

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	CASE NO. 15-35615
RAAM GLOBAL ENERGY COMPANY,	§	
<i>et al.</i>	§	(Chapter 11)
	§	
DEBTORS.	§	JOINTLY ADMINISTERED

**ORDER CONFIRMING SECOND AMENDED JOINT PLAN OF LIQUIDATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

On January 19 [and 20], 2016, the Bankruptcy Court held hearings (the “Confirmation Hearing”) to consider confirmation of the *Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* (as supplemented, amended, or modified, the “Plan”)¹ filed by the Debtors.

On December 21, 2015, the Debtors filed their *Second Amended Disclosure Statement for the Debtors’ Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 265] (as supplemented, amended or modified, the “Disclosure Statement”). On December 29, 2015, the Debtors filed the *Notice of Final/Solicitation Versions of Disclosure Statement, Plan, Ballots, and Notices* [Docket No. 286].

On December 22, 2015, the Bankruptcy Court entered its *Order (I) Approving Disclosure Statement and the Form and Manner of Service Related Thereto; (II) Setting Dates for the Objection Deadline and Hearing Relating to Confirmation of the Plan; and (III) Authorizing Related Relief* [Docket No. 271] (the “Disclosure Statement Order”).

¹ Capitalized terms not defined herein shall have the meaning given to them in the Plan.

On January 4, 2016, the Debtors filed their *Plan Supplement for Debtors' Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 299] (as supplemented, amended, or modified, the "Plan Supplement"), which included, among other things, a form of Liquidating Trust Agreement (as the same may be modified, supplemented or amended from time to time, the "Liquidating Trust Agreement") and a form of Transition Services Agreement (as the same may be modified, supplemented or amended from time to time the "TSA"). The Plan Supplement was amended and supplemented by the *Amendment to Plan Supplement for Debtors' Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 358] that was filed on January 14, 2016, and the *Second Amendment to Plan Supplement for Debtors' Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 367] that was filed on January 15, 2016.

In support of Confirmation of the Plan, the Debtors filed, among other things, the *Declaration of Voting Agent Regarding Solicitation and Tabulation of Votes in Connection with the Joint Plan of Liquidation Under Chapter 11* [Docket No. 366] (the "BMC Declaration").

Based upon the Bankruptcy Court's review of, among other things, (i) the Plan, (ii) the Plan Supplement, including the Liquidating Trust Agreement and TSA, (iii) the BMC Declaration, (iv) objections to Confirmation of the Plan, the Debtors' responses to the same, and settlements announced on the record at the Confirmation Hearing in connection with same, (v) exhibits admitted and other evidence presented or proffered at the Confirmation Hearing, (vi) representations and arguments of counsel at the Confirmation Hearing, (vii) the docket of the Bankruptcy Cases, and (viii) other relevant factors affecting these Bankruptcy Cases, the Bankruptcy Court makes the following findings of fact and conclusions of law, and issues this

Order Confirming Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Jurisdiction and Venue

A. Jurisdiction; Venue; Core Proceeding. The Bankruptcy Court has jurisdiction over these Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue in the Bankruptcy Court is proper under 28 U.S.C. §§ 1408 and 1409. Each of the Debtors was and is qualified to be a debtor under Bankruptcy Code § 109. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2), including those proceedings set forth in subsections (b)(2)(A), (B), (G), (I), (K), (L), (M), and (O), and the Bankruptcy Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

Notice, Solicitation and Acceptance

B. Service of Solicitation Materials and Notices. As evidenced by certificates of service filed on the docket of these Cases, all appropriate pleadings, notices, and Ballots were transmitted, mailed, and served to the extent required by the Disclosure Statement Order and Bankruptcy Rule 3017(d). The Balloting Agent mailed, by first class mail, either in paper form or on a compact disc: (a) a copy of the Disclosure Statement Order; (b) a copy of the Disclosure Statement with the Plan attached thereto as an exhibit; (c) the General Notice in the form as approved by the Disclosure Statement Order; (d) an appropriate Ballot Notice in the form as approved by the Disclosure Statement Order; and (e) a return addressed envelope (the "Solicitation Package") to (i) Holders of Claims in Classes 2, 3A, 3B, 5, 6, and 7; and (ii) the appropriate nominee for Holders of Senior Secured Notes; (b) a copy of the Notice of Unimpaired Status to Classes 1 and 4; and (c) a copy of the Notice of Fully Impaired Status to

Holders of Claims and Equity Interests that are designated as fully impaired under the Plan in Classes 8, 9, and 10.

C. Adequate Notice of Confirmation Hearing. In accordance with Bankruptcy Rules 2002, 3018, 3019, 6004, 6006, 9007 and 9014, and the Disclosure Statement Order, adequate notice of the time for filing objections to Confirmation of the Plan and the authorizations and transfers contemplated thereby and adequate notice of the Confirmation Hearing was provided to all holders of Claims and Equity Interests and other parties in interest entitled to receive such notice under the Bankruptcy Code and the Bankruptcy Rules. No other or further notice of the Confirmation Hearing or Confirmation of the Plan is necessary or required.

D. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record, the Debtors, and their respective directors, officers, employees, managers, members, attorneys, affiliates, agents, and professionals (including but not limited to their attorneys, financial advisors, investment bankers, accountants, solicitation agents, and other professionals that have been retained by such parties) have acted in “good faith” within the meaning of Bankruptcy Code § 1125(e) and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order and applicable non-bankruptcy law in connection with all of their respective activities relating to (1) the solicitation of acceptances or rejections of the Plan, (2) the offer, sale, issuance and distribution of the Liquidating Trust Interests under the Plan, and (3) their participation in the other activities described in Bankruptcy Code § 1125. Votes for acceptance and rejection of the Plan were solicited in good faith and in compliance with Bankruptcy Code §§ 1125 and 1126, Bankruptcy Rules 3017 and 3018, the Disclosure Statement, the Disclosure Statement Order, all other applicable provisions of the

Bankruptcy Code and all other applicable rules, laws and regulations. In addition, all procedures used to distribute the Solicitation Package to holders of Claims and Equity Interests were fair, and conducted in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and all other applicable rules, laws and regulations. Therefore, the Debtors and their respective directors, officers, employees, managers, members, attorneys, affiliates, agents, and professionals are entitled to the full protections afforded by Bankruptcy Code § 1125(e).

Compliance with Bankruptcy Code § 1129

E. The Debtors have satisfied their burden of proof. A plan proponent has the burden to prove the requirements for confirmation by a preponderance of the evidence.² Here, the Debtors have satisfied their burden of proof with respect to Confirmation of the Plan.

F. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code § 1129(a)(1). Congress enacted Bankruptcy Code § 1129(a)(1) to ensure that a plan complies with the Bankruptcy Code's provisions regarding classification of claims and interests (11 U.S.C. § 1122) and the contents of a plan of reorganization (11 U.S.C. § 1123).³ These provisions are discussed in the following paragraphs.

G. Plan Compliance with Bankruptcy Code § 1122. The Plan complies with the classification requirements of the Bankruptcy Code. Classification of claims and interests is governed by Bankruptcy Code § 1122, which provides that “a plan may place a claim or interest

² See *Heartland Fed. Sav. & Loan Ass'n v. Briscoe Enters. (In re Briscoe Enters., Ltd., II)*, 994 F.2d 1160, 1163-65 (5th Cir. 1993) (recognizing that “preponderance of the evidence is the debtor’s appropriate standard of proof both under § 1129(a) and in a cram down”).

