

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

IN RE: ) Case No. 06-51848  
) (Jointly Administered)  
CEP HOLDINGS, LLC, *et al.*,<sup>1</sup> ) Chapter 11  
)  
Debtors. ) Honorable Marilyn Shea-Stonum  
) United States Bankruptcy Judge

**JOINT PLAN OF LIQUIDATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE  
PROPOSED BY THE DEBTORS AND THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS  
DATED FEBRUARY 5, 2007**

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<sup>1</sup> The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

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IN RE: ) Case No. 06-51848  
) (Jointly Administered)  
CEP HOLDINGS, LLC, *et al.*,<sup>2</sup> ) Chapter 11  
)  
Debtors. ) Honorable Marilyn Shea-Stonum  
) United States Bankruptcy Judge

**JOINT PLAN OF LIQUIDATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE  
PROPOSED BY THE DEBTORS AND THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS  
DATED FEBRUARY 2, 2007**

CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC, the above-captioned debtors and debtors-in-possession, propose jointly with the Official Committee of Unsecured Creditors the following chapter 11 plan of liquidation pursuant to section 1121(a) of title 11 of the United States Code:

**ARTICLE I.**

**DEFINITIONS AND INTERPRETATION**

**DEFINITIONS.** The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

**1.1 Administrative Expense Claim** means any right to payment constituting a cost or expense of administration of any of the Cases allowed under sections 503(b), 507(a)(1), and 1114(e) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Estates; any actual and necessary costs and expenses of operating the Debtors' businesses; any indebtedness or obligations incurred or assumed by the Debtors, as debtors-in-possession, during the Cases, including, without limitation, for the acquisition or lease of property or an interest in property; or the rendition of services, any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 328(a), 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the Estates under section 1930 of chapter 123 of title 28 of the United States Code.

**1.2 Agreement** means the CEP Liquidating Trust Agreement substantially in the form of Exhibit 1 hereto.

**1.3 Allowed** means, with reference to any Claim, (i) any Claim against the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent

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<sup>2</sup> The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC

and for which no contrary proof of claim has been filed, (ii) any timely filed Claim as to which no objection to allowance has been interposed in accordance with section 8.1 hereof or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, or (iii) any Claim expressly allowed by a Final Order or hereunder.

**1.4 Authorized Agent** means Joseph Mallak, as to be approved by the Confirmation Order, and where the term is used with respect to rights, powers or obligations on or after the Effective Date it shall mean the Liquidating Trustee.

**1.5 Avoidance Actions** means any actions commenced, or that may be commenced, before or after the Effective Date pursuant to sections 542, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code.

**1.6 Bankruptcy Code** means title 11 of the United States Code, as amended from time to time, as applicable to these Cases.

**1.7 Bankruptcy Court** means the United States District Court for the Northern District of Ohio (Eastern Division), having jurisdiction over these Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the unit of such District Court having jurisdiction over these Cases under section 151 of title 28 of the United States Code.

**1.8 Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to these Cases, and any Local Rules of the Bankruptcy Court.

**1.9 BBK** means BBK, Ltd., the agent under the Final DIP Order to the Participating Customers.

**1.10 BMC** means BMC Group, Inc.

**1.11 Beneficiaries** means all Persons entitled to receive distributions from the CEP Liquidating Trust pursuant to the Plan and the Agreement.

**1.12 Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

**1.13 Canton Pension Plan** means the Pension Plan for the bargaining unit employees of CEP's Canton, Ohio plant.

**1.14 Cases** means the within captioned jointly administered chapter 11 bankruptcy cases filed on the Petition Date.

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

**1.16 Causes of Action** means any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, including but not limited to Avoidance Actions, whether known or unknown, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition



Date or during the course of these Cases, arising out of, relating to or in connection with the pre-bankruptcy and/or post-bankruptcy Debtors and/or CEP Mexico.

**1.17** **CEP** means Creative Engineered Polymer Products, LLC.

**1.18** **CEP Liquidating Trust** means that certain trust that will come into existence upon the Effective Date into which all of the assets, rights, powers and obligations of the Debtors and CEP Mexico will vest pursuant to the Plan, which trust shall be formed pursuant to and governed by the Agreement.

**1.19** **CEP Loan Agreement** means that certain Loan and Security Agreement dated as of August 16, 2005 by and between CEP and Wachovia as amended, supplemented and modified from time to time, and including all schedules, attachments, exhibits and addendums thereto.

**1.20** **CEP Mexico** means the non-debtor Mexican subsidiary of CEP, Composite Parts Mexico S.A. de C.V.

**1.21** **Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

**1.22** **Claims Register** means the list maintained by BMC listing all Claims as scheduled and/or filed in the Cases.

**1.23** **Class** means any group of Claims or Equity Interests classified by the Plan in accordance with section 1122(a)(1) of the Bankruptcy Code.

**1.24** **Collateral** means any property or interest in property of the Estates subject to a lien, charge or other encumbrance to secure the payment or performance of a Claim, which lien, charge or other encumbrance is not subject to avoidance under the Bankruptcy Code.

**1.25** **Committee** means the statutory committee of unsecured creditors appointed by the Office of the United States Trustee in these Cases pursuant to section 1102 of the Bankruptcy Code, as the composition of the same has been or may be modified by the addition or removal of members from time to time.

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

**1.27** **Confirmation Hearing** means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

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

**1.29** **Consolidated Holdings** means the post-Effective Date surviving entity following the substantive consolidation of CEP, Thermoplastics and CEP Mexico with Holdings.

**1.30** **Crestline Pension Plan** means the Pension Plan for the bargaining unit employees of CEP's Crestline, Ohio plant.

**1.31** **Debtor** means any one of the Debtors.

**1.32 Debtors** means CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC, and where the term is used with respect to rights or obligations on or after the Effective Date, it shall mean the Liquidating Trustee.

**1.33 Disbursing Agent** means the Liquidating Trustee.

**1.34 Disclosure Statement** means the disclosure statement relating to the Plan, including, without limitation, all exhibits, schedules and attachments thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

**1.35 Disputed** means, with respect to any Claim which has not been Allowed pursuant to the Plan or a Final Order:

(a) if no proof of claim has been filed by the applicable deadline: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but as to which the Debtors or any other party in interest has interposed an objection or request for estimation which has not been withdrawn or determined by a Final Order; or

(b) if a proof of claim or request for payment of an Administrative Expense Claim has been filed by the applicable deadline: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim varies from the nature and amount of such Claim as listed on the Schedules; (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (iv) a Claim for which a timely objection or request for estimation is interposed by the Debtors which has not been withdrawn or determined by a Final Order.

**1.36 Disputed Claim Amount** means the amount set forth in the proof of claim relating to a Claim that is Disputed or an amount estimated pursuant to an order of the Bankruptcy Court in respect of a Claim that is Disputed in accordance with section 502(a) of the Bankruptcy Code and Bankruptcy Rule 3018.

**1.37 Disputed Claim Reserve** shall have the meaning set forth in Section 8.3 hereof.

**1.38 Distribution Record Date** means the Confirmation Date.

**1.39 Delphi** means Delphi Automotive Systems, LLC and its affiliates and subsidiaries.

**1.40 Effective Date** means a Business Day on or after the Confirmation Date specified by the Debtors on which (i) no stay of the Confirmation Order is in effect, and (ii) the conditions to the effectiveness of the Plan specified in section 10.2 hereof have been satisfied or waived.

**1.41 Equity Interest** means the interest of any holder of an equity security of the Debtors represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in one or more of the Debtors, whether or not transferable, or any option, warrant or right, contractual or otherwise, to acquire any such interest.

**1.42 Estates** means the bankruptcy estates of CEP, Holdings, and Thermoplastics respectively, in these Cases pursuant to section 541 of the Bankruptcy Code.

**1.43 Final Order** means an order or judgment of the Bankruptcy Court entered by the Clerk of the Bankruptcy Court on the docket in the Cases that has not been reversed, vacated or stayed and as to which (i) the time to appeal, petition for certiorari or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceeding for a new trial, reargument or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired.

**1.44 Final DIP Order** means that certain Final Order Authorizing Debtors to: (A) Use Cash Collateral; (B) Incur Postpetition Debt; (C) Grant Adequate Protection and Provide Security and Other Relief to Wachovia Capital Finance Corporation (Central); and (D) Grant Certain Related Relief entered by the Bankruptcy Court on October 27, 2006 in these Cases together with all agreements, exhibits or documents attached thereto.

