on the Filing Date such that Workers' Compensation Claims are unaltered
3 by this Plan. Any Holder of a Workers' Compensation Claim may proceed with such Claim before the
4 appropriate state workers' compensation board subject to the right of the Debtors to defend any such
5 Claim. To the extent any such Claim is determined to be valid by the appropriate state workers'
6 compensation board, or other court having jurisdiction over such Claim, such Claim shall be paid from
7 proceeds of the applicable insurance (or self-insurance) program that is maintained by the Debtors
8 pursuant to their existing workers' compensation programs.

10 (c) Voting: Class 6 is an Unimpaired Class. Holders of Class 6 Workers'
11 Compensation Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f)
12 of the Bankruptcy Code, and, therefore, are not entitled to vote to accept or reject this Plan.
13

14 **Section 3.7** *Class 7 -- Subordinated Claims.*

15 (a) Classification: Class 7 consists of all Subordinated Claims.

16 (b) Treatment: The Holders of Subordinated Claims will receive no distributions on
17 account of their respective Claims and all rights with respect thereto will be cancelled and fully
18 extinguished pursuant to, and on the Effective Date of, this Plan.
19

20 (c) Voting: Class 7 is an Impaired Class. Pursuant to section 1126(g) of the
21 Bankruptcy Code, Holders of Class 7 Subordinated Claims are conclusively deemed to reject this Plan
22 and are not entitled to vote to accept or reject this Plan.
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1 **Section 3.8** *Class 8A -- PT Holdings Interests.*

2 (a) Classification: Class 8A consists of all Interests in PT Holdings.

3 (b) Treatment: On or as soon as reasonably practicable after the Effective Date, the
4 Holders of Class 8A Interests will receive in exchange for such Interests, on a Pro Rata basis, Equity
5 Warrants, *provided, however*, that if Class 8A votes to reject the Plan, holders of Class 8A Interests
6 shall receive no distributions on account of their respective Interests and all rights with respect thereto.
7

8 (c) Class 8A Interests will be cancelled and fully extinguished pursuant to, and on
9 the Effective Date of, this Plan.

10 (d) Voting: Class 8A is Impaired. Holders of Class 8A Interests are entitled to vote
11 to accept or reject this Plan.
12

13 **Section 3.9** *Classes 8B-8C -- Other Interests.*

14 (a) Classification: Class 8B consists of all Interests in PTPC. Class 8C consists of
15 all Interests in Packaging.

16 (b) Treatment: Reorganized PT Holdings shall retain all of its Class 8B Interests.
17 Reorganized PTPC shall retain all of its Class 8C Interests.
18

19 (c) Voting: Classes 8B and 8C are Unimpaired. Holders of Class 8B and 8C
20 Interests are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the
21 Bankruptcy Code and, therefore, are not entitled to vote to accept or reject this Plan.
22

23 **Section 3.10** *Special Provision Governing Unimpaired Claims.* Except as otherwise provided
24 in this Plan, nothing under this Plan is intended to or shall affect the Debtors' or Reorganized Debtors'
25

1 rights and defenses in respect of any Claim that is Unimpaired under this Plan, including, but not
2 limited to, all rights in respect of legal and equitable defenses to or setoffs or recoupment against or
3 counter-claims with respect to such Unimpaired Claims.
4

5 **ARTICLE IV**
6 **TREATMENT OF UNCLASSIFIED CLAIMS**

7 **Section 4.1** *Summary.* Pursuant to section 1123(a)(1) of the Bankruptcy Code,
8 Administrative Expense Claims and Priority Tax Claims against the Debtors are not classified for
9 purposes of voting on, or receiving Distributions under, this Plan. Similarly, Claims of the DIP
10 Lenders under the DIP Facility are not classified for purposes of voting on, or receiving Distributions
11 under, this Plan. Holders of such Claims are not entitled to vote on this Plan. All such Claims are
12 instead treated separately in accordance with this Article IV and in accordance with the requirements
13 set forth in section 1129(a)(9)(A) of the Bankruptcy Code.
14

15 **Section 4.2** *Administrative Expense Claims.*

16 (a) Subject to the provisions of sections 328, 330(a) and 331 of the Bankruptcy
17 Code, each Holder of an Allowed Administrative Expense Claim will be paid the full unpaid amount of
18 such Allowed Administrative Expense Claim in Cash on the latest of (i) on, or as soon as reasonably
19 practical after, the Effective Date, (ii) as soon as practicable after the date on which such Claim
20 becomes an Allowed Administrative Expense Claim, (iii) upon such other terms as may be agreed upon
21 by such Holder and the Informal Committee or the Reorganized Debtors, or (iv) as otherwise ordered
22 by the Bankruptcy Court; *provided, however,* that Allowed Administrative Expense Claims
23 representing obligations incurred by the Debtors in the ordinary course of business, or otherwise
24
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1 assumed by the Debtors on the Effective Date pursuant to this Plan, including any tax obligations
2 arising after the Filing Date, will be paid or performed by the Reorganized Debtors when due in
3 accordance with the terms and conditions of the particular agreements or non-bankruptcy law
4 governing such obligations.

5 (b) Except as otherwise provided in this Plan, any Person asserting an
6 Administrative Expense Claim, other than an Administrative Expense Claim (i) previously asserted in
7 connection with the 503(b)(9) Procedures Order, (ii) arising from the operation by the Debtors of their
8 business in the ordinary course of business or (iii) with respect to the fees and expenses of the Informal
9 Committee and its professionals, and the fees and expenses of the Indenture Trustee and its counsel,
10 shall file a proof of such Administrative Expense Claim with the clerk of the Bankruptcy Court within
11 thirty (30) days after the Reorganized Debtors provide notice by mail or by publication, in a form and
12 manner approved by the Bankruptcy Court, of the occurrence of the Effective Date. At the same time
13 any Person files an Administrative Expense Claim, such Person shall also serve a copy of the
14 Administrative Expense Claim upon counsel for the Reorganized Debtors. Any Person who fails to
15 timely file and serve a proof of such Administrative Expense Claim shall be forever barred from
16 seeking payment of such Administrative Expense Claim by the Debtors, the Estates, or the
17 Reorganized Debtors.
18

19 (c) Any Person seeking an award by the Bankruptcy Court of Professional
20 Compensation shall file a final application with the Bankruptcy Court for allowance of Professional
21 Compensation for services rendered and reimbursement of expenses incurred through the Effective
22 Date within thirty (30) days after the Effective Date.
23
24
25