³ See S. REP. NO. 95-989, at 126 (1971), reprinted in 1978 U.S.C.C.A.N. 5787; H.R. REP. NO. 95-595, at 412 (1977), reprinted in 1978 U.S.C.C.A.N. 5963; see also *Kane v. Johns-Manville Corp.*, 843 F.2d 636, 648 (2d Cir. 1988).

in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.” 11 U.S.C. § 1122(a). This section does not require that claims or interests within a particular class be identical.⁴ A plan proponent has flexibility in classifying claims, so long as the proponent has some reasonable basis for the classification or the creditor agrees to it.⁵

H. Under the Plan, the Claims or Equity Interests within each Class are substantially similar to the other Claims or Equity Interests within that Class. The Plan classifies Claims and Equity Interests as follows:

Class	Designation	Status	Voting
1	Other Priority Claims	Unimpaired	Deemed to accept
2	First Lien Credit Agreement Claims	Impaired	Entitled to vote
3A	Senior Secured Notes Claims	Impaired	Entitled to vote
3B	Senior Secured Notes Deficiency Claims	Impaired	Entitled to vote
4	Other Secured Claims	Unimpaired	Deemed to accept
5	Ace Claims	Impaired	Entitled to vote

⁴ *In re DRW Property Co.*, 60 B.R. 505, 511 (Bankr. N.D. Tex. 1986); *see also Phoenix Mut. Life Ins. Co. v. Greystone III Joint Venture (In re Greystone III Joint Venture)*, 995 F.2d 1274, 1278-79 (5th Cir. 1991) (“A fair reading of both subsections [of section 1122] suggests that ordinarily ‘substantially similar claims,’ those which share common priority and rights against the debtor’s estate, should be placed in the same class”).

⁵ *See In re Jersey City Med. Center*, 817 F.2d 1055, 1060-61 (3d Cir. 1987) (“Congress intended to afford bankruptcy judges broad discretion [under section 1122 of the Bankruptcy Code] to decide the propriety of plans in light of the facts of each case.”). A plan proponent cannot “classify similar claims differently in order to gerrymander an affirmative vote on a reorganization plan,” but there may be good business reasons to support separate classification. *In re Briscoe Enterprises.*, 994 F.2d at 1167 (quotations omitted); *see also In re The Heritage Org., L.L.C.*, 375 B.R. 230, 288 (Bankr. N.D. Tex. 2007) (“Substantially similar claims must be classified together unless some reason, other than gerrymandering, exists for separating them”).

Class	Designation	Status	Voting
6	General Unsecured Trade Claims	Impaired	Entitled to vote
7	General Unsecured Non-Trade Claims	Impaired	Entitled to vote
8	Intercompany Claims	Impaired	Deemed to reject
9	Equity Interests in RAAM	Impaired	Deemed to reject
10	Equity Interests in RAAM Debtor Subsidiaries	Impaired	Deemed to reject

I. Valid business, legal, and factual reasons exist for the separate classification of each of these Classes of Claims and Equity Interests, and there is no unfair discrimination or gerrymandering between or among the holders of Claims and Equity Interests. Classifying and treating Allowed Senior Secured Notes Deficiency Claims, Ace Claims, General Unsecured Trade Claims, and General Unsecured Non-Trade Claims differently is reasonable and appropriate under the circumstances of these Cases. Similarly, a reasonable justification also exists for the classification of Allowed Other Secured Claims differently from First Lien Credit Agreement Claims and the Senior Secured Notes Claims.

J. In sum, all Claims and Equity Interests within each Class under the Plan are substantially similar and are afforded equal and reasonable treatment, or the claimant has agreed to the classification. Accordingly, the classification of Claims and Equity Interests under the Plan satisfies the requirements of Bankruptcy Code § 1122.

K. The Plan Complies with Bankruptcy Code § 1123. In accordance with Bankruptcy Code § 1123(a), the Plan: (1) designates Classes of Claims and Equity Interests, other than Claims of a kind specified in Bankruptcy Code §§ 507(a)(2), 507(a)(3), or 507(a)(8);

(2) specifies Classes of Claims and Equity Interests that are not Impaired under the Plan; (3) specifies the treatment of Classes of Claims and Equity Interests that are Impaired under the Plan; (4) provides the same treatment for each Claim or Equity Interest of a particular Class, unless the holder of a particular Claim or Equity Interest agrees to less favorable treatment of their respective Claim or Equity Interest; (5) provides for adequate means for the Plan's implementation; (6) is a liquidating plan and accordingly (a) provides for the cancelation, termination, and extinguishment of the Equity Interests in RAAM, (b) does not provide that any holder of Claims, any holder of Equity Interests, or any other Person will receive equity or other interests in RAAM, (c) does not provide for either the Debtors or the Liquidating Trust to issue securities other than the Liquidating Trust Interests (which are not equity securities) to any Person, and (d) provides for the termination of all of the directors, officers, and/or managers of any of the Debtors; and (7) contains only provisions that are consistent with the interests of holders of Claims and Equity Interests and with public policy with respect to the manner of selection of the Liquidating Trustee and Liquidating Trust Committee members on and after the Effective Date. The relief provided in the Plan is fair and necessary for the orderly implementation of the Plan and the administration of the Estates. Therefore, the Plan satisfies the requirements of Bankruptcy Code § 1123(a) and (b).

L. Debtors' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). In accordance with Bankruptcy Code § 1129(a)(2), the Debtors have complied with the applicable provisions of the Bankruptcy Code. The Debtors are proper debtors under Bankruptcy Code § 109. The Debtors have complied with the applicable provisions of the Bankruptcy Code (including §§ 1122, 1123, 1124, 1125, 1126, and 1128), the Bankruptcy Rules (including Bankruptcy Rules 3017, 3018, and 3019), and the Disclosure Statement Order in transmitting the

Plan, the Disclosure Statement, the Ballots, and all related documents and notices, and in soliciting and tabulating votes on the Plan.

M. Votes to accept or reject the Plan were solicited by the Debtors and their respective members, partners, representatives, officers, directors, employees, advisors, attorneys and agents after the Court approved the adequacy of the Disclosure Statement pursuant to Bankruptcy Code § 1125(a).

N. The Debtors and their respective members, partners, representatives, officers, directors, employees, advisors, attorneys, and agents have solicited and tabulated votes on the Plan and have participated in the activities described in Bankruptcy Code § 1125 fairly, in good faith within the meaning of Bankruptcy Code § 1125(e), and in a manner consistent with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable laws, rules, and regulations and are entitled to the protections afforded by Bankruptcy Code § 1125(e) and the exculpation provisions set forth in Article XIV of the Plan.

O. The Debtors and their respective members, officers, directors, employees, advisors, attorneys, and agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the offering, issuance, and distribution of recoveries under the Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or Distributions made pursuant to the Plan, so long as such Distributions are made consistent with and pursuant to the Plan.

P. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). To be confirmed, a plan must have been “proposed in good faith and not by any means forbidden by law.” 11 U.S.C. § 1129(a)(3). A plan is proposed in good faith if there is a reasonable likelihood that the plan will achieve a result consistent with the objectives and purposes of the Bankruptcy Code.⁶ “The requirement of good faith must be viewed in light of the totality of the circumstances surrounding the establishment of a Chapter 11 plan”⁷

Q. The Plan is proposed in good faith and not by any means forbidden by law. The Debtors filed these reorganization cases with the legitimate and honest purpose of developing an orderly process to compensate legitimate claimants while maximizing value. The Plan culminates a reorganization process during which the Debtors consistently have engaged in arm’s-length negotiations among entities having very different and, in many instances, competing interests, all aimed at an over-arching goal of maximizing the value of the Debtors and the recovery to holders of Claims and Equity Interests in accordance with the Bankruptcy Code. In accordance with Bankruptcy Code § 1129(a)(3), the Debtors have proposed the Plan in good faith and not by any means forbidden by law. The treatment of holders of Claims and Equity Interests contemplated by the Plan was negotiated and consummated at arm’s-length, without collusion, and in good faith. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the totality of the circumstances surrounding the formulation of the Plan and the solicitation of votes to accept or reject the Plan. Furthermore, the Plan represents extensive arms-length negotiations among the Debtors and other parties in

⁶ *In re T-H New Orleans Ltd. P’ship*, 116 F.3d at 802; *In re Madison Hotel Assocs.*, 749 F.2d 410, 424-425 (7th Cir. 1984).