**1.45 General Unsecured Claim** means any Claim against the Debtors or CEP Mexico that is (i) not a Wachovia Secured Claim, Subordinated Participating Customer Secured Claim, Administrative Expense Claim, Priority Tax Claim, Other Secured Claim or Priority Non-Tax Claim, or (ii) otherwise determined by the Bankruptcy Court to be a General Unsecured Claim.

**1.46 GM** means General Motors Corporation and its affiliates and subsidiaries.

**1.47 Holdings** means CEP Holdings, LLC.

**1.48 Impaired** shall have the meaning ascribed to it in section 1124 of the Bankruptcy Code.

**1.49 Insurance Claim** means any claim against one or more of the Debtors to the extent it may be covered and payable under any Insurance Policy of any Debtor and/or the Debtors.

**1.50 Insurance Policy** means any policy of insurance and agreements relating thereto covering the Debtors or that may be available to provide coverage for claims against the Debtors.

**1.51 Insurer** means any entity that has issued an Insurance Policy to the Debtor.

**1.52 Law** means any law, rule, regulation, order, decree or other requirement having the force of law and, where applicable, any interpretation thereof by an authority having jurisdiction with respect thereto or charged with administration thereof.

**1.53 Lien** means a judicial lien as defined in section 101(36) of the Bankruptcy Code; a lien as defined in section 101(37) of the Bankruptcy Code; a security interest as defined in section 101(51) of the Bankruptcy Code; a statutory lien as defined in section 101(53) of the Bankruptcy Code; and any other lien, interest, charge or encumbrance.

**1.54 Liquidating Trustee** means Shaun M. Martin, the trustee of the CEP Liquidating Trust appointed in accordance with the Agreement.

**1.55 Liquidation Expense Reserve Account** means the bank account or investment(s) established by the Liquidating Trustee to pay and reserve for all reasonable costs, expenses and fees incurred in connection with maintaining the CEP Liquidating Trust and the Trust Assets.

**1.56 Other Secured Claim** means any Secured Claim against one or more of the Debtors and/or CEP Mexico that is not a Wachovia Secured Claim or Subordinated Participating Customer Secured Claim and has not been paid in full in Cash out of the proceeds of a Sale Transaction in accordance with any agreement of sale and/or order of the Bankruptcy Court approving same.

**1.57 PBGC** means the Pension Benefit Guaranty Corporation, an agency of the United States government created by the Employee Retirement Income Security Act of 1971, as amended, to administer the pension plan termination insurance program established under 29 U.S.C. §§ 1301(a)(13) and (14).

**1.58 Pension Plan** means each of the Canton Pension Plan and the Crestline Pension Plan, which collectively shall be the “Pension Plans”.

**1.59 Person** has the meaning set forth in section 101(41) of the Bankruptcy Code.

**1.60 Petition Date** means September 20, 2006.

**1.61 Plan** means this joint chapter 11 plan of liquidation, including exhibits, schedules and/or attachments annexed hereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules and the terms hereof.

**1.62 Plan Proponents** means the Debtors and the Committee.

**1.63 Priority Non-Tax Claim** means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7) or (9) of the Bankruptcy Code.

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

**1.65 Pro Rata Share** means a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of such Allowed Claim is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims in such Class to the amount of all Allowed Claims in such Class.

**1.66 Professionals** means any Bankruptcy Court approved professional person employed by the applicable entity in these Cases at any time before the Confirmation Date.

**1.67 Reserve Income** means the interest earned on all funds maintained in the Disputed Claim Reserve on account of a Claim that is Disputed prior to the distribution of such funds (based upon the average rate of interest earned on all accounts and investments in which the Disputed Claim Reserve are invested as estimated by the Liquidating Trustee).

**1.68 Sale Transaction** means the sale of any assets of any of the Estates approved by the Bankruptcy Court by a Final Order prior to the Effective Date pursuant to section 363 of the Bankruptcy Code, or the sale, transfer or other disposition of the business and/or assets of CEP Mexico as of the Confirmation Date.

**1.69 Schedules** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended from time to time through the Confirmation Date.

**1.70 Secured Claim** means a Claim (i) secured by Collateral, to the extent of the value of such Collateral (a) as set forth in the Plan, (b) as agreed to by the holder of such Claim and the Debtor, or (c) as determined by a Final Order, including the Final DIP Order, in accordance with section 506(a) of the Bankruptcy Code; or (ii) secured by the amount of any rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

**1.71 Subordinated Participation Agreement** means the agreement among Wachovia, the Subordinated Participating Customers, and BBK to which the Subordinated Participating Customers purchased a subordinated, last out participation in the Wachovia Loan Agreements dated June 30, 2006, as amended as follows: (i) First Amendment to Subordinated Participation Agreement, effective as of August 16, 2006; (ii) Second Amendment to Subordinated Participation Agreement, effective as of September 26, 2006; and (iii) Third Amendment to Subordinated Participation Agreement executed in connection with the Final DIP Order.

**1.72 Subordinated Participating Customers' Secured Claims** The principal amount of \$2,318,485.00 allowed and allocated among the Participating Customers pursuant to the Subordinated Participation Agreement, as amended and in accordance with the Final DIP Order.

**1.73 Subordinated Participating Customers** means Delphi, GM and Visteon.

**1.74 Tax Code** means title 26 of the United States Code, as amended from time to time.

**1.75 Thermoplastics** means Thermoplastics Acquisition, LLC.

**1.76 Thermoplastics Loan Agreement** means that certain Loan and Security Agreement dated as of December 21, 2005 by and between Thermoplastics and Wachovia as amended, supplemented and modified from time to time, and including all schedules, attachments, exhibits and addendums thereto.

**1.77 Trust Assets** means all of the assets of the Debtors and property of their respective Estates and CEP Mexico, including, but not limited to, the Causes of Action, all of which shall vest in the CEP Liquidating Trust on the Effective Date pursuant to the Plan and in accordance with the Agreement.

**1.78 Voting Class** means Class 1 and Class 4 designated in Article III of the Plan.

**1.79 Voting Procedures Order** means that certain Order (A) Approving Proposed Disclosure Statement, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Proposed Joint Plan of Liquidation and (C) Scheduling Certain Dates in Connection Therewith entered by the Bankruptcy Court in these cases together with any exhibits or documents attached thereto.

**1.80 Visteon** means Visteon Corporation.

**1.81 Wachovia** means Wachovia Capital Finance Corporation (Central).

**1.82 Wachovia Loan Agreements** means collectively the CEP Loan Agreement and Thermoplastics Loan Agreement.

## **INTERPRETATION; APPLICATION OF DEFINITIONS AND RULES OF CONSTRUCTION**

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

“including” and “include” and other words of similar import shall be deemed to be followed by the phrase “without limitation.” A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code or Bankruptcy Rules. Wherever from the context it appears appropriate, each term stated shall include both singular and plural, and pronouns shall include the masculine, feminine and neuter regardless of how stated. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. The exhibits attached to this Plan are incorporated into and are part of this Plan as if fully set forth in this Plan.

## ARTICLE II.

### **ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

**2.1 Administrative Expense Claims.** Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on the Effective Date, or as soon thereafter as is reasonably practicable, the Liquidating Trustee shall pay to each holder of an Allowed Administrative Expense Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

**2.2 Compensation and Reimbursement Claims.** All Professionals or other Persons seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court; and (ii) shall be paid in full by the Liquidating Trustee in such amounts as are allowed by the Bankruptcy Court (A) upon the date upon which the order relating to any such Administrative Expense Claim is entered, or (B) upon such other terms as may be mutually agreed upon between the holder of such an Administrative Expense Claim and the Committee.

**2.3 Fees Under 28 U.S.C. §1930.** All fees payable in the Cases under 28 U.S.C. §1930, as agreed by the Debtors and Committee or as determined by the Bankruptcy Court, will, if not previously paid in full, be paid in Cash on the Effective Date and will continue to be paid by the Liquidating Trustee as required under 28 U.S.C. §1930 until such time as an order is entered by the Bankruptcy Court closing the Cases.

**2.4 Wachovia Secured Claim.** Except to the extent that the Wachovia Secured Claims has been paid and satisfied prior to the Effective Date in accordance with the Final DIP Order, on or as soon as reasonably practicable after the Effective Date, Wachovia shall receive in full satisfaction of such Claim, Cash in an amount equal to one hundred percent (100%) of the unpaid amount of the Allowed Wachovia Secured Claim. The liens securing such Allowed Wachovia Secured Claim shall be deemed released at such time as the Wachovia Secured Claim is paid in full.