1 Bankruptcy Code, except those Executory Contracts or Unexpired Leases that (1) have been previously
2 assumed or rejected by any Debtor (with the consent of the Informal Committee) pursuant to an order
3 of the Bankruptcy Court, (2) previously expired or terminated pursuant to its own terms, (3) are the
4 subject of a motion to assume or reject filed by any Debtor (with the consent of the Informal
5 Committee) which is pending on the Effective Date, (4) are identified as being Assumed Contracts on
6 Schedule 5.1 to this Plan, or (5) are assumed or rejected pursuant to the terms of this Plan. An
7 Executory Contract or Unexpired Lease that is deemed to be assumed pursuant to the foregoing
8 sentence and the Confirmation Order shall be referred to as an “Assumed Contract.” The Plan
9 Proponents shall file Schedule 5.1 (the contents of which shall be acceptable to the Plan Proponents in
10 their sole discretion) with the Bankruptcy Court and serve Schedule 5.1 on the non-Debtor parties
11 under the agreements listed thereon no later than fifteen (15) days prior to the last date for filing
12 objections to confirmation of this Plan, *provided, however*, that the Plan Proponents may amend
13 Schedule 5.1 at any time prior to the Confirmation Hearing. Entry of the Confirmation Order by the
14 Bankruptcy Court shall constitute approval, as of the Effective Date, of the assumption of the Assumed
15 Contracts and the rejection of the Rejected Contracts pursuant to sections 365(a) and 1123 of the
16 Bankruptcy Code; *provided, however*, if the non-Debtor party to an Assumed Contract objects to the
17 assumption of an Assumed Contract pursuant to the procedures set forth in Article 5.3 of this Plan, and
18 such objection has not been resolved prior to the Effective Date, such Assumed Contract will be
19 deemed to be assumed (if at all) only upon the resolution of such objection pursuant to Article 5.3 of
20 this Plan. Each Executory Contract or Unexpired Lease that is assumed by any Debtor (with the
21 consent of the Informal Committee) under this Plan and pursuant to the Confirmation Order or
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1 pursuant to any other Final Order entered by the Bankruptcy Court shall be deemed to be assigned to
2 the Reorganized Debtors on the later of (i) the Effective Date or (ii) the date of assumption.
3

4 **Section 5.2** *Rejection Damages Claims.* All proofs of claim with respect to Claims arising
5 from the rejection pursuant to this Plan of the Rejected Contracts, if any, must be filed with the clerk of
6 the Bankruptcy Court and served upon counsel for the Reorganized Debtors within thirty (30) days
7 after the date of entry of the Confirmation Order. Any Claims arising from the rejection of Executory
8 Contracts or Unexpired Leases that become Allowed Claims are classified and shall be treated as a
9 Class 4A, 4B or 4C General Unsecured Claim, as applicable. Any Claims arising from the rejection of
10 an Executory Contract or Unexpired Lease not filed within the time required by this section will be
11 forever barred from assertion against the Debtors or the Reorganized Debtors, the Estate and property
12 of the Debtors or Reorganized Debtors.
13

14 **Section 5.3** *Cure of Defaults for Executory Contracts and Unexpired Leases.* The Debtors
15 shall include on Schedule 5.1 the Cure Amount for any Assumed Contract. Any party to an Assumed
16 Contract shall have fifteen (15) days after service of Schedule 5.1 to file with the Court and serve on
17 counsel for the Debtors and the Informal Committee an objection to the Cure Amount listed on
18 Schedule 5.1, an objection to the adequacy of assurance of future performance by the Reorganized
19 Debtors, or any other objection to the assumption of such Assumed Contract. Any such objection shall
20 be resolved by the Bankruptcy Court at the Confirmation Hearing or at such other time as may be
21 agreed to by the affected parties. If the Bankruptcy Court determines that the Cure Amount with
22 respect to an Assumed Contract is greater than the amount listed by the Debtors on Schedule 5.1, the
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1 Plan Proponents may elect to reject the Assumed Contract at issue, in which event, the non-Debtor
2 party to such contract shall be required to file a proof of claim for any damages resulting from such
3 rejection within thirty (30) days after the effective date of such rejection. For each Executory Contract
4 or Unexpired Lease assumed by the Debtors and assigned to the Reorganized Debtors, the Debtors or
5 Reorganized Debtors will pay the Cure Amount as set forth on Schedule 5.1, or as determined by the
6 Bankruptcy Court, on the Initial Distribution Date, or if the Cure Amount has not been determined on
7 the Initial Distribution Date, within thirty (30) days after the Cure Amount has been determined by a
8 Final Order of the Bankruptcy Court.
9

10 **Section 5.4** *Employment Agreements and Other Benefits.*
11

12 (a) Employment Agreements. Except as otherwise provided in this Plan, to the
13 extent the Debtors had employment agreements with any of their executives and key employees as of
14 the Filing Date, the Plan Proponents will disclose on Schedule 5.1 whether they intend to assume or
15 reject such contracts. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors
16 shall maintain all of their existing rights, including, but not limited to, any rights that they may have to
17 amend, modify, or terminate, the employment agreements assumed pursuant to this Article, subject to
18 the existing contractual rights, if any, of the directors, officers or employees affected thereby. Any
19 Holder of a Claim arising from the rejection of an employment agreement must file a proof of claim
20 with the Bankruptcy Court within thirty (30) days of the deemed rejection. Any Claims arising from
21 the rejection of an employment agreement not filed within the time required by this section will be
22 forever barred from assertion against the Debtors or the Reorganized Debtors, the Estate and property
23 of the Debtors or Reorganized Debtors.
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1 (b) Employee Benefit Programs. Except as otherwise provided in this Plan, the Plan
2 Proponents will disclose on Schedule 5.1 all employee compensation or benefit plans, policies or
3 programs of the Debtors applicable generally to their employees that will be assumed pursuant to the
4 Plan. The Debtors and the Reorganized Debtors, as the case may be, will (i) continue to make payment
5 of all retiree benefits (if any) as that term is defined in section 1114 of the Bankruptcy Code (“Section
6 1114”) to the extent and for the duration required by Section 1114, and (ii) continue to be the
7 contributing sponsors of all pension plans which are defined as benefit pension plans by the Pension
8 Benefit Guaranty Corporation (the “PBGC”) under Title IV of the Employee Retirement Income
9 Security Act of 1974 (“ERISA”), 29 U.S.C. ss.1301-1461.
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12 **Section 5.5** *Management Equity Plan*. On or soon as reasonably practicable after the
13 Effective Date, the Board of Directors of Reorganized PTPC shall implement a Management Equity
14 Plan to provide designated members of senior management of Reorganized PTPC with New Common
15 Stock and/or options to purchase shares of New Common Stock representing, an aggregate amount, up
16 to 10% of the New Common Stock issued and outstanding on the Effective Date. The Management
17 Equity Plan will contain terms and conditions that shall be determined by the Board of Directors of
18 Reorganized PTPC.
19