⁷ *Brite v. Sun Country Dev. (In re Sun Country Dev.)*, 764 F.2d 406, 408 (5th Cir. 1985); *see also In re JT Thorpe Co.*, 308 B.R. 782, 787 (Bankr. S.D. Tex. 2003).

interest, as well as their respective legal and financial advisors, and reflects the best interests of the Debtors' Estates and holders of Claims and Equity Interests.

R. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). In accordance with Bankruptcy Code § 1129(a)(4), all payments and distributions, made or to be made by the Debtors or the Liquidating Trustee for services or for costs and expenses in, or in connection with, these Cases, or in connection with the Plan and incident to these Cases, have been approved by, or are subject to approval of, the Bankruptcy Court as reasonable, unless otherwise ordered by the Bankruptcy Court.

S. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with Bankruptcy Code § 1129(a)(5). The Persons that must be identified pursuant to Bankruptcy Code § 1129(a)(5) have been identified in the Second Amendment to Plan Supplement for Debtors' Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 367]. These provisions of the Plan are consistent with the interests of Claim and Equity Interest holders and with public policy, thereby satisfying Bankruptcy Code § 1129(a)(5).

T. No Rate Changes (11 U.S.C. § 1129(a)(6)). In accordance with Bankruptcy Code § 1129(a)(6), the Debtors are not subject to any governmental regulation of any rates.

U. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). Bankruptcy Code § 1129(a)(7), the "best interests of creditors test," requires that, with respect to each impaired class, each holder of a claim or interest in the class:

- i. has accepted the plan; or
- ii. will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date.

V. The testimony and liquidation analysis presented by the Debtors' chief restructuring officer, Blackhill Partners LLC, in connection with the Confirmation Hearing, and other evidence admitted at the Confirmation Hearing, establish that the requirements of Bankruptcy Code § 1129(a)(7) are satisfied by the Plan. In accordance with Bankruptcy Code § 1129(a)(7), with respect to Classes of Impaired Claims or Impaired Equity Interests, each holder of a Claim or Equity Interest has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

W. Acceptance or Rejection of Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 4 are not Impaired and thus are deemed to have accepted the Plan. Classes 2, 3A, 3B, and 5 are Impaired, and as demonstrated by the BMC Declaration, those Classes have accepted the Plan in accordance with Bankruptcy Code § 1126(c). Class 6 is Impaired, and as demonstrated by the BMC Declaration, this Class has accepted the Plan in accordance with Bankruptcy Code § 1126(c). Class 7 is Impaired, and as demonstrated by the BMC Declaration, no votes were received from this Class. Classes 8, 9, and 10 are Impaired, and the holders of Claims and Equity Interests in those Classes are not entitled to receive or retain any property under the Plan and they are deemed to have rejected the Plan.

X. Treatment of Administrative, Priority, and Tax Claims (11 § U.S.C. § 1129(a)(9)). The Plan's treatment of Claims of a kind specified in Bankruptcy Code §§ 507(a)(1) through (8) satisfies the requirements set forth in Bankruptcy Code § 1129(a)(9).

Y. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). In accordance with Bankruptcy Code § 1129(a)(10), at least one Class of Claims that is Impaired under the Plan has voted to accept the Plan, without including acceptances of the Plan by any insider.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The evidence proffered or adduced at the Confirmation Hearing with respect to feasibility (1) is persuasive, credible, and accurate as of the dates such analysis was prepared, presented, or proffered, (2) utilizes reasonable and appropriate methodologies and assumptions, (3) has not been controverted by other evidence, (4) establishes that Confirmation of the Plan is not likely to be followed by the need for further financial reorganization or liquidation of the Liquidating Trust except with respect to such liquidation proposed in the Plan, and (5) establishes that the Liquidating Trust will have sufficient funds available to meet their obligations under the Plan. Thus, the Plan satisfies the requirements of Bankruptcy Code § 1129(a)(11).

AA. Payment of Fees (11 U.S.C. § 1129(a)(12)). In accordance with Bankruptcy Code § 1129(a)(12), to the extent that fees payable to the United States Trustee under 28 U.S.C. § 1930(a)(6) have not been paid, the Plan provides for the payment of all such fees on the Effective Date of the Plan and as they come due after the Effective Date.

BB. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). In accordance with Bankruptcy Code § 1129(a)(13), the Plan does not alter retiree benefits to the extent any such benefits currently exist.

CC. Other Provisions of 11 U.S.C. § 1129(a). The provisions of 11 U.S.C. §§ 1129(a)(14), (a)(15), and (a)(16) are not applicable to the Debtors.

DD. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). The Bankruptcy Court finds and concludes that Classes 7, 8, 9, and 10 are Impaired Classes of

Claims and Equity Interests, respectively, that are deemed to have rejected the Plan pursuant to Bankruptcy Code § 1126(g). The Plan does not discriminate unfairly and is fair and equitable with respect to Classes 7, 8, 9, and 10 as required by Bankruptcy Code § 1129(b)(1) and (2).

EE. Class 7 General Unsecured Non-Trade Claims. The Plan is fair and equitable and does not discriminate unfairly as to Class 7. Any difference in treatment between Class 6 and Class 7 is within the reasonable business judgment of the Debtors and is reasonable under the facts and circumstances of these Cases.⁸ Hence, the Plan does not unfairly discriminate as to Class 7. Further, no Class junior to Class 7 will receive any property under the Plan. Hence, the Plan satisfies the fair and equitable test under Bankruptcy Code § 1129(b)(2)(B)(ii) with respect to Class 7.

FF. Class 8 Intercompany Claims. The Plan is fair and equitable and does not discriminate unfairly as to Class 8. Further, no Class junior to Class 8 will receive any property under the Plan. Hence, the Plan satisfies the fair and equitable test under Bankruptcy Code § 1129(b)(2)(B)(ii) with respect to Class 8.

GG. Class 9 and 10–Equity Interests in RAAM and Equity Interests in RAAM Debtor Subsidiaries. The Plan is fair and equitable and does not discriminate unfairly as to Class 9 and 10. With respect to a class of *equity interests*, “fair and equitable” includes the requirement that either (i) each impaired equity interest receives or retains, on account of that equity interest, property of a value equal to the greater of the allowed amount of any fixed liquidation preference

⁸ See, e.g., *In re Eagle Bus Mfg., Inc.*, 134 B.R. 584, 601 (Bankr. S.D. Tex. 1991) (confirming chapter 11 plan because, in part, “Plan does not provide disparate treatment for any similar Claims. Unsecured Claims against each estate are treated similarly unless a reasonable basis exists for different treatment”), *aff’d*, 158 B.R. 421 (S.D. Tex. 1993); *In re Sentry Operating Co. of Texas, Inc.*, 264 B.R. 850, 864 (Bankr. S.D. Tex. 2001) (noting that treating trade claims differently than deficiency claim of non-recourse creditor may be justified where “outside of bankruptcy the non-recourse creditor has no expectations of recovery on its deficiency claim”); *In re Houston Regional Sports Network, LP*, No. 13-35998 (Bankr. S.D. Tex. October 30, 2014) (rejecting unfair discrimination objection and stating, “The best interest of the business, if you really sit back and look at this objectively, is to pay trade creditors . . .”).

to which the holder is entitled, any fixed redemption price to which the holder is entitled, *or the value of the equity interest*, or (ii) the holder of any equity interest that is junior to the equity interest of that class will not receive or retain under the plan, on account of that junior equity interest, any property. 11 U.S.C. § 1129(b)(2)(C).