**2.5 Priority Tax Claims.** Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the Effective Date, or as soon thereafter as is reasonably practicable, the Liquidating Trustee shall pay to each holder of an Allowed Priority Tax Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

### ARTICLE III.

#### CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following table designates the Classes of Claims against and Equity Interests in the Debtors and specifies which of those Classes are (i) impaired or unimpaired by the Plan, (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code and (iii) deemed to reject the Plan:

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 1	Subordinated Participating Customers Secured Claims	Impaired	Yes
Class 2	Other Secured Claims	Unimpaired	No
Class 3	Priority Non-Tax Claims	Unimpaired	No
Class 4	General Unsecured Claims	Impaired	Yes
Class 5	Equity Interests	Impaired	No (deemed to reject)

For convenience of identification, the Plan classifies the Allowed Claims in Class 2 as a single Class. This Class is actually a group of subclasses, depending on the underlying property securing such Allowed Claims, and each subclass is treated hereunder as a distinct Class for voting and distribution purposes.

### ARTICLE IV.

#### TREATMENT OF CLAIMS AND EQUITY INTERESTS

**4.1 Class 1 – Subordinated Participating Customers Secured Claims.** Subject to section 502(d) of the Bankruptcy Code, and further subject to applicable provisions of the Subordinated Participation Agreement or other order of the Bankruptcy Court, and except to the extent that the Subordinated Participating Customers Secured Claims have not been paid and satisfied prior to the Effective Date in accordance with the Final DIP Order and further, provided that the requirements of section 502(d) of the Bankruptcy Code are satisfied, on or as soon as reasonably practicable after the Effective Date, or in the event that section 502(d) of the Bankruptcy Code is not satisfied as of the Effective Date (in which case amounts otherwise due and payable to the Participating Customers under this Section 4.1 shall be paid into the Disputed Claim Reserve), at such time as section 502(d) of the Bankruptcy Code is satisfied (such that all accounts receivable due to the Debtors and/or CEP Mexico from the Participating Customers are paid), the Subordinated Participating Customers shall receive in full satisfaction of such Claim Cash in an amount equal to one hundred percent (100%) of the unpaid amount of the Allowed Subordinated Participating Customers Secured Claims in accordance with the provisions of the Final DIP Order and the Subordinated Participation Agreement. The Liens securing such Allowed Subordinated Participating Customers Secured Claim shall be deemed released at such time as the Subordinated Participating Customers Secured Claims are paid in full.

**4.2 Class 2 – Other Secured Claims.** On or as soon as reasonably practicable after the Effective Date, each holder of an Allowed Other Secured Claim shall receive, at the option of the Liquidating Trustee, and in full satisfaction of such Claim, either (i) Cash in an amount equal to one hundred percent (100%) of the Allowed Other Secured Claim (taking into account sections 506(a)(1) and

506(b) of the Bankruptcy Code); (ii) the proceeds of the sale or disposition of the Collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such Collateral, net of the costs of disposition of such Collateral; (iii) such other distribution as necessary to satisfy the requirements of the Bankruptcy Code, including the surrender of any such collateral; or (iv) such other treatment as the Liquidating Trustee and such holder other Secured Claim may agree. In the event that a holder of an Other Secured Claim is treated in accordance with clause (i) or (ii) of this section 4.2, the Liens securing such other Secured Claim shall be deemed released.

**4.3 Class 3 - Priority Non-Tax Claims.** Except to the extent that a holder of an Allowed Priority Non-Tax Claim against the Debtors agrees to a different treatment of such Claim, on the Effective Date, or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Non-Tax Claim shall receive the greater of one hundred percent (100%) of the Allowed Amount of such Priority Non-Tax Claims or a Pro Rata Share of all remaining Cash after payment, or treatment consistent with sections 8.3 and 8.5 hereof, of all Allowed Claims in sections 2.1, 2.2, 2.3, 2.4, 2.5, 4.1 and 4.2, on the Effective Date or as soon thereafter as is practicable.

**4.4 Class 4 - General Unsecured Claims.** The holders of Allowed General Unsecured Claims shall receive their Pro Rata Share of all remaining Cash after payment in full of all Allowed Claims, or treatment consistent with sections 8.3 and 8.5 hereof, pursuant to sections 2.1, 2.2, 2.3, 2.4, 2.5, 4.1, 4.2 and 4.3 at such times as the Liquidating Trustee deems practicable, however, in the event that Cash available for distribution to Allowed Class 4 Claims exceeds \$1.5 million, an initial distribution to Allowed Class 4 Claims shall be made no later than ninety (90) days from the date on which the Trust Assets available for distribution to Class 4 Claims exceeds \$1.5 million.

**4.5 Class 5 - Equity Interests.** All Equity Interests issued by the Debtors other than Equity Interests in Holdings shall be merged by operation of section 5.1 hereof on the Effective Date. On the Effective Date, the Equity Interests of Holdings shall be transferred or conveyed to the CEP Liquidating Trust for the benefit of the Beneficiaries of the CEP Liquidating Trust. Each holder of an Equity Interest shall neither receive nor retain any property or interest in property on account of such Equity Interest unless and until all Allowed Claims are paid in full with interest.

## ARTICLE V.

### **SUBSTANTIVE CONSOLIDATION OF HOLDINGS, CEP, THERMOPLASTICS AND CEP MEXICO**

**5.1 Substantive Consolidation.** On the Effective Date (i) all assets of CEP Mexico (and all proceeds thereof) and liabilities of CEP Mexico, shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the Estate of Holdings, and, likewise, all assets (and proceeds thereof) of the Estates of CEP and Thermoplastics and all liabilities of CEP and Thermoplastics shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the Estate of Holdings; (ii) no distributions shall be made under the Plan on account of inter-company claims among the Debtors (and CEP Mexico) and all such Claims shall be eliminated; (iii) all guarantees of the Debtors (and CEP Mexico) of the obligations of any other Debtors (and/or CEP Mexico) shall be deemed eliminated and extinguished such that any Claim against any Debtor (or CEP Mexico) and any guaranty thereof executed by any other Debtor (and/or CEP Mexico) and any joint or several liability of any of the Debtors (and/or CEP Mexico) shall be deemed to be one obligation of Consolidated Holdings; and (iv) each and every claim filed or to be filed in any of the Cases (and CEP Mexico) shall be deemed to be filed against Consolidated Holdings; provided, however, that (a) for the purposes of determining the availability of the right of set-off under section 553 of the Bankruptcy Code, the Debtors (and CEP Mexico) shall be treated as separate entities so that, subject to the other provisions of section 553 of the



Bankruptcy Code debts due to any of the Debtors (or CEP Mexico) may not be set-off against the debts of any of the other Debtors (or CEP Mexico), and (b) for purposes of determining the Plaintiff of, and availability of defenses to, Avoidance Actions, the Debtors (and/or CEP Mexico) may, at the option of the Liquidating Trustee, be treated as separate entities. To the extent that a creditor is holding an Allowed Claim against more than one of the Debtors' Estates (including Allowed Claims against CEP Mexico), such creditors shall be treated as a holder of an Allowed Claim as against Consolidated Holdings.

## ARTICLE VI.

### **PROVISIONS GOVERNING DISTRIBUTIONS**

**6.1 Distribution Record Date.** As of the close of business on the Confirmation Date, the various registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors, or their agents, (and CEP Mexico) shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Equity Interests unless otherwise specifically provided under the Plan. Nether the Debtors (and CEP Mexico) nor the CEP Liquidating Trustee shall have any obligation to recognize any transfer of the Claims or Equity Interests occurring on or after the Confirmation Date.

#### **6.2 Method of Distributions Under the Plan.**

(a) **Effective Date Payments and Transfers by the Debtors.** On the Effective Date, the Debtors shall remit to the Liquidating Trustee, who in turn shall pay as soon as practicable holders of Allowed Claims pursuant to section 2.1, 2.2, 2.3, 2.4, 2.5, 4.1, 4.2 and 4.3 an amount in Cash equal to the Allowed amount of such Claims or in such other amounts as set forth in the Plan. On the Effective Date, after payment of Allowed Claims in accordance with sections 2.1, 2.2, 2.3, 2.4, 2.5, 4.1, 4.2 and 4.3 hereof, and funding of the Disputed Claim Reserve, all remaining Cash (or equivalents to Cash) and all right, title and interest to assets of the Estates and assets of CEP Mexico, of the Debtors (and CEP Mexico) shall re-vest in the CEP Liquidating Trust. The transfer of the assets as described in the preceding sentence to the CEP Liquidating Trust shall be made for the benefit of the Beneficiaries, in each case, but only to the extent that the Beneficiaries are entitled to distributions under the Plan.