20 **Section 5.6** *Northwest Capital Agreements*. On the Effective Date, Northwest Capital shall
21 be deemed to have waived any and all Claims it may have as of the Effective Date against the Debtors.
22 On the Effective Date, any and all agreements between Northwest Capital and the Debtors shall be
23 terminated and Northwest Capital shall have no claims or rejection damages assertable against any of
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1 the Debtors as a result of such termination. Northwest Capital shall receive no distribution or
2 consideration pursuant to the Plan or otherwise except the distributions described in section 3.8 of the
3 Plan and the releases described in section 10.3 of the Plan.
4

5 **ARTICLE VI**
6 **MEANS FOR IMPLEMENTATION OF PLAN**

7 **Section 6.1** *Continued Corporate Existence.* Except as otherwise provided in this Plan, each
8 of the Debtors will continue to exist after the Effective Date as a separate corporate entity, with all the
9 powers of a corporation under applicable law in the jurisdiction in which each applicable Debtor is
10 incorporated or otherwise formed and pursuant to its certificate or articles of incorporation and by-laws
11 or other organizational documents in effect prior to the Effective Date, except to the extent such
12 certificate or articles of incorporation and by-laws or other organizational documents are amended by
13 this Plan, without prejudice to any right to terminate such existence (whether by merger or otherwise)
14 under applicable law after the Effective Date, provided, however, on the Effective Date, Reorganized
15 PT Holdings may, at the option of the Plan Proponents, redomesticate, by merger or other appropriate
16 means, as a new corporation under the laws of the State of Delaware with a new certificate of
17 incorporation and bylaws. The Debtors directly or indirectly own the Non-Debtor Affiliates and the
18 continued existence, operation and ownership of such Non-Debtor Affiliates is a material component
19 of the Debtors' businesses, and, as set forth in Article 10.1 of this Plan, all of the Debtors' Interests and
20 other property interests in such Non-Debtor Affiliates shall revert in the applicable Reorganized Debtor
21 or its successor on the Effective Date.
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1 **Section 6.2** *Exit Financing.* On the Effective Date, the Reorganized Debtors shall obtain the
2 Exit Financing from the Exit Financing Lenders. A term sheet and/or commitment letter relating to the
3 Exit Financing shall be contained in the Plan Supplement. The operative documents relating to the
4 Exit Financing shall be satisfactory in form and substance to the Plan Proponents, each in their sole
5 discretion. The Reorganized Debtors shall execute on the Effective Date the operative documents
6 relating to the Exit Financing, as applicable, which Exit Financing shall be substantially in
7 conformance with the term sheet and/or commitment letter contained in the Plan Supplement.
8

9 **Section 6.3** *Sources of Cash for Distribution.* All Cash necessary for the Reorganized
10 Debtors to make payments required by this Plan shall be obtained from existing Cash balances, the
11 operations of the Debtors or Reorganized Debtors, the Exit Financing, and any proceeds from the
12 Retained Actions.
13

14 **Section 6.4** *Reinstatement of Interests of PT Holdings.* The Interests held directly and
15 indirectly by PT Holdings in the other Debtors shall be reinstated in accordance with the terms of this
16 Plan.
17

18 **Section 6.5** *Cancellation of Existing Securities and Agreements/Discharge of Indenture*
19 *Trustee.* Except as set forth in this Plan, upon the Effective Date, the Existing Securities shall be
20 cancelled and the holders thereof shall have no further rights or entitlements in respect thereof against
21 the Debtors or Non-Debtor Affiliates except the rights to receive the distributions to be made to such
22 holders under the Plan and all Liens against Non-Debtor Affiliates shall be automatically released. To
23 the extent possible, distributions to be made under the Plan to the beneficial owners of the Secured
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1 Notes shall be made through the Depository Trust Company and its participants. The Confirmation
2 Order shall authorize the Indenture Trustee to take whatever action may be necessary or appropriate, in
3 its reasonable discretion, to deliver the distributions, including, without limitation, obtaining an order
4 of the Bankruptcy Court. On the Effective Date, the Indenture Trustee and its agents shall be
5 discharged of all its obligations associated (i) with the Secured Notes, (ii) the Indenture, and (iii) any
6 related documents, and released from all Claims arising in the Bankruptcy Cases. As of the Effective
7 Date, the Indenture shall be deemed fully satisfied and cancelled, except that such cancellation shall
8 not impair the rights of the holders of the Secured Notes to receive distributions under the Plan, or the
9 rights of the Indenture Trustee under the Indenture Trustee Charging Lien, to the extent that the
10 Indenture Trustee has not received payment as provided for in section 6.6 of the Plan. On the Effective
11 date, all Liens in favor of the Indenture Trustee for the benefit of the holders of the Secured Notes or
12 otherwise arising under the Indenture shall be deemed released.
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15 **Section 6.6** *Indenture Trustee and Informal Committee Expenses.* All fees and expenses of
16 (i) the Indenture Trustee and its counsel and (ii) the Informal Committee and its professionals shall be
17 paid in Cash on the Effective Date by the Debtors or Reorganized Debtors as an Administrative
18 Expense Claim, without the need for application to, or approval of, the Bankruptcy Court. To the
19 extent that the Indenture Trustee in its capacity as trustee under the Indenture provides services related
20 to the Distributions pursuant to this Plan, the Indenture Trustee will be paid by the Reorganized
21 Debtors, without Bankruptcy Court approval, the reasonable compensation for such services and
22 reimbursement of reasonable expenses incurred in connection therewith, with such payments to be
23 made on terms agreed to between the Indenture Trustee and the Reorganized Debtors.
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1 **Section 6.7** *Corporate Action.* Each of the matters provided for under this Plan involving
2 the corporate structure of any Debtor or Reorganized Debtor or any corporate action to be taken by or
3 required of any Debtor or Reorganized Debtor, including without limitation the adoption of the
4 certificates of incorporation and bylaws of each of the Reorganized Debtors as provided for in Article
5 7.1 of this Plan, shall be deemed to have occurred and be effective as provided herein, and shall be
6 authorized, approved and, to the extent taken prior to the Effective Date, ratified in all respects without
7 any requirement of further action by stockholders, members, creditors, directors, or managers of any of
8 the Debtors or the Reorganized Debtors.
9