HH. Based on the evidence, the value of the Equity Interests in the Debtors is negative. Accordingly, the first prong of Bankruptcy Code § 1129(b)(2)(C) is satisfied. In addition, no junior classes will receive any property under the Plan, so the second prong of Bankruptcy Code § 1129(b)(2)(C) is also satisfied.

II. Therefore, the Plan may be confirmed as to Classes 1, 2, 3A, 3B, 4, 5, 6, 7, 8, 9 and 10. Upon Confirmation and the occurrence of the Effective Date, the Plan shall be binding upon the members of all Classes of Claims and Equity Interests, including, but not limited to, Classes 1, 2, 3A, 3B, 4, 5, 6, 7, 8, 9 and 10.

JJ. Only One Plan – 11 U.S.C. § 1129(c). The Bankruptcy Court finds and concludes that, other than the Plan (including previous versions thereof), no other plan has been filed in the Cases. Accordingly, the requirements of Bankruptcy Code § 1129(c) have been satisfied.

KK. Principal Purpose (11 U.S.C. § 1129(d)). No Person, including but not limited to the SEC (as defined below) or any other Governmental Authority, has requested that the Bankruptcy Court deny Confirmation on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of section 5 of the 1933 Act. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the 1933 Act.

LL. Burden of Proof. The Debtors have met their burden of proving the elements of Bankruptcy Code §§ 1129(a) and (b).

Appeal of this Confirmation Order

MM. The reversal or modification on appeal of this Confirmation Order does not affect the validity of the authorizations and transfers contemplated under the Plan with respect to an entity that acquired property or an interest in property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorizations and transfers contemplated under the Plan are stayed pending appeal.

Securities Findings and Conclusions/Exemptions

NN. Issuance of Liquidating Trust Interests. The Liquidating Trust constitutes or will constitute a “successor” and a “newly organized successor” to the Debtors under the Plan solely for purposes of Bankruptcy Code §§ 1145 and 1125(e) and each of the Debtors has participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, sale, issuance and distribution of the Liquidating Trust Interests. With respect to the offer, sale, issuance and distribution of the Liquidating Trust Interests (to the extent such interests and/or rights constitute securities under the 1933 Act or any State or local law) pursuant to the terms of the Plan, (1) neither the Debtors nor the Liquidating Trust are underwriters within the meaning of Bankruptcy Code § 1145(b), (2) the offer, sale, issuance and distribution of the Liquidating Trust Interests shall be pursuant to the Plan, (3) the Liquidating Trust Interests are to be distributed in exchange for Claims against the Debtors, and (4) the Liquidating Trust Interests (to the extent constituting a security under the 1933 Act or any State or local law), constitute securities of a successor or newly organized successor to the Debtors under the Plan for purposes of Bankruptcy Code §§ 1145 and 1125(e). The findings of fact and conclusions of law in this Paragraph shall be binding upon all parties to the Cases, the Debtors, the Liquidating Trust, the Liquidating Trustee, the U.S. Securities and Exchange Commission (the “SEC”), and all other federal, state, and local regulatory enforcement and other agencies.

OO. Exemptions from Recording, Stamp, and Similar Taxes (11 U.S.C. § 1146(a)).

The Bankruptcy Court finds and concludes that, in accordance with Bankruptcy Code § 1146(a), the issuance, transfer, or exchange of any security, and the making or delivery of any instrument of transfer pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment.

Authorizations and Transfers Pursuant to the Plan

PP. Settlement and Releases. Except as otherwise provided in the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distribution and other benefits provided under the Plan, the provisions of the Plan and the Sale Stipulation shall constitute a good faith compromise and settlement of all Claims, Equity Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, the Estates, Holders of Claims and Equity Interests and other parties in interest, and are fair, equitable and within the range of reasonableness.

QQ. Legal Binding Effect. The provisions of the Plan will bind all holders of Claims and Equity Interests and their respective successors and assigns, whether or not they accept the Plan.

RR. Release and Exculpation. The release and exculpation provisions are an integral part of the Plan and represent a valid exercise of the Debtors' business judgment. Pursuing any such claims against the Released Parties is not in the best interest of the Debtors' estates and various constituencies as the costs involved likely would outweigh any potential benefit from pursuing such claims. The failure to affect the release and exculpation provisions of the Plan would impair the Debtors' ability to confirm the Plan, and the release and exculpation provisions of the Plan are fair, equitable and reasonable. Accordingly, the compromises and settlements embodied in the release and exculpation provisions described in Article XIV of the Plan are approved.

SS. Issuance of Liquidating Trust Interests. The issuance and distribution of the Liquidating Trust Interests in accordance with the provisions of the Plan are reasonable and necessary.

TT. Transfer of the Liquidating Trust Assets. The Debtors' transfer of the Liquidating Trust Assets (including, but not limited to, the Causes of Action) to the Liquidating Trust on the Effective Date in accordance with the Plan and the Liquidating Trust Agreement is reasonable and necessary and made in accordance with applicable state law and applicable provisions of the Bankruptcy Code, including Bankruptcy Code §§ 363(b) and 1123(b)(3).

UU. Rejection of Executory Contracts and Unexpired Leases. The rejection of executory contracts and unexpired leases pursuant to the Plan and this Confirmation Order is (i) a sound and reasonable exercise of the Debtors' business judgment, (ii) in the best interests of the Debtors, their Estates, holders of Claims and Equity Interests, and (iii) necessary for the implementation of the Plan.

VV. Plan Documents Valid and Binding. All other documents reasonably necessary to implement the Plan, including, without limitation, the Liquidating Trust Agreement and TSA, have been negotiated in good faith and at arm's length, shall be, upon execution on or after the Effective Date, valid, binding, and enforceable agreements, and are in the best interests of the Debtors and their Estates and have been negotiated in good faith and at arm's length.

WW. Compliance with Bankruptcy Rule 3016. In accordance with Bankruptcy Rule 3016(a), the Plan is dated and the Debtors that submitted it and filed it are appropriately identified. The filing of the Disclosure Statement with the clerk of this Court satisfies Bankruptcy Rule 3016(b).

The Liquidating Trust Is Not A Successor to the Debtors

XX. Save and except for purposes of compliance with Bankruptcy Code § 1145, the Liquidating Trust and its affiliates, successors, or assigns is not, as a result of actions taken in connection with the Plan, a successor to any of the Debtors or a continuation or substantial continuation of any of the Debtors or any enterprise of any of the Debtors. The Liquidating Trust shall be deemed to be a successor to the Debtors only for purposes of compliance with Bankruptcy Code § 1145 and for no other reason under any state or federal law.

Miscellaneous Provisions

YY. Best Interests of Persons. Confirmation of the Plan is in the best interests of the Debtors, their Estates, holders of Claims and Equity Interests, and all other parties in interest.

ZZ. Findings of Fact and Conclusions of Law on the Record. All findings of fact and conclusions of law announced by this Bankruptcy Court on the record in connection with Confirmation of the Plan or otherwise at the Confirmation Hearing are incorporated herein by reference. To the extent that any of the findings of fact or conclusions of law constitutes an order of this Court, they are adopted as such.

ORDER

Based on the foregoing findings of fact and conclusions of law, it is hereby **ORDERED** that:

1. Confirmation of Plan. The Plan, as modified herein, is **APPROVED** and **CONFIRMED** under Bankruptcy Code § 1129. Except as otherwise set forth in this Confirmation Order, the Plan is valid and enforceable pursuant to its terms and the terms of the Plan are incorporated by reference into and are an integral part of this Confirmation Order.