(b) **Disbursing Agent.** All distributions under the Plan will be made by the Liquidating Trustee. The Liquidating Trustee will not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court, and in the event that the Liquidating Trustee is otherwise so ordered, all costs and expenses of procuring any such bond or surety will be borne by the CEP Liquidating Trust. The Liquidating Trustee shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan and/or CEP Liquidating Trust, (ii) make all distributions contemplated in the Plan, (iii) employ professionals to represent it with respect to its responsibilities under the Plan and (iv) exercise such other powers as may be vested in the Liquidating Trustee by order of the Bankruptcy Court, pursuant to the Plan and/or Liquidating Trust, or as deemed by the Liquidating Trustee to be necessary and proper to implement the provisions of the Plan. Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Liquidating Trustee on or after the Effective Date (including without limitation, taxes) and any reasonable compensation and expense reimbursement claims (including, without limitation, reasonable attorneys' fees and other professional fees and expenses) made by the Liquidating Trustee shall be paid in Cash subject to the terms and conditions of the CEP Liquidating Trust.

(c) **Distributions of Cash.** At the option of the Liquidating Trustee, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

(d) **Delivery of Distributions.** Subject to Bankruptcy Rule 9010, unless otherwise provided in the Plan, all distributions to any holder of an Allowed Claim will be made to the holder of each Allowed Claim at the address of such holder as listed in the Schedules, or on the books and records of the Debtors' claims agent BMC unless the Debtors or Liquidating Trustee, as the case may be, have been notified, in advance, in writing of a change of address, including, without limitation, by the timely filing of a proof of claim or interest by such holder that provides an address for such holder different from the address reflected in the Schedules or in the Debtors' books and records. In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder will be made unless and until the Liquidating Trustee has been notified of the then current address of such holder, at which time or as soon as reasonably practicable thereafter, such distribution will be made to such holder without interest; provided, however, that, such undeliverable distributions will be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of ninety (90) days after the date of distribution in accordance with the section on unclaimed distributions below. The Liquidating Trustee will have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Schedules and its books and records maintained by BMC (including any proofs of claim filed against the Debtors).

**6.3 Withholding and Reporting Requirements.** In connection with the Plan and the CEP Liquidating Trust and all instruments issued in connection therewith and distributed thereon, the Liquidating Trustee shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements.

**6.4 Time Bar to Cash Payments.** Checks issued in accordance with the Plan in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Liquidating Trustee by the holder of the Allowed Claim to whom such check was originally issued. Any Claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the sixty (60) day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to the CEP Liquidating Trust and any Claim in respect of such voided check shall be discharged and forever barred from assertion against the Debtors and their property or the CEP Liquidating Trust, as the case may be.

**6.5 Minimum Distributions.** No payment of Cash less than \$50 shall be made by the Liquidating Trustee. Any Trust Assets that are undistributable in accordance with this section 6.5 shall vest in the CEP Liquidating Trust for the benefit of its Beneficiaries.

**6.6 Setoffs.** The Debtors, CEP Mexico or the Liquidating Trustee, as the case may be, may, but shall not be required, to set off against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any claims of any nature whatsoever that the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, CEP Mexico or the Liquidating Trustee of any such claim the Debtors or CEP Mexico may have against the holder of such Claim.

**6.7 Transactions on Business Days.** If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next Business Day but shall be deemed to have been completed as of the required date.

**6.8 Allocation of Plan Distribution Between Principal and Interest.** All distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed Claim, as

determined for federal income tax purposes, and thereafter, to the remaining portion of such Claim comprising interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

## ARTICLE VII.

### MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

#### 7.1 The CEP Liquidating Trust

(a) **Execution of the Agreement.** On the Effective Date, the Agreement shall be executed, and all other necessary steps shall be taken to establish the CEP Liquidating Trust and the beneficial interests therein, which shall be for the benefit of all creditors and parties in interest entitled to receive distributions under the Plan. This section 7.1 sets forth certain of the rights, duties and obligations of the Liquidating Trustee. In the event of any conflict between the terms of section 7.1 of the Plan and the terms of the Agreement, the terms of the Agreement shall govern.

(b) **Purpose of CEP Liquidating Trust.** The CEP Liquidating Trust shall be established and maintained for the sole purpose of liquidating and distributing assets of the Estates and CEP Mexico and proceeds thereof contributed to the CEP Liquidating Trust (and constituting Trust Assets), in accordance with Treasury Regulation section 30.1.7701-4(d), and resolving and administering Claims, with no objective to continue or engage in the conduct of a trade or business.

(c) Transfer of Assets of the Estates (and CEP Mexico) to the CEP Liquidating Trust.

(i) On the Effective Date, right, title and interest to all assets as described in section 6.2(a) hereof shall vest in the CEP Liquidating Trust as Trust Assets.

(ii) On the Effective Date, the Estates (and CEP Mexico) shall be deemed to assign, set over, transfer and convey to the CEP Liquidating Trust all of their right, title and interest in assets of the Estates (and CEP Mexico). To the extent that certain assets of the Estates (and CEP Mexico), because of their nature or because they will accrue subsequent to the Effective Date, cannot be assigned, set over, transferred or conveyed to the CEP Liquidating Trust on the Effective Date, such assets shall be deemed assigned, set over, transferred and conveyed to the CEP Liquidating Trust as soon as practical after the Effective Date.

(iii) On or after the Effective Date, the Liquidating Trustee shall continue as a plaintiff in all litigation or Causes of Action (on behalf of the Beneficiaries) in which the Debtors (and CEP Mexico) were plaintiffs prior to the Effective Date. All recoveries and proceeds arising from litigation and Causes of Action shall be deemed assigned, set over, transferred and conveyed to the CEP Liquidating Trust upon receipt thereof. All fees and costs of the Liquidating Trustee (and agents thereof) arising from or relating to pursuing litigation or Causes of Action or other services performed at the request of the Liquidating Trustee on behalf of the CEP Liquidating Trust shall be paid as a first priority in right of distribution from the CEP Liquidating Trust.

(iv) The transfer of assets of the Estates (and CEP Mexico) to the Liquidating Trust shall be made for the benefit of the Beneficiaries, in each case, but only to the extent the Beneficiaries are entitled to distributions under the Plan.

(d) **Governance of CEP Liquidating Trust.** The CEP Liquidating Trust shall be governed by the Liquidating Trustee in accordance with the Agreement and consistent with the Plan.

(e) **The Liquidating Trustee.** Shaun M. Martin shall be the Liquidating Trustee. The designation of the Liquidating Trustee shall be effective on the Effective Date without the need for a further order of the Bankruptcy Court. The Liquidating Trustee shall exercise reasonable business judgment to administer Trust Assets and to make timely distributions from the CEP Liquidating Trust to its Beneficiaries.

(f) **Nontransferability of Interests in the CEP Liquidating Trust.** The beneficial interests in the CEP Liquidating Trust shall not be certificated and are not transferable (except as otherwise provided in the Agreement).

(g) **Cash.** The Liquidating Trustee may invest Cash consisting of the Trust Assets (including any earnings thereon or proceeds therefrom) in short term overnight investments or longer term investments as permitted by section 345 of the Bankruptcy Code; *provided, however*, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

(h) **Costs and Expenses of the Liquidating Trustee.** The costs and expenses of the CEP Liquidating Trust, including the fees and expenses of the Liquidating Trustee and its retained professionals, shall be paid out of the CEP Liquidating Trust. Such costs and expenses shall be treated as administrative expenses of the Estates, having, however, a first priority in right of distribution, and without the need for Bankruptcy Court authorization or entry of a Final Order. The Liquidating Trustee shall retain such amounts as are reasonably necessary (at the discretion of the Liquidating Trustee) to meet the future fees and expenses incurred in administering the CEP Liquidating Trust in the Liquidation Expense Reserve Account.

(i) **Compensation of the Liquidating Trustee.** The Liquidating Trustee shall be entitled to reasonable compensation, which shall be on economic terms agreeable to the Committee and established prior to the Effective Date. The compensation payable to the Liquidating Trustee shall be treated consistent with section 7.1(h) hereunder.