10 **Section 6.8** *Preservation of Causes of Action.* In accordance with section 1123(b)(3) of the
11 Bankruptcy Code the Reorganized Debtors will retain and may (but are not required to) enforce all
12 Retained Actions. After the Effective Date, the Reorganized Debtors, in their sole and absolute
13 discretion, shall have the right to bring, settle, release, compromise, or enforce such Retained Actions
14 (or decline to do any of the foregoing), without further approval of the Bankruptcy Court. The
15 Reorganized Debtors or any successors, in the exercise of their sole discretion, may pursue such
16 Retained Actions so long as it is the best interests of the Reorganized Debtors or any successors
17 holding such rights of action. The failure of the Debtors to specifically list any claim, right of action,
18 suit, proceeding or other Retained Action in this Plan or the Plan Supplement does not, and will not be
19 deemed to, constitute a waiver or release by the Debtors or the Reorganized Debtors of such claim,
20 right of action, suit, proceeding or other Retained Action, and the Reorganized Debtors will retain the
21 right to pursue such claims, rights of action, suits, proceedings and other Retained Actions in their sole
22 discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion,
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1 estoppel (judicial, equitable or otherwise) or laches will apply to such claim, right of action, suit,
2 proceeding or other Retained Action upon or after the confirmation or consummation of this Plan.
3

4 **Section 6.9** *Effectuating Documents; Further Transactions.* Each of the Debtors (subject to
5 the consent of the Informal Committee) and Reorganized Debtors, and their respective officers and
6 designees, is authorized to execute, deliver, file, or record such contracts, instruments, releases,
7 indentures, and other agreements or documents, and take such actions as may be necessary or
8 appropriate to effectuate and further evidence the terms and conditions of this Plan or to otherwise
9 comply with applicable law.
10

11 **Section 6.10** *Exemption From Certain Transfer Taxes and Recording Fees.* Pursuant to
12 section 1146(c) of the Bankruptcy Code, any transfers from a Debtor to a Reorganized Debtor or to any
13 other Person or entity pursuant to this Plan, or any agreement regarding the transfer of title to or
14 ownership of any of the Debtors' real or personal property will not be subject to any document
15 recording tax, stamp tax, conveyance fee, sales tax, intangibles or similar tax, mortgage tax, stamp act,
16 real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or
17 other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate
18 state or local governmental officials or agents to forego the collection of any such tax or governmental
19 assessment and to accept for filing and recordation any of the foregoing instruments or other
20 documents without the payment of any such tax or governmental assessment.
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1 disclosed by the Plan Proponents prior to the Confirmation Hearing. The members of the initial
2 Boards of Directors or equivalent governing bodies for the Reorganized Debtors, other than
3 Reorganized PT Holdings, shall be selected by the initial Board of Directors for Reorganized PT
4 Holdings and shall consist of officers or directors of Reorganized PT Holdings. To the extent any such
5 Person is an Insider (as defined in section 101(31) of the Bankruptcy Code), the nature of any
6 compensation for such Person will also be disclosed prior to the Confirmation Hearing. Each of the
7 Persons on the initial Boards of Directors of the respective Reorganized Debtors shall serve in
8 accordance with the certificates of incorporation and bylaws of the respective Reorganized Debtor, as
9 the same may be amended from time to time.
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12 (b) Officers. The initial officers of each of the Reorganized Debtors shall be
13 designated by the Informal Committee and disclosed by the Plan Proponents prior to the Confirmation
14 Hearing. To the extent any such Person is an Insider (as defined in section 101(31) of the Bankruptcy
15 Code), the nature of any compensation for such Person will also be disclosed at such time. The initial
16 officers shall serve in accordance with the certificates of incorporation and bylaws of the applicable
17 Reorganized Debtor, as the same may be amended from time to time.
18

19 **Section 7.3** *Issuance of New Securities and Debt Instruments*

20 (a) New Common Stock. On the Effective Date, Reorganized PT Holdings shall
21 issue shares of New Common Stock pursuant to this Plan. The certificate of incorporation for
22 Reorganized PT Holdings, a substantially similar form of which shall be contained in the Plan
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1 Supplement, sets forth the rights and preferences of the New Common Stock. The New Common
2 Stock shall be issued subject to the Shareholder Agreement described in Section 7.5 below.

3 (b) Equity Warrants. On the Effective Date, Reorganized PT Holdings shall issue
4 the Equity Warrants pursuant to this Plan, a substantially similar form of which shall be contained in
5 the Plan Supplement.

6 (c) Noteholder Term Loan Debt. On the Effective Date, the Reorganized Debtors,
7 as co-borrowers, shall issue and distribute the Noteholder Term Loan Debt to the Indenture Trustee, on
8 behalf of all Noteholders, for ultimate distribution, on a Pro Rata basis, to each Holder of an Allowed
9 Secured Notes Claim. A term sheet relating to the Noteholder Term Loan Debt and/or the form of
10 Noteholder Term Loan Documentation shall be contained in the Plan Supplement and shall provide,
11 *inter alia*, that the Noteholder Term Loan Debt shall be (i) guaranteed by the Non-Debtor Affiliates and
12 (ii) secured by security interests in, and Liens on, substantially all of the assets of the Reorganized
13 Debtors and their Non-Debtor Affiliates, subordinate only to the Liens securing the Exit Financing.
14 The operative documents relating to the Noteholder Term Loan Debt shall be satisfactory in form and
15 substance to the Plan Proponents, each in their sole discretion. The Reorganized Debtors shall execute
16 on the Effective Date the operative documents relating to the Noteholder Term Loan Debt, as
17 applicable, which shall be substantially in conformance with the term sheet or form of Noteholder
18 Term Loan Documentation contained in the Plan Supplement.

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22 **Section 7.4** *Registration Rights Agreement*. In the event the Board of Directors of
23 Reorganized PT Holdings determines in its discretion to register any of the New Common Stock with
24 the Securities and Exchange Commission, or if Reorganized PT Holdings is required under the
25

1 Shareholder Agreement or applicable securities laws to register any of the New Common Stock with
2 the Securities and Exchange Commission, any Person receiving Distributions of the New Common
3 Stock issued on the Effective Date that is not entitled to an exemption from registration under
4 applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code, or whose resale of the
5 New Common Stock is otherwise restricted under the securities laws, shall be entitled to become a
6 party to the Registration Rights Agreement. The Registration Rights Agreement shall be satisfactory in
7 form and substance to the Informal Committee in its sole discretion, a substantially similar form of
8 which will be contained in the Plan Supplement.
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11 **Section 7.5** *Shareholder Agreement.* All Holders of New Common Stock will be subject to
12 the Shareholder Agreement which will, among other things, govern each Holder of New Common
13 Stock's access to information with respect to the Reorganized Debtors and the ability to transfer such
14 Holder's New Common Stock. Each certificate representing share(s) of New Common Stock shall
15 bear a legend indicating that the New Common Stock is subject to the Shareholder Agreement. The
16 Shareholder Agreement will be effective as of the Effective Date. The Shareholder Agreement shall be
17 satisfactory in form and substance to the Informal Committee in its sole discretion, a substantially
18 similar form of which will be contained in the Plan Supplement.
19

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21 **ARTICLE VIII**
DISTRIBUTIONS UNDER THE PLAN

22 **Section 8.1** *Disbursing Agent.* Unless otherwise provided for herein, all Distributions under
23 this Plan shall be made by the Reorganized Debtors or their agent. Notwithstanding the foregoing, all
24 Distributions of New Common Stock, Equity Warrants, and Noteholder Term Loan Debt to the Holders
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26 **PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE**
27 **BANKRUPTCY CODE JOINTLY PROPOSED BY THE DEBTORS AND**
28 **THE INFORMAL COMMITTEE OF SENIOR SECURED**
NOTEHOLDERS

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Facsimile (206) 292-2104

1 of Allowed Secured Notes Claims shall be made by the applicable Reorganized Debtor to such Holders
2 through the Indenture Trustee.