2. Objections Overruled. All objections that have not been withdrawn, waived, or settled are **OVERRULED** on the merits.

3. Approval of Plan Documents. The form and substance of the Plan Documents, as reflected in the Plan Supplement or otherwise (including all exhibits and attachments thereto and documents referred to therein), including without limitation, the Liquidating Trust Agreement and the TSA, are hereby **APPROVED**. The execution, delivery, and performance by the Debtors, the Liquidating Trustee, and the Liquidating Trust of the Plan Documents are authorized and approved without the need for further corporate or other organizational action or further Order or authorization of the Bankruptcy Court. The Debtors are authorized and empowered to make any and all modifications to any and all documents included as part of the Plan and Plan Supplement that may be agreed to by the parties thereto and that are consistent with the Plan and the terms of this Confirmation Order.

4. Authority.

a. The Debtors, the Liquidating Trustee, and the Liquidating Trust are authorized and empowered to take such actions and do all things as may be necessary or required to implement and effectuate the Plan, the transfer to the Liquidating Trust of the Liquidating Trust Assets, the Liquidating Trust Agreement and this Confirmation Order.

- b. The Debtors, the Liquidating Trustee, the Liquidating Trust, and their respective directors, officers, partners, members, managers, trustees, agents, representatives, and attorneys, are authorized, empowered, and ordered to carry out all of the provisions of the Plan, to issue, execute, deliver, file and record, as appropriate, any instrument, or perform any act necessary to implement, effectuate, or consummate the Plan and this Confirmation Order, and to issue, execute, deliver, file, and record, as appropriate, such other contracts, instruments, releases, indentures, mortgages, deeds, bills of sale, assignments, leases, or other agreements or documents (collectively, "Documents"), and to perform such other acts and execute and deliver such other Documents as are required by, consistent with and necessary or appropriate to implement, effectuate, or consummate the Plan and this Confirmation Order and the transfers contemplated thereby and hereby, all without the requirement of further application to, or order of, the Bankruptcy Court or further action by their respective directors, stockholders, managers, members, or other beneficiaries, and with the like effect as if such actions had been taken by unanimous action of the respective directors, stockholders, managers, members, or other beneficiaries of such entities.
- c. The Debtors are further authorized, empowered, and ordered to enter into and, if applicable, cause to be filed with the Secretary of State or other applicable officials of any applicable Governmental Authority any and all amended and/or restated certificates or articles of incorporation, organization, or formation or amendments to limited liability company agreements, operating agreements, or regulations and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable laws of all applicable Governmental Authorities with respect to compliance with Bankruptcy Code § 1123(a)(6).
- d. This Confirmation Order shall constitute all approvals and consents, if any, required by all applicable business organization, corporation, trust, and other laws of the applicable Governmental Authorities with respect to the implementation and consummation of the Plan and all actions authorized by this Confirmation Order.
- e. Any officer of the Debtors and, from and after the Effective Date, the Liquidating Trustee are authorized to execute and perform, for and on behalf of each Debtor, any and all Documents and other instruments referred to in the foregoing clauses (b) and (c) and to certify or attest to any of the foregoing actions taken by the Debtors. The execution of any such Document or instrument or the taking of any such action by any officer of the Debtors or, from and after the Effective Date, the Liquidating Trustee, shall be, and hereby is, deemed conclusive evidence of the authority of such action.

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- f. As of the Effective Date, the Liquidating Trustee (as trustee of the Liquidating Trust) is hereby irrevocably appointed as the Debtors' attorney-in-fact (which appointment as attorney-in-fact shall be coupled with an interest), with full authority in the place and stead of each Debtor and in the name of each Debtor to take any action and to execute any instrument that the Liquidating Trustee, in the Liquidating Trustee's discretion, may deem to be necessary or advisable to convey, transfer, vest, perfect, and confirm title of the Liquidating Trust Assets, including without limitation to issue, execute, deliver, file, and record such contracts, instruments, releases, indentures, mortgages, deeds, bills of sale, assignments, leases, or other agreements or documents, and to file any claims, to take any action, and to institute any proceedings that the Liquidating Trustee may deem necessary or desirable in furtherance thereof, each solely to the extent and as authorized in the Liquidating Trust Agreement.
- g. All amendments to the certificates of incorporation or formation, the articles of incorporation or organization, the operating agreements, the limited liability company agreements, the partnership agreements, and/or bylaws of any of the Debtors and all other corporate action on behalf of any of the Debtors as may be necessary to put into effect or carry out the terms and intent of the Plan, including, without limitation, any mergers, consolidations, or dissolutions of the Debtors, may be effected, exercised, and taken without further action by the Debtors' directors, officers, managers, and/or members with like effect as if effected, exercised, and taken by unanimous action of the directors, officers, managers, and/or members of the Debtors. The Liquidating Trustee, as authorized signatory of each respective Debtor, is authorized to execute any document, certificate or agreement necessary to effectuate any and all transactions contemplated under the Plan on behalf of such Debtor (including, without limitation, any mergers, consolidations or dissolutions of the Debtors), and file with the Secretary of State of the States of Delaware any articles or certifications of merger or dissolution or such other documents as may be necessary in order to effect such actions, which documents, certificates and agreements shall be binding on the Debtors, all holders of Claims, and all holders of Equity Interests and, upon execution by the Liquidating Trustee as authorized herein, shall have the same force and effect as if approved by all requisite partners, members, managers or Equity Interest holders of each Debtor.
- h. The Liquidating Trust and the Liquidating Trustee shall have no liability or obligation to act with respect to any Abandoned Assets (as defined below). However, if an action is required with respect to an Abandoned Asset, the Liquidating Trustee shall have the option, but not the obligation, to take an action with respect to such Abandoned Asset. Nothing herein shall create any liability of the Liquidating Trustee or the Liquidating

Trust should it decide to decline to take any action respecting any Abandoned Assets.

5. Approval of Liquidating Trust Agreement. The Liquidating Trust Agreement in substantially the form admitted into evidence at the Confirmation Hearing (together with all schedules, addendums, exhibits, annexes, and other attachments thereto and as supplemented, amended, and modified, the “Liquidating Trust Agreement”) is **APPROVED**, and the Debtors, the Liquidating Trustee, and the Liquidating Trust are authorized to take all actions contemplated under the Liquidating Trust Agreement, including making appropriate modifications that do not materially affect substantive rights.

6. Settlements. Each settlement embodied in the Plan and this Confirmation Order between the Debtors and holders of Claims and Equity Interests is **APPROVED** in all respects.

7. Plan Classification Controlling. The terms of the Plan shall govern the classification of Claims and Equity Interests for purposes of the Distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Holders of Claims in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or to reject the Plan; and (b) shall not be binding on the Debtors except for voting purposes.

8. Preservation of Causes of Action. The provisions of Section 4.13 of the Plan are hereby approved in their entirety. The Debtors, the Liquidating Trust, and the Liquidating Trustee, as applicable, expressly reserve all rights to prosecute any and all of their respective Causes of Action against any Person, except as otherwise expressly provided in the Plan. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Debtors, the Liquidating

Trust, and the Liquidating Trustee, as applicable, expressly reserve all of their respective Causes of Action for later adjudication.