(j) **Distribution of Trust Assets.** The Liquidating Trustee shall distribute at least annually and in accordance with the Agreement, beginning on the Effective Date or as soon thereafter as is practicable, the Trust Assets on hand (including any Cash received from the Debtors and CEP Mexico on the Effective Date, and treating as Cash for purposes of this section 7.1 any permitted investments under Section 7.1(g) hereof), except such amounts (i) as would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such distribution (but only until such Claim is resolved); (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the CEP Liquidating Trust during liquidation; (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the assets of the CEP Liquidating Trust or in respect of the CEP Liquidating Trust); and (iv) to satisfy other liabilities incurred by the CEP Liquidating Trust in accordance with this Plan or the Agreement.

(k) **Retention of Professionals by the Liquidating Trustee.** The Liquidating Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidating Trustee on such terms as the Liquidating Trustee deems appropriate without Bankruptcy Court approval. The Liquidating Trustee may retain any professional who represented parties in interest (including the Debtors, CEP Mexico or the Committee) in the Cases.

(l) **Authority to Grant Releases.** Without limiting the generality of section 7.6 hereof, in connection with the compromise and settlement of any Causes of Action, the Liquidating Trustee is authorized to release and discharge, to the fullest extent permitted by law, non-Debtor parties to Causes of Action from all Claims and Causes of Action that, the Committee or the Liquidating Trustee (as successor to the Debtors and CEP Mexico on behalf of the Beneficiaries) has or may have whether known or unknown against such Persons. Any settlement effectuated prior to the Confirmation Date, upon notice thereof to the Bankruptcy Court, shall be deemed incorporated into the Plan and entry of the Confirmation Order including provisions of such settlement shall be deemed a settlement pursuant to section 1123(b)(3)(A) of the Bankruptcy Code.

(m) **Attorney-Client Privilege.** Any attorney-client privilege, work-product privilege or other privilege or immunity that the Estates, CEP Mexico or Committee are entitled to assert in the Causes of Action shall vest in the Liquidating Trustee (and the attorneys and agents of the Liquidating Trustee) and the Liquidating Trustee shall be entitled to assert such privilege and immunity to the same extent that the Debtors, CEP Mexico and Committee were entitled to do so prior to the Effective Date.

(n) **Transfer of Claims of Debtors, the Estates and CEP Mexico to CEP Liquidating Trust.** All assets of the Debtors, the Estates and CEP Mexico are to be transferred to and deemed property of the CEP Liquidating Trust for the benefit of the Beneficiaries on the Effective Date. Included among such assets are Causes of Action. A full investigation of potential Causes of Action has not been undertaken by either the Debtors, CEP Mexico or the Committee. It is, however, the Committee's belief that potential Causes of Action may exist as against, among others, (i) insiders of the Debtors and/or CEP Mexico and their respective affiliates arising from or relating to the Carlisle Transaction (as defined in the Disclosure Statement) and/or the Parker-Hannifin Transaction (as defined in the Disclosure Statement); (ii) the Carlisle Companies and/or Parker-Hannifin Corporation and/or their respective subsidiaries, affiliates, agents or other Persons arising from or relating to the Carlisle Transaction and/or the Parker-Hannifin Transaction; (iii) Persons (and/or subsidiaries and affiliates thereof) identified in the Debtors' items 3(a) and 3(b) of the respective Debtors' Statements of Financial Affairs with respect to Avoidance Actions (and other Persons subsequently discovered by the Committee or Liquidating Trustee as having received payments that should have been listed and identified in item 3(a) or 3(b) of the respective Debtors' Statements of Financial Affairs and were not); (iv) any one or more of the Participating Customers, other customers of the Debtors and/or CEP Mexico, or debtors of the Debtors or CEP Mexico, for failure to pay accounts receivable or other amounts due to the Debtors (including Cash Infusions) and/or CEP Mexico in accordance with, inter alia, the Final DIP Order and/or its related agreements, purchase orders, course of conduct as between the Debtors, CEP Mexico and any customer of the Debtors or CEP Mexico with unpaid accounts due and owing to the Debtors or CEP Mexico; (v) other Causes of Action identified by the Liquidating Trustee in the course of their post-Effective Date due diligence.

(o) Federal Income Tax Treatment of CEP Liquidating Trust.

(i) **Trust Assets Treated as Owned by Creditors.** For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee and the holders of beneficial interests in the CEP Liquidating Trust) shall treat the transfer of the Trust Assets to the CEP Liquidating Trust for the benefit of the Beneficiaries thereof, whether Allowed on or after the Effective Date, as (A) a transfer of the Trust Assets directly to the Beneficiaries (other than to the extent allocable to Disputed General Unsecured Claims) followed by (B) the transfer by the Beneficiaries to the CEP Liquidating Trust of the Trust Assets in exchange for beneficial interests in the CEP Liquidating Trust. Accordingly, Beneficiaries shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Trust Assets.

(ii) **Tax Reporting.**

(A) The Liquidating Trustee shall file returns for the CEP Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-1 through 4(a) and in accordance with this section 7.1(o). The Liquidating Trustee shall also annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The CEP Liquidating Trust's taxable income, gain, loss, deduction or credit will be allocated (subject to section 7.1(o)(ii)(C) hereof, relating to Disputed General Unsecured Claims) to the holders of Allowed General Unsecured Claims in accordance with their relative beneficial interests in the CEP Liquidating Trust.

(B) As soon as possible after the Effective Date, but in no event later than permitted by applicable non-bankruptcy law, the Liquidating Trustee shall make a good faith valuation of the Trust Assets. Such valuation shall be made available from time to time, to the extent relevant, and used consistently by all parties (including, without limitation the Debtors, the Liquidating Trustee, and the holders of Allowed General Unsecured Claims) for all federal income tax purposes. The Liquidating Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the CEP Liquidating Trust that are required by any governmental unit.

(C) Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (i) treat any Trust Assets allocable to, or retained on account of, Disputed Claims as held by one or more discrete trusts for federal income tax purposes (the "Disputed Claim Reserve") in accordance with the trust provisions of the Tax Code (section 641 *et seq.*); (ii) treat as taxable income or loss of the Disputed Claim Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the CEP Liquidating Trust that would have been allocated to the holders of Disputed Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved); (iii) treat as a distribution from any reserve established under CEP Liquidating Trust any increased amounts distributed by the CEP Liquidating Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such distributions relate to taxable income or loss of the CEP Liquidating Trust determined in accordance with the provisions hereof; and (iv) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All holders of Allowed General Unsecured Claims shall report, for tax purposes, consistent with the foregoing.

(D) The Liquidating Trustee shall be responsible for payments, out of the Trust Assets, of any taxes imposed on the CEP Liquidating Trust or the Trust Assets, including any Disputed Claim Reserve established under the CEP Liquidating Trust. In the event, and to the extent, any Cash retained on account of Disputed General Unsecured Claims in any Disputed Claim Reserve established under the CEP Liquidating Trust is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed General Unsecured Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed General Unsecured Claims, or (ii) to the extent such Disputed General Unsecured Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating Trustee as a result of the resolutions of such Disputed General Unsecured Claims.

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

(p) **Dissolution.** The CEP Liquidating Trust and the Liquidating Trustee shall be discharged or dissolved, as the case may be, at such time as (i) all Disputed General Unsecured Claims have been resolved, (ii) all Trust Assets have been liquidated and (iii) all distributions required to be made by the Liquidating Trustee under the Plan have been made, but in no event shall the CEP Liquidating Trust be dissolved later than a period that would adversely affect the status of the CEP Liquidating Trust as a liquidating trust for federal income tax purposes. The CEP Liquidating Trust shall only exist for a period as long as is necessary to facilitate or complete the recovery and liquidation of the Trust Assets and distribution of their proceeds. The Liquidating Trustee shall not unduly prolong the duration of the CEP Liquidating Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Trust Assets and to effect the distribution of the Trust Assets in accordance with the terms hereof and terminate the CEP Liquidating Trust as soon as practicable. Prior to and upon termination of the CEP Liquidating Trust, the Trust Assets will be distributed to the Beneficiaries of CEP Liquidating Trust, pursuant to the provisions set forth in sections V.E and V.F of the CEP Liquidating Trust and Articles 2 and 4 of the Plan.