3
4 **Section 8.2** *Distributions of Cash.* Any Distribution of Cash made by the Reorganized
5 Debtors pursuant this Plan shall, at the Reorganized Debtor's option, be made by check drawn on a
6 domestic bank or by wire transfer from a domestic bank.

7
8 **Section 8.3** *No Interest on Claims or Interests.* Unless otherwise specifically provided for in
9 this Plan, the Confirmation Order, or a postpetition agreement in writing between the Debtors and a
10 Holder, postpetition interest shall not accrue or be paid on Claims, and no Holder shall be entitled to
11 interest accruing on or after the Filing Date on any Claim. Additionally, and without limiting the
12 foregoing, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the
13 Effective Date to the date a Final Distribution is made when and if such Disputed Claim becomes an
14 Allowed Claim.

15
16 **Section 8.4** *Delivery of Distributions.* The Distribution to a Holder of an Allowed Claim
17 shall be made by the Reorganized Debtors (a) at the address set forth on the proof of claim filed by
18 such Holder, (b) at the address set forth in any written notices of address change delivered to the
19 Debtors or Reorganized Debtors after the date of any related proof of claim, (c) at the addresses
20 reflected in the Schedules if no proof of claim has been filed and the Debtors or Reorganized Debtors
21 have not received a written notice of a change of address, (d) if the Holder's address is not listed in the
22 Schedules, at the last known address of such Holder according to the Debtor's books and records, or
23 (e) in the case of Secured Notes Claims, to the Indenture Trustee for ultimate distribution to the Record
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1 Holders of such Secured Notes Claims. If any Holder's Distribution is returned as undeliverable, no
2 further Distributions to such Holder shall be made unless and until the Reorganized Debtors are
3 notified of such Holder's then-current address, at which time all missed Distributions shall be made to
4 such Holder without interest. All Distributions returned to the Reorganized Debtors and not claimed
5 within six (6) months of return shall be irrevocably retained by the Reorganized Debtors
6 notwithstanding any federal or state escheat laws to the contrary. Upon such reversion, the claim of
7 any Holder or their successors with respect to such property shall be discharged and forever barred
8 notwithstanding any federal or state escheat laws to the contrary.
9

10
11 **Section 8.5** *Distributions to Holders as of the Record Date.* All Distributions on Allowed
12 Claims shall be made to the Record Holders of such Claims. As of the close of business on the Record
13 Date, the Claims register maintained by the Bankruptcy Court shall be closed, and there shall be no
14 further changes in the Record Holder of any Claim. The Reorganized Debtors shall have no obligation
15 to recognize any transfer of any Claim occurring after the Record Date. The Reorganized Debtors
16 shall instead be entitled to recognize and deal for all purposes under this Plan with the Record Holders
17 as of the Record Date.
18

19 **Section 8.6** *De Minimis Distributions.* Neither the Reorganized Debtors nor the Indenture
20 Trustee shall have an obligation to make a Distribution if the amount to be distributed to the specific
21 Holder of the Allowed Claim has a value less than fifty dollars (\$50.00).
22

23 **Section 8.7** *Fractional Securities; Fractional Dollars.* Any other provision of this Plan
24 notwithstanding, payments of fractions of shares of New Common Stock or Equity Warrants will not
25

1 be made and shall be deemed to be zero. Any other provision of this Plan notwithstanding, the
2 Reorganized Debtors shall not be required to make Distributions or payments of fractions of dollars.
3 Whenever any payment of a fraction of a dollar under this Plan would otherwise be called for, the
4 actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with
5 half dollars or less being rounded down.
6

7 **Section 8.8** *Withholding Taxes.* The Debtors or the Reorganized Debtors, as the case may
8 be, shall comply with all withholding and reporting requirements imposed by any federal, state, local,
9 or foreign taxing authority, and all Distributions under this Plan shall be subject to any such
10 withholding and reporting requirements.
11

12 **ARTICLE IX**
13 **PROCEDURES FOR TREATING AND RESOLVING DISPUTED CLAIMS**

14 **Section 9.1** *Objections to Claims.* The Reorganized Debtors shall be entitled to object to
15 Claims, provided, however, that the Debtors and Reorganized Debtors shall not be entitled to object to
16 Claims (i) that have been Allowed by a Final Order entered by the Bankruptcy Court prior to the
17 Effective Date or (ii) that are Allowed by the express terms of this Plan. Any objections to Claims
18 must be filed by the Claims Objection Deadline.
19

20 **Section 9.2** *No Distributions Pending Allowance.* Except as otherwise provided herein, no
21 Distributions will be made with respect to any portion of a Claim unless and until (i) the Claims
22 Objection Deadline has passed and no objection to such Claim has been filed, or (ii) any objection to
23

1 such Claim has been settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy
2 Court.