9. Liquidating Trust Assets; Abandonment. The property of the Debtors' Estates will not revert in the Debtors on or after the Effective Date. Except as otherwise set forth in the Plan or this Confirmation Order, all property of the Estate constituting the Liquidating Trust Assets shall be conveyed and transferred by the Debtors or Reorganized Debtors to the Liquidating Trust on the Effective Date, free and clear of all interests, Claims, Liens and encumbrances, but subject to the Liquidating Trust's obligations under the Plan and the Liquidating Trust Agreement. Except as otherwise set forth in the Plan, from and after the Effective Date, the Liquidating Trust shall perform and pay when due liabilities under, or related to the ownership or operation of, the Liquidating Trust Assets. Notwithstanding anything to the contrary herein or in the Plan, the assets identified in Exhibit E of the Plan Supplement, the *Notice of Abandonment* [Docket No. 357], or that have been otherwise abandoned by the Debtors pursuant to an Order of this Court prior to the Effective Date (collectively, the "Abandoned Assets") shall not be transferred or assigned to, or vested in, the Liquidating Trust or the Reorganized Debtors.

10. Liquidating Trustee; Liquidating Trust Committee; Litigation Committee. Doug Brickley of The Claro Group is hereby approved to serve as the Liquidating Trustee subject to the terms set forth in the Plan, including the Plan Supplement, and the Liquidating Trust Agreement. The Liquidating Trustee is authorized to take the actions contemplated in the Plan, the Liquidating Trust Agreement, and this Confirmation Order. The Liquidating Trustee shall be permitted to pay his fees and expenses and the fees and expenses of his professionals for services rendered in connection with these Cases and the Liquidating Trustee's appointment under the Plan, the Liquidating Trust Agreement, and this Confirmation Order to the extent permitted by

the Plan, the Plan Supplement, and the Liquidating Trust Agreement. Such payments shall be made by the Liquidating Trust from the Liquidating Trust Administrative Expense Reserve in accordance with the Plan and the Liquidating Trust Agreement. Greg White, Jeff Fitts, and Monty Kehl are hereby approved to serve on the Liquidating Trust Committee. Jeff Fitts and Greg White are hereby approved to serve on the Litigation Committee.

11. Rejection of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). Except to the extent (a) the Debtors previously have assumed, and (if applicable) assigned, or rejected an executory contract or unexpired lease or (b) prior to the Effective Date, the Bankruptcy Court has entered an Order authorizing the assumption, and (if applicable) assignment, of an executory contract or unexpired lease, the Debtors' executory contracts and unexpired leases shall be deemed rejected on the Effective Date, pursuant to Bankruptcy Code §§ 365 and 1123.

12. Authority. All actions and transfers contemplated under the Plan, including but not limited to, any certificates, agreements or other documents or instruments to be executed in connection with the transfer and assignment of the Liquidating Trust Assets to the Liquidating Trust free and clear of interests, Claims, Liens, and encumbrances shall be authorized upon entry of this Confirmation Order without the need of further approvals, notices or meetings of the Debtors' directors, officers, managers, and/or members.

13. Legal Binding Effect. The provisions of the Plan shall bind all holders of Claims and Equity Interests and their respective successors and assigns, whether or not they accept the Plan.

14. Exculpations, Injunction, and Releases. The following exculpations, injunction, and releases, which are also set forth in Article XIV of the Plan, are approved and authorized in their entirety:

15. Exculpation and Limitation of Liability. **EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, NEITHER THE DEBTORS, THE ESTATES, THE LIQUIDATING TRUST, THE LIQUIDATING TRUSTEE, THE FIRST LIEN CREDIT AGREEMENT AGENT, THE FIRST LIEN CREDIT AGREEMENT LENDERS, THE COMMITTEE, THE FORMER AND CURRENT MEMBERS OF THE COMMITTEE (BUT SOLELY IN THEIR CAPACITY AS MEMBERS OF THE COMMITTEE) NOR ANY HOLDER OF A CLAIM OR EQUITY INTEREST OR RELATED PERSONS TO ANY OF THE FORGOING SHALL HAVE ANY RIGHT OF ACTION AGAINST THE DEBTORS, THEIR DIRECTORS AND OFFICERS, THE ESTATES, THE LIQUIDATING TRUSTEE, THE LIQUIDATING TRUST, THE FIRST LIEN CREDIT AGREEMENT AGENT, THE FIRST LIEN CREDIT AGREEMENT LENDERS, THE SENIOR SECURED NOTEHOLDERS, THE SENIOR SECURED NOTES INDENTURE TRUSTEE, THE COMMITTEE, THE FORMER AND CURRENT MEMBERS OF THE COMMITTEE (BUT SOLELY IN THEIR CAPACITY AS MEMBERS OF THE COMMITTEE) OR ANY OF THEIR RESPECTIVE ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, FINANCIAL ADVISORS, OR OTHER PROFESSIONALS, FOR ANY ACT OR OMISSION IN CONNECTION WITH, RELATING TO OR ARISING OUT OF THE CASES, THE PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, THE PREPARATION AND DISTRIBUTION OF THE DISCLOSURE STATEMENT, THE**

ADMINISTRATION OF THE LIQUIDATING TRUST, THIS PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THIS PLAN, OR THE OFFER, ISSUANCE, SALE OR PURCHASE OF A SECURITY OFFERED OR SOLD UNDER THIS PLAN, PROVIDED SUCH EXCULPATED PERSON DID NOT AND DOES NOT ENGAGE IN WILLFUL MISCONDUCT, GROSS NEGLIGENCE OR FRAUD AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE AND PROVIDED FURTHER THAT SUCH EXCULPATION SHALL NOT EXTEND TO SUCH EXCULPATED PERSON'S RIGHTS AND OBLIGATIONS UNDER THIS PLAN, THE PLAN DOCUMENTS OR THE LIQUIDATING TRUST AGREEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NOTHING IN THE PLAN OR THE CONFIRMATION ORDER SHALL, OR SHALL BE DEEMED TO, EXCULPATE ANY EXCLUDED PARTY FROM ANY SPECIFIED LITIGATION CLAIM.

16. Injunction Enjoining Holders of Claims Against, and Equity Interests in the Debtors. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN OR THIS CONFIRMATION ORDER, AFTER THE EFFECTIVE DATE, ALL PERSONS WHO HAVE BEEN, ARE, OR MAY BE HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS ARISING ON OR BEFORE THE EFFECTIVE DATE SHALL BE ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST OR AFFECTING THE DEBTORS, THE REORGANIZED DEBTORS, THE LIQUIDATING TRUST, THE ESTATES, THE ESTATE PROPERTY, THE LIQUIDATING TRUST ASSETS, AND THE REMAINING ASSETS REGARDING SUCH CLAIMS OR EQUITY INTERESTS (OTHER THAN ACTIONS BROUGHT TO

ENFORCE ANY RIGHTS OR OBLIGATIONS UNDER THE PLAN OR ACTIONS RELATED TO OR IN CONNECTION WITH THE SPECIFIED LITIGATION CLAIMS): (I) COMMENCING, CONDUCTING, OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION, OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE LIQUIDATING TRUST, THE LIQUIDATING TRUSTEE, THE LIQUIDATING TRUST COMMITTEE AND THE LITIGATION COMMITTEE (IN EACH CASE, INCLUDING, WITHOUT LIMITATION, THEIR RESPECTIVE PROFESSIONALS), THE ESTATES, THE ESTATE PROPERTY, THE LIQUIDATING TRUST ASSETS, AND THE REMAINING ASSETS (INCLUDING, ALL SUITS, ACTIONS, AND PROCEEDINGS THAT ARE PENDING ON THE EFFECTIVE DATE, WHICH SHALL BE DEEMED WITHDRAWN AND DISMISSED WITH PREJUDICE); (II) ENFORCING, LEVYING, ATTACHING, COLLECTING, OR OTHERWISE RECOVERING BY ANY MANNER OR MEANS, DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES, THE LIQUIDATING TRUST, THE LIQUIDATING TRUSTEE, THE LIQUIDATING TRUST COMMITTEE, THE LITIGATION COMMITTEE, AND THEIR RESPECTIVE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE LIQUIDATING TRUST ASSETS, THE REMAINING ASSETS, AND THE ESTATE PROPERTY; (III) CREATING, PERFECTING, OR OTHERWISE ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE LIQUIDATING TRUST, THE LIQUIDATING TRUSTEE, THE LIQUIDATING TRUST COMMITTEE, THE LITIGATION

COMMITTEE, THE ESTATES, THE ESTATE PROPERTY, THE LIQUIDATING TRUST ASSETS, AND THE REMAINING ASSETS; AND (IV) COMMENCING OR CONTINUING ANY ACTION, IN ANY MANNER, IN ANY PLACE, THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN OR THE BANKRUPTCY CODE OR THAT IS AGAINST A RELEASED PARTY FOR A CLAIM OR CAUSE OF ACTION RELEASED HEREUNDER.