(q) **Indemnification of Liquidating Trustee.** The Liquidating Trustee and the Liquidating Trustee's agents and professionals shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Liquidating Trustee, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty or *ultra vires* acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Liquidating Trustee, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty; or *ultra vires* acts. Any indemnification claim of the Liquidating Trustee (and the other parties entitled to indemnification under this subsection 7.1(q)) shall be satisfied first from the Trust Assets. The Liquidating Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

**7.2 Distributions to Holders as of the Confirmation Date.** As of the close of business on the Confirmation Date, the Claims Register, the equity register and transfer and other registers as maintained by the Debtors and/or their respective agents, as applicable, will be closed and there will be no further changes in the record holder of any Claim or Equity Interest. The Liquidating Trustee will have no obligation to recognize any transfer of any Claim or Equity Interest occurring after the Confirmation Date. The Liquidating Trustee will instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims Register and other registers as of the close of business on the Confirmation Date.

**7.3 Closing of Cases by Charitable Gift.** If at any time the Liquidating Trustee determines with consent of the Committee that the expense of administering the CEP Liquidating Trust so as to make a final distribution to Allowed Claims is likely to exceed the value of the Trust Assets remaining in the CEP Liquidating Trust, the Liquidating Trustee shall apply to the Bankruptcy Court for authority to (i) reserve any amounts necessary to close the Cases; (ii) donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Debtors and any insider of the Debtors; and (iii) close the Cases in accordance with the Bankruptcy Code and Bankruptcy Rules. Notice of such application shall be given electronically, to the extent practicable, to those parties who have filed requests for notices and whose electronic addresses remain current and operating.

**7.4 Release of Liens.** Except as otherwise specifically provided in or contemplated by the Plan or in any contract, instrument or other agreement or document created in connection with the Plan, (i) each holder of: (a) any purported Secured Claim and/or (b) any judgment, personal property or ad valorem tax, molder, warehouse or artisan or similar Lien Claim, in each case regardless of whether such Claim is an Allowed Claim, shall, on or immediately before the Effective Date and regardless of whether such Claim has been scheduled or proof of such Claim has been filed: (y) turn over and release to the Estates any and all property of the Debtors or Estates that secures or purportedly secures such Claim, or such Lien and/or Claim shall automatically, and without further action by the Debtors or the Liquidating Trustee, as the case may be, be deemed released and (z) execute such documents and instruments as the Debtors or Liquidating Trustee, as the case may be, requires to evidence the holder of a Claim's release of such property or Lien, and if such holder refuses to execute appropriate documents or instruments, the Debtors, CEP Mexico or the Liquidating Trustee, as the case may be, in its discretion, file a copy of the Confirmation Order in the appropriate recording office, which shall serve to release any holder of a Claim's rights in such property; and (ii) on the Effective Date, all right, title and interest in such property shall revert or be transferred to the CEP Liquidating Trust as Trust Assets, free and clear of all Claims, interests, and Liens of any kind.

**7.5 Cancellation of Existing Securities and Agreements.** On the Effective Date, except as expressly provided in this Plan, the securities, promissory notes, trust indentures, share certificates, security agreements, deeds of trust, collateral agency agreements and other instruments evidencing or securing a Claim shall be deemed cancelled without further act or action under any applicable agreement or Law, and the obligations of the Debtors and the Liquidating Trustee, as successor to the Debtors and CEP Mexico under the agreements, instruments, trust indentures and certificates governing and securing such Claims, as the case may be, shall be discharged.

**7.6 Liquidating Trustee's Post-Confirmation Role.** All rights and obligations of the Debtors under this Plan that exist or continue on or after the Effective Date shall vest in the Liquidating Trustee and shall be rights and obligations exercisable by the Liquidating Trustee on and after the Effective Date. Further, the Liquidating Trustee shall perform each of the following acts as soon as practicable on or after the Effective Date:

(a) **General Powers.** In furtherance of and consistent with the purpose of the CEP Liquidating Trust and the Plan, the Liquidating Trustee shall (A) have the power and authority to hold, manage, sell and distribute the Trust Assets in accordance with the Plan, (B) have the power and authority to prosecute and resolve, in the name of the Debtors, CEP Mexico and/or the name of the Liquidating Trustee, Causes of Action, (C) have the power and authority to prosecute and resolve objections to Disputed Claims, (D) have the power and authority to perform such other functions as are provided in the Plan and (E) have the power and authority to administer the closure of the Cases. The Liquidating Trustee shall be responsible for all decisions and duties with respect to the CEP Liquidating Trust and the Trust Assets. In all circumstances, the Liquidating Trustee shall act in the best interests of all beneficiaries of the CEP Liquidating Trust and in furtherance of the purpose of the CEP Liquidating Trust.

(b) **Payments and Transfers.** On the Effective Date, or as soon thereafter as is reasonably practicable the Liquidating Trustee, shall make payments and transfers to holders of Allowed Claims to claimants in the manner set forth at sections 2.1, 2.2, 2.3, 2.4, 2.5, 4.1, 4.2, 4.3 and 4.4 hereof, and in accordance with section 6.2 hereof.

(c) **Administration of Taxes.** The Liquidating Trustee shall be authorized to exercise all powers regarding the Debtors' and CEP Mexico's tax matters, including filing tax returns, to the same extent as if the Liquidating Trustee were the debtor in possession. The Liquidating Trustee shall (A) complete and file within ninety (90) days of the filing for dissolution by CEP, Thermoplastics,



Holdings and CEP Mexico, to the extent not previously filed, the Debtors' final federal, state, and local tax returns; (B) request an expedited determination of any unpaid tax liability of the Debtors under section 505(b) of the Bankruptcy Code for all tax periods of the Debtors ending after the Petition Date through the liquidation of the Debtors as determined under applicable tax laws, to the extent not previously requested; and (C) represent the interest and account of the Debtors before any taxing authority in all matters, including, but not limited to, any action, suit, proceeding or audit.

(d) **Claims Administration, Prosecution Objection to Claims, and Plan Distributions.** The Liquidating Trustee shall have the power and authority to prosecute and resolve objections to Disputed Subordinated Participating Customers Secured Claims, Disputed Administrative Expense Claims, Disputed Priority Tax Claims, Disputed Other Secured Claims, Disputed Priority Non-Tax Claims and Disputed General Unsecured Claims. The Liquidating Trustee shall have the right, power and authority to retain and assert all defenses, rights of setoff, recoupment and counterclaims with respect to each of the foregoing. The Liquidating Trustee shall also have the power and authority to hold, manage and distribute Plan distributions to the holders of Allowed Claims consistent with applicable provisions of this Plan.

Notwithstanding the foregoing, all Insurance Claims that arose prior to the Petition Date shall be deemed Allowed in the greater of (i) an amount equal to (x) the amount of any remaining self-insured retention under the Insurance Policy applicable to such Insurance Claim, divided by (y) the number of Insurance Claims to which the applicable Insurance Policy and self-insured retention applies; and (ii) \$0.00. The allowance of an Insurance Claim pursuant to this provision shall not be deemed an admission of liability by CEP, Thermoplastics and/or Holdings, and therefore shall not be conclusive as to the Debtors' liability in any proceeding by the holder of an Insurance Claim against an Insurer.

**7.7 Books and Records.** Unless applicable non-bankruptcy law permits the distribution or destruction of certain of the Debtors' and CEP Mexico's business records at an earlier date, the Liquidating Trustee shall have the responsibility of storing and maintaining books and records until one year after the Effective Date, after which time such books and records may, at the sole discretion of the Liquidating Trustee, be abandoned or destroyed without further Bankruptcy Court order, unless applicable non-bankruptcy law requires the retention and maintenance of any such books and records for a longer period, in which instance the Liquidating Trustee shall retain such books and records for at least the minimum period required by applicable non-bankruptcy law. For purposes of this section, books and records include computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors and CEP Mexico maintained by or in possession of third parties and all of the claims and rights of the Debtors and CEP Mexico in and to their books and records, wherever located.

**7.8 Corporate Action.** On the Effective Date, the Liquidating Trustee, shall perform each of the actions and effect each of the transfers required by the terms of the Plan in the time period allocated therefor, and all matters provided for under the Plan that would otherwise require approval of the stockholders, directors or comparable governing bodies of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law (or other applicable governing law) of the state in which the Debtors incorporated or organized, without any requirement of further action by the stockholders or directors (or other governing body) of the Debtors and/or CEP Mexico.