3
4 **Section 9.3** *Estimation of Claims.* The Plan Proponents or the Reorganized Debtors, as the
5 case may be, may, at any time, request that the Bankruptcy Court estimate any contingent or
6 unliquidated Claim pursuant to section 502 of the Bankruptcy Code regardless of whether the Plan
7 Proponents or the Reorganized Debtors have previously objected to such Claim or whether the
8 Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to
9 estimate any Claim at any time during litigation concerning any objection to any Claim, including
10 during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy
11 Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the
12 Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the
13 Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Plan
14 Proponents (and after the Effective Date, the Reorganized Debtors) may elect to pursue any
15 supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned
16 Claims objection, estimation and resolution procedures are cumulative and are not necessarily
17 exclusive of one another.
18

19
20 **Section 9.4** *Resolution of Claims Objections.* On and after the Effective Date, the
21 Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve, or withdraw
22 any objections to Claims without approval of the Bankruptcy Court.
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1 **Section 9.5** *Distribution Reserve.* When making distributions with respect to General
2 Unsecured Claims in Classes 4A-4C, the Reorganized Debtors shall reserve (the “Distribution
3 Reserve”) for Disputed General Unsecured Claims that would, if Allowed, be entitled to a Distribution.
4 As to any Disputed General Unsecured Claim, upon a request for estimation by the Plan Proponents or
5 Reorganized Debtors as set forth in section 9.3 of this Plan, the Bankruptcy Court will determine what
6 amount is sufficient to withhold as the Distribution Reserve. The Plan Proponents or Reorganized
7 Debtors will request estimation for every Disputed General Unsecured Claim that is unliquidated, and
8 the Debtors will withhold the Distribution Reserve based upon the estimated amount of each such
9 Claim as set forth in a Final Order. The Plan Proponents or Reorganized Debtors may also request
10 estimation of a Disputed General Unsecured Claim that is liquidated. If the Plan Proponents or
11 Reorganized Debtors elect not to request such estimation from the Court with respect to a Disputed
12 General Unsecured Claim that is liquidated, the Debtors will withhold as the Distribution Reserve
13 based upon the asserted amount of such Claim.
14
15

16 **Section 9.6** *Timing of Distributions to Classes 4A-4C.* Distributions to Holders of Allowed
17 General Unsecured Claims in Classes 4A-4C shall be made on each Distribution Date. Immediately
18 prior to each Distribution Date, the Debtors or Reorganized Debtors shall make a recalculation of the
19 Pro Rata shares of Holders of Allowed General Unsecured Claims in Classes 4A-4C. Excess assets (if
20 any) in the Distribution Reserve shall be distributed to Holders of Allowed General Unsecured Claims
21 in Classes 4A-4C on the Final Distribution Date.
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1 Interests without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code
2 or Bankruptcy Rules, other than those restrictions expressly imposed by this Plan or the Confirmation
3 Order.
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5 **Section 10.2** *Release and Discharge of the Debtors.* Pursuant to section 1141(d) of the
6 Bankruptcy Code, except as otherwise specifically provided in this Plan or in the Confirmation Order,
7 the Distributions and rights that are provided in this Plan shall be in complete satisfaction, discharge,
8 and release of all Claims, whether known or unknown, against, liabilities of, Liens on, obligations of,
9 rights against, and Interests in the Debtors, the Reorganized Debtors or their Estates that arose prior to
10 the Effective Date.
11

12 **Section 10.3** *Release and Discharge of Non-Debtor Affiliates.* In addition to the terms of
13 section 10.2 above, each holder of a Secured Notes Claim and the Indenture Trustee shall be deemed to
14 have forever waived, released, and discharged the Non-Debtor Affiliates of any Liens, Claims, claims,
15 causes of action, rights, or liabilities arising from the Guarantees granted to the holders of the Secured
16 Notes Claims under the Indenture as well as any Secured Notes Deficiency Claims. In addition, the
17 Confirmation Order shall authorize the Indenture Trustee to take whatever action may be necessary or
18 appropriate, in its reasonable discretion, to effectuate the foregoing, including, without limitation,
19 providing a release of the Liens.
20
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22 **Section 10.4** *Mutual Releases.* On the Effective Date, and to the greatest extent permissible
23 by law, (i) the Debtors and Reorganized Debtors, on behalf of themselves and their estates, (ii) all of
24 the Debtors' respective officers, directors, employees, legal and financial advisors, and other
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26 **PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE**
27 **BANKRUPTCY CODE JOINTLY PROPOSED BY THE DEBTORS AND**
28 **THE INFORMAL COMMITTEE OF SENIOR SECURED**
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1 representatives of the Debtors who served in such capacity on or subsequent to the Filing Date, in their
2 capacity as such, (iii) all shareholders of the Debtors as of the Filing Date, including, without
3 limitation, Northwest Capital, in its capacity as such and (iv) the members of the Informal Committee
4 including their legal and financial advisors, in their capacity as such (collectively clauses (i) through
5 (iv) being the “Released Parties”, and each a “Released Party”), shall be deemed to and hereby
6 unconditionally and irrevocably release each other from any and all claims or Causes of Action, known
7 or unknown, relating to any pre-Filing Date acts or omissions, except that no Released Party shall be
8 released from any act or omission that constitutes willful misconduct or fraud.
9

10
11 **Section 10.5** *Setoffs.* The Debtors may, but shall not be required to, set off against any Claim,
12 and the payments or other Distributions to be made pursuant to this Plan in respect of such Claim,
13 claims of any nature whatsoever that the Debtors may have against such Holder; but neither the failure
14 to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors
15 or the Reorganized Debtors of any such claim that the Debtors or the Reorganized Debtors may have
16 against such Holder.
17

18 **Section 10.6** *Exculpation and Limitation of Liability.* The Debtors, the Reorganized Debtors,
19 the Non-Debtor Affiliates, Northwest Capital, in its capacity as a shareholder of PT Holdings, the
20 Informal Committee, the members of the Informal Committee in their capacities as such, the Indenture
21 Trustee, in its capacity as such, and the DIP Lenders, and any of such parties’ respective current and/or
22 post-Filing Date and pre-Effective Date members, officers, directors, employees, advisors, attorneys,
23 representatives, financial advisors, investment bankers, or agents and any of such parties’ successors
24
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1 and assigns, shall not have or incur, and are hereby released from, any claim, obligation, cause of
2 action, or liability to one another or to any Holder of any Claim or Interest, or any other party-in-
3 interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or
4 Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to,
5 or arising out of the Bankruptcy Cases, the negotiation and filing of this Plan, the filing of the
6 Bankruptcy Cases, the pursuit of confirmation of this Plan, the consummation of this Plan, or the
7 administration of this Plan or the property to be distributed under this Plan, except for their willful
8 misconduct or fraud, and in all respects shall be entitled to reasonably rely upon the advice of counsel
9 with respect to their duties and responsibilities under this Plan.
10
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12 **Section 10.7** *Injunction.* Except as otherwise expressly provided herein or in the
13 Confirmation Order, all Persons or entities who have held, hold, or may hold Claims against or
14 Interests in the Debtors are permanently enjoined, from and after the Effective Date, from: (i)
15 commencing or continuing in any manner any action or other proceeding of any kind on any such
16 Claim or Interest against any of the Reorganized Debtors or the Non-Debtor Affiliates on account of
17 such Claims or Interests; (ii) the enforcement, attachment, collection, or recovery by any manner or
18 means of any judgment, award, decree, or order against any Reorganized Debtor or Non-Debtor
19 Affiliate with respect to such Claim or Interest; (iii) creating, perfecting, or enforcing any encumbrance
20 of any kind against any Reorganized Debtor or Non-Debtor Affiliate or against the property or interests
21 in property of any Reorganized Debtor or Non-Debtor Affiliate with respect to such Claim or Interest;
22 (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation owed
23 to any Reorganized Debtor or Non-Debtor Affiliate or against the property or interest in property of
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1 any Reorganized Debtor or Non-Debtor Affiliate with respect to such Claim or Interest; and (v)
2 pursuing any claim released pursuant to this section 11 of the Plan.