17. Releases by the Debtor. Except as otherwise expressly provided in the Plan or this Confirmation Order, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, for the good and valuable consideration provided by each of the Released Parties (which shall include each of (a) Highbridge; (b) the Debtors and the Reorganized Debtors, (c) the current and former members of the Committee (solely in their capacity as members of the Committee), (d) Ace, (e) the Senior Secured Noteholders and the Senior Secured Notes Indenture Trustee; and (f) with respect to each of the foregoing entities in clauses (a) through (e) such person's current and former Affiliates, subsidiaries, officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such), the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by the Debtors and their Estates from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, their Estates, or Affiliates would have been legally entitled to assert in their own right

(whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtor's restructuring, the Chapter 11 Case, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any claim or interest that is treated in the Plan, the business or contractual arrangements between the Debtors and any Released Party, the restructuring of claims and interests prior to or during these chapter 11 cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Liquidating Trust Agreement, the TSA or any related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than, with respect to the Debtors' directors and officers, the Specified Litigation Claims or, with respect to other Released Parties, claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. Notwithstanding anything herein to the contrary, nothing in the Plan or this Confirmation Order shall, or shall be deemed to, release any Excluded Party from any Specified Litigation Claim.

18. Releases by Holders of Claims and Equity Interests. Except as otherwise expressly provided in the Plan or this Confirmation Order, as of the Effective Date, each Releasing Party who affirmatively voted to accept the Plan and does not indicate its

election to opt-out of the releases contained in this Section on its Ballot shall for good and valuable consideration is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims and Causes of Action, other than the Specified Litigation Claims, including Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions (including dividends paid), or any restructuring transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Disclosure Statement, the Plan, the chapter 11 cases, the filing of the chapter 11 cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the distribution of property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

19. Exemption from Certain Taxes. In accordance with Bankruptcy Code § 1146(a), none of the issuance, transfer or exchange of any securities under the Plan, the release of any mortgage, deed of trust or other Lien, the making, assignment, filing or recording of any lease or sublease, the transfer of title to or ownership of any of the Debtors' interests in any property, or the making or delivery of any deed, bill of sale or other instrument of transfer under, in furtherance of, or in connection with the Plan, including the releases of Liens contemplated under the Plan, shall be subject to any document recording tax, stamp tax, conveyance fee, sales or use tax, bulk sale tax, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee or other similar tax or governmental assessment in the United States. Federal, state and/or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

20. Exemption from Securities Laws. To the extent constituting securities under the 1933 Act, the Liquidating Trust Interests offered, sold, issued and/or distributed pursuant to the Plan are deemed to have been offered, sold, issued and distributed pursuant to Bankruptcy Code § 1145. Pursuant to Bankruptcy Code § 1145, the exemption of the offer and sale of securities from the registration requirements of the 1933 Act, and any state or local law requiring registration for the offer or sale of a security, applies with respect to the Liquidating Trust Interests distributed pursuant to the Plan, to the extent constituting securities under the 1933 Act. Without limiting the generality of the foregoing the offer, sale, issuance, and distribution of the Liquidating Trust Interests to Claimants pursuant to the Plan are and shall be exempt from the requirements of Section 5 of the Securities Act and any State or local law requiring registration

for offer or sale of a security or registration or licensing of an issuer, broker, or dealer thereof pursuant to Bankruptcy Code § 1145(a).

21. Injunctions and Automatic Stay. Unless otherwise provided in the Plan or in this Confirmation Order, all injunctions or stays in effect in these Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Court entered as of the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect through and including the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

22. Cancellation of Securities. Unless otherwise provided for in the Plan, on the Effective Date, all promissory notes, stock, instruments, indentures, bonds, agreements, certificates or other documents evidencing, giving rise to, or governing any Equity Interest in, or debt obligation of, the Debtors shall be deemed cancelled and shall represent only the right, if any, to participate in the Distributions contemplated by the Plan. Except as otherwise provided in the Plan, the obligations of the Debtors thereunder or in any way related thereto shall be fully released, terminated, extinguished and discharged and, with respect to the Equity Interests in the Debtors, retired and thereafter cease to exist, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. Notwithstanding the foregoing and anything else contained in the Plan, the Senior Secured Notes Indenture shall continue in effect solely for the purposes of permitting the Senior Secured Notes Indenture Trustee to maintain or assert any right or charging lien it may have with respect to

Distributions pursuant to the terms of the Plan for its fees and expenses (including fees and expenses of counsel or other agents).

23. Abandonment of Certain Assets. The Abandoned Assets shall be deemed abandoned as of the Effective Date pursuant to Bankruptcy Code § 554 without further order of the Bankruptcy Court. Entry of this Confirmation Order shall constitute (i) approval, pursuant to Bankruptcy Code section 554, of the abandonment of the Gulf of Mexico Federal Oil and Gas Properties and (ii) authorization to relinquish any interest the Debtors' hold in the Gulf of Mexico Federal Oil and Gas Properties. Such abandonment and/or relinquishment does not alter the obligation of the Debtors to comply with laws reasonably designed to protect the public health and safety from identifiable hazards, including, but not limited to, plugging and abandonment obligations (the "Safety Law Obligations") or in any manner extinguish, modify, or otherwise limit (a) the obligations of non-debtor third parties, including without limitation, Ace, for plugging and abandonment obligations (or any other obligations for which they are liable) consistent with the terms of the Ace Bonding Agreement or (b) the rights of the United States to enforce such Safety Laws (and any laws and regulations affecting the Gulf of Mexico Federal Oil and Gas Properties against non-Debtor third parties). For those properties on which Ace has issued a bond securing certain Safety Law Obligations, a schedule of which was included as an exhibit to the Plan Supplement, Ace shall satisfy any valid unpaid Claims against the Debtors on account of work performed in furtherance of the Debtors' plugging and abandonment obligations secured by the Ace Bonding Agreement on either the earlier of (i) the entry of the Sale Stipulation, (ii) in the ordinary course of business, or (iii) as otherwise ordered by the Court.

Miscellaneous Provisions

24. Allowance of Late Ballots. The late returned ballots of Abel Ranches Inc., Island Operating Company, Inc., and Quality Energy Services shall be allowed for all purposes, including for tabulation of voting on the Plan.

25. Effective Date Payments. On the Effective Date, the Debtors shall pay any reasonable and documented unpaid professional fees and expenses of Highbridge's professionals, whether such fees and expenses accrued prepetition or postpetition and without further order of the Bankruptcy Court or the requirement for such professionals to file any Fee Application with respect thereto.