**7.9 Effectuating Documents and Further Transactions.** The Debtors, CEP Mexico and/or Liquidating Trustee, as the case may be, are authorized and directed to execute, deliver, file or record such contracts, instruments, releases, indentures, and other agreements or documents and take such

actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**7.10 Securities Exempt.** The beneficial interests in the CEP Liquidating Trust satisfy the requirements of section 1145 of the Bankruptcy Code and, therefore, such interests are exempt from registration under the Securities Act of 1933, as amended, and any state or local law requiring registration.

**7.11 Pension Plans.** If not assumed by The Reserve Group (or an affiliate or subsidiary thereof) on or prior to the Effective Date, the Liquidating Trustee, on the Effective Date, shall take such actions as necessary to cause the termination of the Pension Plans in a manner (either via standard termination or distressed termination) that most expediently causes the termination of the Pension Plans and creates the lowest possible Claims of the PBGC as against the Estates and the CEP Liquidating Trust. In the event that the Pension Plans are assumed by The Reserve Group (or an affiliate or subsidiary thereof), such assumptions shall be undertaken by separate agreement acceptable to the Liquidating Trustee, The Reserve Group and the PBGC.

## ARTICLE VIII.

### PROCEDURES FOR DISPUTED CLAIMS

**8.1 Objections to Claims.** The Debtors, and from and after the Effective Date the Liquidating Trustee, shall be entitled to object to Administrative Expense Claims, Priority Tax Claims, Subordinated Participating Customers Secured Claims, Other Secured Claims, Priority Non-Tax Claims and General Unsecured Claims.

**8.2 No Distribution Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

**8.3** Reserve on Account of Disputed Claims.

(a) **Establishment and Maintenance of Reserve for Disputed Claims.** The Liquidating Trustee shall maintain the Disputed Claim Reserve at an amount equal to the aggregate of 100% of the distributable amounts to which holders of such Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in their Disputed Claim Amounts or such lesser amount as required by a Final Order. For purposes of effectuating the provisions of this section 8.3(a) and the distributions to holders of Allowed Claims, the Bankruptcy Court shall set, may fix or liquidate the amount of Disputed Claims pursuant to section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed the amounts of the Disputed Claims for purposes of distribution under this Plan. In lieu of fixing or liquidating the amount of any Disputed Claim, the Bankruptcy Court may determine the amount to be reserved for such Disputed Claim or such amount may be fixed by agreement in writing between the Liquidating Trustee and the holder of a Disputed Claim.

(b) **Distributions Upon Allowance of Disputed Claims.** The holder of a Disputed Claim that becomes an Allowed Claim shall receive distributions in Cash from the Disputed Claim Reserve as soon as practical following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such distributions shall be made in accordance with the Plan based upon the distributions that would have been made to such holder under the Plan if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date. No holder of a Disputed Claim shall have any Claim against the Disputed Claim Reserve or the CEP Liquidating Trust with respect to such Claim until

such Disputed Claim shall become an Allowed Claim, and no holder of a Disputed Claim shall have any right to interest on such Disputed Claim except for any Reserve Income earned thereon.

**8.4 Resolution of Disputed Claims.** Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, following the Effective Date, the Liquidating Trustee shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 328(a), 330 and 503 of the Bankruptcy Code) to make and file objections to Claims and shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than one hundred eighty (180) days after the Effective Date (subject, however, to the right the Liquidating Trustee to seek an extension of time to file such objections by seeking such extension with approval from the Bankruptcy Court).

**8.5 Estimation.** The Debtors or the Liquidating Trustee (as the case may be) may at any time request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtors or the Liquidating Trustee (as the case may be) may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. On and after the Confirmation Date, Claims that have been estimated may be compromised, settled, withdrawn or otherwise resolved subsequently, without further order of the Bankruptcy Court.

**8.6 Distributions to Holders of Allowed Claims Upon Disallowance of Disputed Claims.** Subject to section 7.2 hereof, upon disallowance of any Disputed Claim, each holder of an Allowed Claim in the same Class as the disallowed Disputed Claim will be entitled to its Pro Rata Share of Cash equal to the distribution that would have been made in accordance with the Plan to the holder of such Disputed Claim had such Disputed Claim been an Allowed Claim on or prior to the Effective Date. Such distributions on account of disallowed Disputed Claims will be made as soon as practicable after the fifteenth business day following allowance or disallowance of the last Disputed Claim. Upon allowance or disallowance of all or a portion of such Disputed Claims, the Debtor, or the Liquidating Trustee, as the case may be, will make appropriate distributions in accordance with the Plan.

## ARTICLE IX.

### **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**9.1 Executory Contracts and Unexpired Leases.** On the Effective Date, all executory contracts and unexpired leases to which any Debtor is a party shall be deemed rejected as of the Effective Date, including, without limitation, collective bargaining agreements subject to section 1113 of the Bankruptcy Code and agreements for the provision of retiree benefits subject to section 1114 of the Bankruptcy Code, except for an executory contract or unexpired lease that (i) has been assumed or rejected pursuant to Final Order of the Bankruptcy Court entered prior to the Effective Date or (ii) is the subject of a separate motion to assume or reject (or terminate or modify, as the case may be) filed under sections 365, 1113 and/or 1114 of the Bankruptcy Code by the Debtors prior to the Effective Date.

Notwithstanding the foregoing, any agreements, documents or instruments relating thereto (including Insurance Policies) that, are postpetition contracts shall continue to operate unaffected by the Plan, with the Insurers responsible for claims in accordance with the terms and provisions of such post-petition contracts (including Insurance Policies) unless otherwise terminated by the Liquidating Trustee. The Debtors' Insurance Policies that have expired as of the Confirmation Date (whether entered into prior or subsequent to the Petition Date) are not executory contracts subject to assumption or rejection. The Insurers shall be responsible for continuing coverage obligations under such Insurance Policies, regardless of the payment status of any retrospective or other insurance premiums.

Nothing contained in the Plan shall constitute or be deemed to be a waiver of any cause of action that the Debtors may hold against any Person, including, without limitation, any Insurer under any of the Debtors' Insurance Policies.

**9.2 Approval of Rejection of Executory Contracts and Unexpired Leases.** Entry of the Confirmation Order shall constitute the approval, pursuant to sections 365(a), 1113 and/or 1114 of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected as of the Effective Date pursuant to the Plan.

**9.3 Rejection Claims.** In the event that the rejection of an executory contract or unexpired lease by the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors or any property to be distributed under the Plan unless a proof of claim is filed with the Bankruptcy Court and served upon the Liquidating Trustee on or before the date that is thirty (30) days after the Confirmation Date. The foregoing sentence shall not, however, be applicable to any separate pre-Confirmation Date order of the Bankruptcy Court authorizing rejection of an executory contract or unexpired lease wherein a separate deadline by which rejection damages claims was established.

## ARTICLE X.

### **EFFECTIVENESS OF THE PLAN**

**10.1 Condition Precedent to Confirmation of Plan.** The following are conditions precedent to the confirmation of the Plan:

- (a) The Bankruptcy Court shall have entered a Confirmation Order in form and substance satisfactory to the Committee; and
- (b) The Bankruptcy Court enters the Confirmation Order on or before May 15, 2007.

**10.2 Conditions Precedent to Effective Date.** The following are conditions precedent to the Effective Date of the Plan:

- (a) No stay of the Confirmation Order shall then be in effect; and
- (b) The Debtors shall have sufficient Cash to pay the sum of (i) Allowed Wachovia Secured Claim, Allowed Subordinated Participating Customers Secured Claims, Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims and Allowed Priority Non-Tax Claims, and the Professional fees that have accrued but not been paid (to the extent that any of the foregoing are not otherwise payable under the Final DIP Order by "Cash Infusions", as the term is defined in the Final DIP Order); and/or (ii) an amount that would be required to distribute to the holders

of Disputed Subordinated Participating Customers Secured Claims, Disputed Administrative Expense Claims, Disputed Priority Tax Claims, Disputed Other Secured Claims, and Disputed Priority Non-Tax Claims if all such Claims are subsequently Allowed, as set forth more fully in Article VII hereof.

(c) Substantial Consummation will or is likely to occur on or before June 15, 2007.

**10.3 Satisfaction of Conditions.** Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Committee decides that one of the conditions precedent set forth in section 10.2 hereof cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Committee shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

**10.4 Effect of Nonoccurrence of Conditions to Effective Date.** If each of the conditions to consummation and the occurrence of the Effective Date has not been satisfied or duly waived on or before June 15, 2007, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this section 10.4, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims against the Debtors.