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4 **Section 10.8** *Effect of Effective Date.*

5 (a) Binding Effect. On the Effective Date, the provisions of this Plan shall be
6 binding on the Debtors, the Estates, all Holders of Claims against or Interests in the Debtors, and all
7 other parties-in-interest whether or not such Holders are Impaired and whether or not such Holders
8 have accepted this Plan.

9 (b) Effect of Effective Date on Automatic Stay. Except as provided otherwise in
10 this Plan, from and after the Effective Date, the automatic stay of section 362(a) of the Bankruptcy
11 Code shall terminate.

12 (c) Filing of Reports. The Reorganized Debtors shall file all reports and pay all fees
13 required by the Bankruptcy Code, Bankruptcy Rules, U.S. Trustee guidelines, and the rules and orders
14 of the Bankruptcy Court.

15 (d) Post-Effective Date Retention of Professionals. Upon the Effective Date, any
16 requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code in
17 seeking retention or compensation for services rendered after such date will terminate, and the
18 Reorganized Debtors will employ and pay professionals in the ordinary course of business.
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ARTICLE XI
CONDITIONS PRECEDENT

Section 11.1 *Conditions to Confirmation.* As a condition precedent to confirmation of this Plan that may be satisfied or waived in accordance with Article 11.3 of this Plan, the Confirmation Order shall have been signed by the Bankruptcy Court and entered on the docket of the Bankruptcy Cases within one hundred and ten (110) days of the Filing Date, which Confirmation Order is in form and substance acceptable to the Plan Proponents each in their sole discretion.

Section 11.2 *Conditions to the Effective Date.* The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.3 of this Plan:

(a) The Confirmation Order in form and substance acceptable to the Plan Proponents each in their sole discretion shall have become a Final Order and shall not have been vacated or modified;

(b) Not more than one hundred and twenty-two (122) days shall have passed since the Filing Date;

(c) All documents and agreements to be executed on the Effective Date or otherwise necessary to implement this Plan (including, without limitation, corporate governance documents, the Noteholder Term Loan Documentation, the Registration Rights Agreement, the Shareholder Agreement, and the Exit Financing) shall be in form and substance satisfactory to the Informal Committee in its sole discretion (except if otherwise expressly required by the Plan, in form and

1 substance satisfactory to the Plan Proponents, each in their sole discretion) and shall be effective on the
2 Effective Date;

3 (d) The Exit Financing shall have been closed and funded, subject to its terms;

4 (e) The Debtors shall have received any authorization, consent, regulatory approval,
5 ruling, letter, opinion, or document that may be necessary to implement this Plan or that is required by
6 law, regulation, or order; and
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8 (f) The New Common Stock and Noteholder Term Loan Debt have been issued in
9 accordance with the Plan.

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11 **Section 11.3** *Waiver of Conditions to Confirmation or Consummation.* The conditions set
12 forth in Section 11.1 and Section 11.2 of this Plan may be waived, in whole or in part, by the Informal
13 Committee without any notice to any other parties in interest or the Bankruptcy Court and without a
14 hearing, other than notice shall be provided to the Debtors and the Creditors' Committee, *provided,*
15 *however,* the conditions in Section 11.1, 11.2(a), 11.2(d), 11.2(e) and 11.2(f) of the Plan may only be
16 waived, in whole or in part, by consent of both Plan Proponents, each in their sole discretion. The
17 failure to satisfy or waive any condition to the Confirmation Date or the Effective Date may be
18 asserted by the Informal Committee or, as applicable, the Plan Proponents, regardless of the
19 circumstances giving rise to the failure of such condition to be satisfied (including any action or
20 inaction by the Informal Committee or the Debtors). The failure of the Informal Committee or, as
21 applicable, the Plan Proponents, to exercise any of the foregoing rights shall not be deemed a waiver of
22 any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any
23 time.
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1 **ARTICLE XII**
2 **RETENTION AND SCOPE OF JURISDICTION OF THE BANKRUPTCY COURT**

3 **Section 12.1** *Retention of Jurisdiction.* Subsequent to the Effective Date, the Bankruptcy
4 Court shall have or retain jurisdiction for the following purposes:

5 (a) To adjudicate objections concerning the allowance, priority or classification of
6 Claims or Interests and any subordination thereof, and to establish a date or dates by which objections
7 to Claims must be filed to the extent not established herein;

8 (b) To liquidate the amount of any disputed, contingent or unliquidated claim, to
9 estimate the amount of any Disputed, contingent or unliquidated Claim, and to establish the amount of
10 any reserve required to be withheld from any Distribution under this Plan.

11 (c) To resolve all matters related to the rejection, and assumption and/or assignment
12 of any Executory Contract or Unexpired Lease of the Debtors;

13 (d) To hear and rule upon all Retained Actions, Avoidance Actions and other Causes
14 of Action commenced and/or pursued by the Debtors and/or the Reorganized Debtors;

15 (e) To hear and rule upon all applications for Professional Compensation;

16 (f) To remedy any defect or omission or reconcile any inconsistency in this Plan, as
17 may be necessary to carry out the intent and purpose of this Plan;

18 (g) To construe or interpret any provisions in this Plan and to issue such orders as
19 may be necessary for the implementation, execution and consummation of this Plan, to the extent
20 authorized by the Bankruptcy Code;

1 (h) To adjudicate controversies arising out of the administration of the Estates or the
2 implementation of this Plan;

3 (i) To make such determinations and enter such orders as may be necessary to
4 effectuate all the terms and conditions of this Plan, including the Distribution of funds from the Estates
5 and the payment of claims;

6 (j) To determine any suit or proceeding brought by the Debtors and/or the
7 Reorganized Debtors to recover property under any provisions of the Bankruptcy Code;

8 (k) To hear and determine any tax disputes concerning the Debtors and to determine
9 and declare any tax effects under this Plan;

10 (l) To determine such other matters as may be provided for in this Plan or the
11 Confirmation Order or as may be authorized by or under the provisions of the Bankruptcy Code;