26. Agreements to Address Certain Objections Received.

- a. In addition to any liabilities assumed by Purchaser under the that certain Asset Purchase and Sale Agreement by and between the Debtors, as Sellers, and the Purchaser as Purchasers, dated as of November 6, 2015, as such may be amended, modified or supplemented from time to time (the "Stalking Horse APA"), the Purchaser under the Stalking Horse APA agrees to assume the liability for and to pay when due in the ordinary course of business:
 - i. Any valid Claims of holders Mineral and Other Interests (as defined in the Royalty Motion) arising after the Petition Date and before the Effective Date relating to the Excluded Assets (as defined in the Stalking Horse APA).
 - ii. Any valid Claims of trade vendors arising after the Petition Date and before the Effective Date relating to Excluded Assets to the extent that such Claims would have been paid by the Debtors under the Budget (as defined in the Cash Collateral Orders) and the Cash Collateral Orders.
- b. Harris County, Texas, Jasper County, Texas, Montgomery County, Texas, Orange County, Texas, and the Jasper Central Appraisal District (collectively, the "Taxing Authorities") shall retain all liens securing their Claims for unpaid 2015 ad valorem taxes owed by the Debtors until such claims have been paid in full, including statutory interest as set forth under Texas law, if such Claims are paid after January 31, 2016. Post-Effective Date ad valorem taxes of the Taxing Authorities shall be paid by the Purchaser under the Stalking Horse APA when due in the ordinary course of business. Notwithstanding any provisions in the Sale Order or otherwise within the Plan the liens of the Taxing Authorities for ad valorem taxes for the 2016 tax year are expressly retained until paid.

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- c. As a result of the Debtors' representations and proof on the record at the Confirmation Hearing regarding the sufficiency of the Debtors' surety bonds issued by Ace, BGI Gulf Coast, LLC and Champion Exploration, LLC (collectively, "Champion"), hereby withdraw any and all objections to the Debtors' proposed sales and confirmation of the Plan;
- d. Any and all administrative claims asserted, held, or potentially held by Champion are hereby estimated at \$0 for all purposes in these Cases, including, without limitation, with regards to any distributions on account of such asserted, held, or potentially held claims;
- e. Champion shall receive an allowed claim in the amount of \$13,331.70 for pre-petition working interest/and or royalty Claims regarding properties that are not transferred under the Stalking Horse APA, plus Champion's post-petition revenue interests on such properties shall be accounted for as soon as that information is available to the purchaser under the Stalking Horse APA, and such Claims for pre-petition working interest/and or royalties regarding properties that are not transferred under the Stalking Horse APA shall be treated as fully secured and shall be offset against any pre-petition joint interest billings owed by Champion related to such properties;
- f. Claims of Champion as a result of working interest revenue and/or royalties on the properties to be acquired under the Stalking Horse APA shall be paid in the ordinary course of business pursuant to the applicable joint operating agreement by the Debtors (for Claims that accrued before the Effective Date) or the purchaser under the Stalking Horse APA (for Claims that accrued after the Effective Date); provided, however, that the purchaser under the Stalking Horse APA shall assume the liability to pay to Champion any Claims of Champion as a result of working interests revenue and/or royalties earned pursuant to Champion's respective ownership interests that accrued before the Effective Date in the ordinary course of business.
- g. Any amounts owed by Champion to the Debtors (other than on account of plugging and abandonment costs on properties that are being plugged and abandoned by Ace) shall be paid by Champion to the Debtors (for amounts that accrued before the Effective Date) or the Purchaser under the Stalking Horse APA (for amounts that accrued after the Effective Date);
- h. Any amounts owed by Champion for plugging and abandonment costs on properties that are being plugged and abandoned by Ace shall be paid to Ace or such person as Ace designates;
- i. The rights of all parties regarding joint interest billings and any other amounts owed by Champion are preserved and reserved in all respects, and nothing herein shall impair any claims, causes of action, or rights of any party against Champion with respect thereto or any defenses of Champion against such claims, causes of action, or rights of parties.

27. Clarification Regarding Plan Meaning. The General Unsecured Trade Claim class includes Claims on account of Mineral and Other Interests (as defined in the Royalty Motion) arising prior to the Petition Date and not otherwise paid.

28. Reservation of Rights. Prior to the Effective Date, none of the filing of the Plan, any statement or provision contained herein or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors of any kind, including with respect to the holders of Claims or Equity Interests or as to any treatment or classification of any contract or lease.

29. Notice of Effective Date. On or before five Business Days after the occurrence of the Effective Date, the Liquidating Trustee shall file on the docket of the Cases a notice of the entry of the Confirmation Order, the occurrence of the Effective Date, and such other matters as the Liquidating Trustee deems appropriate or as may be ordered by the Bankruptcy Court.

30. Waiver or Estoppel. Each Holder of a Claim or an Equity Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Equity Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated, by virtue of an agreement made with the Debtors or their counsel, or any other Person, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with this Court prior to the Confirmation Date.

31. Non-Occurrence of Effective Date. If Confirmation does not occur, or if the Effective Date does not occur on or prior to 30 days after the Confirmation Date or such later date as is consented to by the Debtors, then (a) the Plan shall be null and void in all respects, (b) settlements or compromises embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), rejections of executory contracts or unexpired

leases affected by the Plan, and any documents or agreements executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan or the Disclosure Statement shall (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors or any other Person, or (iii) constitute an admission of any sort by the Debtors or any other Person.

32. References to Plan Provisions. The failure specifically to include or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court that the Plan be confirmed in its entirety (except as otherwise modified in this Confirmation Order).

33. Reversal. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified, or vacated by subsequent order of this Bankruptcy Court or any other court, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Debtors' receipt of written notice of any such order. Notwithstanding any such reversal, modification, or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

34. Applicable Non-Bankruptcy Law. Pursuant to Bankruptcy Code §§ 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan, or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

35. Modification of the Plan Prior to Substantial Consummation. After the Confirmation Date and prior to the Effective Date of the Plan, the Debtors may, under Bankruptcy Code § 1127(b), (i) amend the Plan so long as such amendment shall not materially and adversely affect the treatment of any holder of a Claim, (ii) institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or this Confirmation Order, and (iii) amend the Plan as may be necessary to carry out the purposes and effects of the Plan so long as such amendment does not materially or adversely affect the treatment of holders of Claims or Equity Interests under the Plan; provided, however, prior notice of any amendment shall be served in accordance with the Bankruptcy Rules or Order of the Bankruptcy Court.

36. Conflicts between Plan and Confirmation Order. If there is any conflict between the Plan (as supplemented by the Plan Supplement) and this Confirmation Order, the terms of this Confirmation Order shall control.

37. Severability of Plan Provisions. Each term and provision of the Plan, as it may be altered or interpreted, is valid and enforceable pursuant to its terms.

38. Retention of Jurisdiction. This Bankruptcy Court's retention of jurisdiction as set forth in Article XV of the Plan is approved. Such retention of jurisdiction does not affect the finality of this Confirmation Order. For the avoidance of doubt, the Bankruptcy Court shall retain jurisdiction over all pending matters, including adversary proceedings.

39. Nonseverable and Mutually Dependent. The provisions of this Confirmation Order are nonseverable and mutually dependent.

40. Recordable Form. This Confirmation Order shall be, and hereby is, declared to be in recordable form and shall be accepted by any filing or recording officer or authority of any

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applicable Governmental Authority for filing and recording purposes without further or additional orders, certifications or other supporting documents. Further, the Bankruptcy Court authorizes the Liquidating Trustee and the Liquidating Trust, as applicable, to file a memorandum of this Confirmation Order in any appropriate filing or recording office as evidence of the matters herein contained.

41. Waiver of Stay. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (as applicable), the Debtors shall be authorized to consummate the Plan and the transfers contemplated thereby immediately after entry of this Confirmation Order.

42. Final Order. This Confirmation Order is a Final Order and the period in which an appeal must be filed will commence upon entry of the Confirmation Order.

END OF ORDER

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