## ARTICLE XI.

### EFFECT OF CONFIRMATION

#### **11.1 Vesting of Assets.**

(a) As of the Effective Date, all property of the Estates (and CEP Mexico) shall vest in the CEP Liquidating Trust, and shall constitute the Trust Assets.

(b) As of the Effective Date, all assets of the Estates (and CEP Mexico) shall be free and clear of all Claims and Liens, except as provided in the Plan or the Confirmation Order.

**11.2 Release of Assets.** Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Debtors and their assets and properties. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matter set forth in Article XI hereof.

**11.3 Binding Effect.** Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in any one or more of the Debtors and their respective successors and assigns, including, but not limited to, the CEP Liquidating Trust and the Liquidating Trustee, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

**11.4 Term of Injunctions or Stays.** Unless otherwise expressly provided herein, all injunctions or stays arising under or entered during the Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of the Cases.

**11.5 Causes of Action.** Except as otherwise provided in the Plan, on and after the Effective Date, the Liquidating Trustee will have the exclusive right to enforce any and all Causes of Action against any person. The Liquidating Trustee may prosecute, defend, enforce, abandon, settle or release any or all Causes of Action as it deems appropriate, without the need to obtain approval or any other or further

relief from the Bankruptcy Court. The Liquidating Trustee may, in its sole discretion, offset any such claim held against a person, against any payment due such person under the Plan; *provided, however*, that any claims of the Debtors arising before the Petition Date (and CEP Mexico as of the Confirmation Date) shall first be offset against Claims against the Debtors arising before the Petition Date (and CEP Mexico arising prior to the Confirmation Date), subject in each instance, however, to the limitations of section 6.6 hereof. All defenses and rights of avoidance of the Debtors and CEP Mexico shall be retained and may be exercised by the Liquidating Trustee.

**11.6 Injunction.** On and after the Confirmation Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors and/or CEP Mexico for which the Liquidating Trustee retains sole and exclusive authority to pursue in accordance with the Plan.

**11.7 Injunction Against Interference with Plan.** Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

## ARTICLE XII.

### RETENTION OF JURISDICTION

**12.1 Jurisdiction of Bankruptcy Court.** The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to the Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;
- (b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date, including, without limitation, any proceeding to recover a Cause of Action;
- (c) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- (d) To consider Claims or the allowance, classification, priority, compromise, estimation or payment of any Claim;
- (e) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;
- (f) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, the Confirmation Order or any other order of the Bankruptcy Court;

- (g) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;
- (h) To hear and determine all applications under sections 328, 330, 331 and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred by Professionals prior to the Confirmation Date;
- (i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;
- (j) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Agreement, and to hear and determine all matters involving or relating to the CEP Liquidating Trust or the Liquidating Trustee.
- (k) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;
- (l) To recover all assets of the Debtors' property of the Estates and CEP Mexico, wherever located, which jurisdiction shall not be limited as a result of the transfer of such assets and property to the Liquidating Trust pursuant to the Plan;
- (m) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;
- (n) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including, without limitation, matters with respect to any taxes payable by a trust or reserve established in furtherance of the Plan);
- (o) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and
- (p) To enter a final decree closing the Cases.

## ARTICLE XIII.

### CRAMDOWNS RESERVATION

**13.1 Nonconsensual Confirmation.** If any impaired class votes to accept the Plan by the requisite statutory majorities provided in sections 1126(c) and 1126(d) of the Bankruptcy Code, as applicable, or if any impaired class is deemed to have rejected the Plan, the Debtors and the Committee each respectively reserve the right to undertake to have the Bankruptcy Court confirm the Plan under section 1129(c) of the Bankruptcy Code and/or amend the Plan in accordance with section 14.10 hereof to the extent necessary to obtain entry of the Confirmation Order.

## ARTICLE XIV.

### MISCELLANEOUS PROVISIONS

**14.1 Disposition of Creditors' Committee.** The Committee shall disband and be released of its duties and obligations on the Effective Date. Any rights or duties of the Committee under the Agreement shall be exercised by the co-chairs of the Committee as of the Confirmation Date, which Committee co-chairs shall continue to take all actions required of the Committee as of the Effective Date.

**14.2 Record Date.** At the close of business on the Confirmation Date, the Claims Register shall be closed.

**14.3 Substantial Consummation.** On the Effective Date or as soon thereafter as practicable, but in no event, later than June 15, 2007, the Plan shall be deemed to be "substantially consummated" as contemplated under sections 1101 and 1127(b) of the Bankruptcy Code.

**14.4 Exemption from Transfer Taxes.** Subject to orders entered by the Bankruptcy Court authorizing certain sales of real property in connection with any sale transaction, pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

**14.5 Release of Third Parties.** [RESERVED]

**14.6 Exculpation.** None of the Debtors, Committee nor any of their respective members, officers, directors, employees, advisors, professionals or agents, (collectively, "Exculpation Parties") shall have or incur any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Cases, including, without limitation, negotiations regarding or concerning the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Estates or the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence, and, in all respects, the Exculpation Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

**14.7 Discharge of Claims and Termination of Equity Interests.** Except as otherwise specifically provided herein or in the Confirmation Order, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts and Claims, and terminate all Equity Interests of any kind, nature or description whatsoever, other than Consolidated Holdings, against or in the Estates and/or CEP Mexico or any of their assets or properties to the fullest



extent permitted by section 1141 of the Bankruptcy Code. Except as otherwise provided herein or in the Confirmation Order, upon the Effective Date, all existing Claims against the Estates and/or CEP Mexico shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Estates, or any of its assets or properties, and/or CEP Mexico, or any of its assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim or is listed in the Schedules.

#### **14.8 Post-Confirmation Date Fees and Expenses.**

(a) **Fees and Expenses of Professionals.** The Liquidating Trustee shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses, incurred after the Effective Date, of the professional persons employed by the Liquidating Trustee in connection with the implementation and consummation of the Plan, the claims reconciliation process and any other matters as to which such professionals may be engaged. The fees and expenses of such professionals shall be paid within ten (10) Business Days after submission of a detailed invoice therefor. If the Liquidating Trustee disputes the reasonableness of any such invoice, the Liquidating Trustee shall timely pay the undisputed portion of such invoice, and the Liquidating Trustee or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of such invoice.

**14.9 Payment of Statutory Fees.** On the Effective Date, and thereafter as may be required, the Liquidating Trustee shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

**14.10 Modification of Plan.** The Plan may be amended, modified, or supplemented by the Debtors and the Committee in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise direct. In addition, after the Confirmation Date, so long as such action does not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors and Committee may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. Prior to the Effective Date, the Debtors and Committee may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, *provided* that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests.

**14.11 Revocation or Withdrawal of Plan.** The Committee reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Committee takes such action, the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

**14.12 Courts of Competent Jurisdiction.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal, or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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

**14.14 Governing Law.** Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Ohio, without giving effect to the principles of conflicts of law thereof.

**14.15 Exhibits.** All exhibits, schedules, addendum or other others annexed to the Plan are deemed incorporated into and are a part of the Plan as if set forth in full herein.

**14.16 Successors and Assigns.** All the rights, benefits and obligations of any person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such person.

**14.17 Time.** In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

**14.18 Notices.** All notices, requests and demands to or upon the Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to Debtor:                   BAKER & HOSTETLER LLP  
Joseph F. Hutchinson, Jr., Esquire  
3200 National City Center  
1900 East 9<sup>th</sup> Street  
Cleveland, OH 44114  
Telephone:       (216) 621-0200  
Facsimile:       (216) 696-0740

If to the Committee:       MCGUIREWOODS LLP  
Mark E. Freedlander, Esquire  
Dominion Tower, 23rd Floor  
625 Liberty Avenue  
Pittsburgh, PA 15222  
Telephone:       (412) 667-6000  
Facsimile:       (412) 667-6050

Respectfully submitted,

Dated: February 5, 2007

CEP Holdings, LLC, Creative Engineered Polymer  
Products, LLC and Thermoplastics Acquisition, LLC

By: /s/ Joseph Mallak  
Name: Joseph Mallak  
Title: President and CEO

The Official Committee of Unsecured Creditors

By: /s/ Bruce D. Tobiansky  
Name: Bruce D. Tobiansky  
E.I. du Pont de Nemours and Company  
Committee Co-Chair

By: /s/ Doreen Bailey-Wilson  
Name: Doreen Bailey-Wilson  
Rhodia, Inc.  
Committee Co-Chair

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## **EXHIBITS**

Exhibit 1      Trust Agreement