12 (m) To determine any controversies, actions or disputes that may arise under the
13 provisions of this Plan, or the rights, duties or obligations of any Person under the provisions of this
14 Plan; and
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16 (n) To enter a final decree.
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19 **Section 12.2** *Alternative Jurisdiction.* In the event that the Bankruptcy Court is found to lack
20 jurisdiction to resolve any matter, then the District Court shall hear and determine such matter. If the
21 District Court does not have jurisdiction, then the matter may be brought before any court having
22 jurisdiction with regard thereto.
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1 or before confirmation, any votes to accept or reject this Plan shall be deemed to be votes to accept or
2 reject this Plan as modified, unless the Bankruptcy Court finds that the modification materially and
3 adversely affects the rights of parties in interest which have cast said votes. The Plan Proponents
4 reserve the right in accordance with section 1127 of the Bankruptcy Code to modify this Plan at any
5 time before the Confirmation Date.
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7 **Section 13.2** *Securities Law Matters.* It is an integral and essential element of the Plan that
8 the issuance of the New Common Stock, Equity Warrants and, if applicable, Noteholder Term Debt,
9 pursuant to the Plan shall be exempt from registration under the Securities Act, pursuant to Section
10 1145 of the Bankruptcy Code and from registration under state securities laws. Any New Common
11 Stock, Equity Warrants and, if applicable, Noteholder Term Debt, issued to an “affiliate” of the Debtors
12 within the meaning of the Securities Act or any Person the Debtors reasonably determine to be an
13 “underwriter,” and which does not agree to resell such securities only in “ordinary trading
14 transactions,” within the meaning of Section 1145(b)(1) of the Bankruptcy Code shall be subject to
15 such transfer restrictions and bear such legends as shall be appropriate to ensure compliance with the
16 Securities Act. Nothing in the Plan is intended to preclude the Securities and Exchange Commission
17 from exercising its police and regulatory powers relating to the Debtors or any other entity.
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20 **Section 13.3** *Plan Supplement.* The Plan Supplement which will contain, among other things,
21 the certificates of incorporation and bylaws for each of the Reorganized Debtors, the Registration
22 Rights Agreement, the Shareholder Agreement, term sheet and/or commitment letter for Exit
23 Financing, term sheet for the Noteholder Term Loan Debt or form of Noteholder Term Loan
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1 Documentation, form of Equity Warrant, and schedules of the directors and officers of the Reorganized
2 Debtors, shall be filed with the Bankruptcy Court no later than ten (10) days prior to the date set for the
3 Confirmation Hearing. Notwithstanding the foregoing, the Plan Proponents may amend the Plan
4 Supplement and any attachments thereto, through and including the Confirmation Date.
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6 **Section 13.4** *Allocation of Plan Distributions Between Principal and Interest.* To the extent
7 that any Allowed Claim entitled to a Distribution under this Plan is composed of indebtedness and
8 accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law,
9 be allocated for United States federal income tax purposes to the principal amount of the Claim first
10 and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of
11 the Claim representing accrued but unpaid interest.
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13 **Section 13.5** *Creditors' Committee.* On the Effective Date, the Creditors' Committee shall
14 dissolve automatically, whereupon its members, professionals, and agents shall be released from any
15 further duties and responsibilities in the Bankruptcy Cases and under the Bankruptcy Code, except for
16 the limited purposes of filing applications for Professional Compensation in accordance with Article
17 4.2(c) of this Plan.
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19 **Section 13.6** *Applicable Law.* Except to the extent that the Bankruptcy Code or the
20 Bankruptcy Rules are applicable, the rights and obligations arising under this Plan shall be governed
21 by the laws of the State of Washington.
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1 **Section 13.7** *Preparation of Estates' Returns and Resolution of Tax Claims.* The Debtors or
2 Reorganized Debtors shall file all tax returns and other filings with governmental authorities and may
3 file determination requests under section 505(b) of the Bankruptcy Code to resolve any Disputed
4 Claim relating to taxes with a governmental authority.
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6 **Section 13.8** *Headings.* The headings of the Articles and the sections of this Plan have been
7 used for convenience only and shall not limit or otherwise affect the meaning thereof.
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9 **Section 13.9** *Revocation of Plan.* The Plan Proponents reserve the right, unilaterally and
10 unconditionally, to revoke and/or withdraw this Plan at any time prior to entry of the Confirmation
11 Order, and upon such revocation and/or withdrawal this Plan shall be deemed null and void and of no
12 force and effect.
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14 **Section 13.10** *Severability of Plan Provisions.* If, prior to entry of the Confirmation Order, any
15 term or provision of the Plan is held by the Bankruptcy Court to be illegal, unenforceable,
16 impermissible, invalid, or void, or otherwise constitute grounds for denying confirmation of the Plan,
17 the Bankruptcy Court shall, with the consent of the Plan Proponents, have the power to interpret,
18 modify or delete such term or provision (or portions thereof) to make it valid and enforceable to the
19 maximum extent practicable, consistent with the original purpose of the term or provision held to be
20 illegal, unenforceable, impermissible, invalid, or void, and such term shall then be operative as
21 interpreted, modified or deleted. Notwithstanding any such interpretation, modification or deletion, the
22 remainder of the terms and provisions of the Plan shall in no way be affected, impaired, or invalidated
23 by such interpretation, modification, or deletion.
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1 **Section 13.11** *Confirmation of Plans for Separate Debtors.* In the event the Plan Proponents
2 are unable to confirm this Plan with respect to all Debtors, the Plan Proponents reserve the right,
3 unilaterally and unconditionally, to proceed with this Plan with respect to any Debtor for which the
4 confirmation requirements of the Bankruptcy Code are met.
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6 **Section 13.12** *No Admissions; Objection to Claims.* Nothing in this Plan shall be deemed to
7 constitute an admission that any individual, corporation, partnership, trust, venture, governmental unit,
8 or any other form of legal entity as being the Holder of a Claim is the Holder of an Allowed Claim,
9 except as expressly provided in this Plan. The failure of the Plan Proponents to object to or examine
10 any Claim for purposes of voting shall not be deemed a waiver of the Plan Proponents rights to object
11 to or reexamine such Claim in whole or in part.
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13 **Section 13.13** *No Bar to Suits.* Except as otherwise provided in Article X of this Plan, neither
14 this Plan nor confirmation hereof shall operate to bar or estop the Debtors or Reorganized Debtors
15 from commencing any Cause of Action, or any other legal action against any Holder of a Claim or any
16 individual, corporation, partnership, trust, venture, governmental unit, or any other form of legal entity,
17 whether such Cause of Action, or any other legal action arose prior to or after the Confirmation Date
18 and whether or not the existence of such Cause of Action, or any other legal action was disclosed in
19 any disclosure statement filed by the Debtors in connection with this Plan or whether or not any
20 payment was made or is made on account of any Claim.
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