



ENTERED
06/18/2020

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

In re:	§	Case No. 20-31973 (MI)
	§	
CARBO CERAMICS INC., et al.,	§	(Chapter 11)
	§	
	§	(Jointly Administered)
Debtors.¹	§	Related to Dkt. No. 254, 528

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND ORDER CONFIRMING THE DEBTORS’
SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION**

The above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) having:

- a. commenced these chapter 11 cases (the “*Chapter 11 Cases*”) by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) on March 29, 2019 (the “*Petition Date*”);
- b. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;
- c. filed, on April 8, 2020, (i) the *Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 95], (ii) the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 96], and (iii) the *Emergency Motion for Entry of an Order (I) Conditionally Approving the Disclosure Statement, (II) Scheduling a Combined Plan and Disclosure Statement Hearing, (III) Approving Solicitation Packages and Procedures, (IV) Approving the Form of Ballots and Notices, and (V) Granting Related Relief* [Docket No. 97];
- d. filed, on April 29, 2020, (i) the *Debtors’ First Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 254] (as may be further modified, amended, or supplemented from time to time, the “*First Amended Plan*”), (ii) the *First Amended Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 255] (as may be further modified, amended, or supplemented from time to time, the “*Disclosure Statement*”), and (iii) the *Notice*

¹ The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: CARBO Ceramics Inc. (0013); StrataGen, Inc. (5205); and Asset Guard Products Inc. (6422). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 575 N. Dairy Ashford Road, Suite 300, Houston, Texas 77079.

of Filing of First Amended Plan and Disclosure Statement and Blacklines [Docket No. 256];

- e. filed, on April 30, 2020, (i) the *Notice of (A) Conditional Approval of Disclosure Statement, (B) Combined Hearing to Consider Final Approval of Disclosure Statement and Confirmation of Plan, (C) Deadline for Filing Objections to Final Approval of Disclosure Statement and Confirmation of Plan, and (D) Other Relevant Information* [Docket No. 263] (the “**Combined Hearing Notice**”) which contained, *inter alia*, notice of the date and time set for the combined hearing to consider final approval of the Disclosure Statement and Confirmation of the Plan (the “**Combined Hearing**”), and the deadlines for filing objections to the Plan and the Disclosure Statement and for voting to accept or reject the Plan;
- f. filed, on May 5, 2020, the *Notice of Correction to the First Amended Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 273];
- g. caused solicitation materials and notice of the deadlines for voting on the Plan and objecting to confirmation of the Plan to be distributed through Epiq Corporate Restructuring, LLC (the “**Notice and Claims Agent**”), commencing on May 4, 2020, consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”), applicable nonbankruptcy law, and the Conditional Disclosure Statement Order (as defined herein), which Conditional Disclosure Statement Order also approved, among other things, voting and tabulation procedures (the “**Solicitation and Tabulation Procedures**”) and related notices, forms, and Ballots, as evidenced by the *Affidavit of Service of Solicitation Materials* [Docket No. 299] (the “**Solicitation Affidavit**”);
- h. caused notice of the Combined Hearing to be published on May 5, 2020 in the *New York Times* (the “**Publication Notice**”), as evidenced by the *Proof of Publication* [Docket No. 316] (the “**Publication Notice Affidavit**”);
- i. filed, on May 29, 2020, the *Notice of Filing Supplement to the Debtors’ First Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 414], and on June 17, 2020, the *Notice of Filing Amended Supplement to the Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 530] (collectively, the “**Plan Supplement**”);
- j. filed, on June 5, 2020, the *Declaration of Emily Young of Epiq Corporate Restructuring, LLC Regarding Voting and Tabulation of Ballots Cast on the Debtors’ First Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 454] (the “**Voting Certification**”), which detailed the results of the Plan solicitation and voting process;

- k. filed, on June 11, 2020, the *Notice of Stipulation* [Docket No. 505] (the “**Voting Stipulation**”);
- l. filed, on June 16, 2020, (i) the *Declaration of Ernesto Bautista III in Support of Plan Confirmation*, (ii) the *Declaration of David Rush in Support of Plan Confirmation*, and (iii) the *Declaration of Jakub Mleczo in Support of Plan Confirmation* (collectively, the “**Confirmation Declarations**”), each of which was filed with the *Debtors’ Witness and Exhibit List for June 18, 2020 Plan Confirmation Hearing* [Docket No. 520];
- m. filed, on June 17, 2020, (i) the *Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 528] (as may be further modified, amended, or supplemented from time to time, the “**Plan**”),² a copy of which is annexed hereto as **Exhibit A**, which incorporates a compromise and settlement with the Committee (the “**Committee Plan Settlement**”) and (ii) the *Notice of Filing of Second Amended Plan and Blackline* [Docket No. 529]; and
- n. filed, on June 18, 2020, the *Debtors’ Memorandum of Law in Support of Confirmation of the Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 535] (the “**Confirmation Brief**”).

The Court having:

- a. entered the *Order (I) Conditionally Approving the Disclosure Statement, (II) Scheduling a Combined Plan and Disclosure Statement Hearing, (III) Approving Solicitation Packages and Procedures, (IV) Approving the Form of Ballots and Notices, and (V) Granting Related Relief* [Docket No. 223] (the “**Conditional Disclosure Statement Order**”);
- b. set April 27, 2020 as the voting record date (the “**Voting Record Date**”);
- c. set May 4, 2020 as the date by which the Debtors must commence solicitation;
- d. set May 15, 2020, at 5:00 p.m. (prevailing Central Time) as the date and time by which Holders of Claims may file with the Court a motion pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing its claim in a different amount or classification for purpose of voting to accept or reject the Plan, and May 29, 2020, at 5:00 p.m. (prevailing Central Time) for the Debtors to file and serve any responses to such Rule 3018 motions;
- e. set May 29, 2020, at 5:00 p.m. (prevailing Central Time) as the date and time by which any Plan Supplement must be filed with the Court;

² Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Plan. The rules of interpretation set forth in Article I.B of the Plan shall apply.

- f. set June 3, 2020, at 5:00 p.m. (prevailing Central Time) as: (i) the deadline by which Ballots must be received by the Notice and Claims Agent (the “**Voting Deadline**”); and (ii) the deadline by which objections to the adequacy of the Disclosure Statement and/or Confirmation of the Plan must be filed (the “**Objection Deadline**”);
- g. extended the Objection Deadline solely as to the Committee to June 15, 2020, at 11:00 a.m. (prevailing Central Time), which was subsequently extended by agreement of the Debtors, the Prepetition Lenders, and the Committee to June 16, 2020, at 9:00 a.m. (prevailing Central Time);
- h. set June 8, 2020, at 5:00 p.m. (prevailing Central Time) as: (i) the deadline by which the Debtors shall file the Voting Certification; and (ii) the initial deadline by which the Debtors must file the Confirmation Brief; *provided* that the Court waived such deadline with respect to the Confirmation Brief due to the rescheduled Confirmation Hearing (as defined below);
- i. set June 9, 2020, at 1:30 p.m. (prevailing Central Time) as the original date and time for the Combined Hearing pursuant to Bankruptcy Rules 3017 and 3018 and sections 1126, 1128, and 1129 of the Bankruptcy Code;
- j. bifurcated the Combined Hearing, with the hearing to consider final approval of the Disclosure Statement (the “**Disclosure Statement Hearing**”) remaining set for June 9, 2020, at 1:30 p.m. (prevailing Central Time) and the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) being reset for June 18, 2020, at 11:00 a.m. (prevailing Central Time);
- k. held the Disclosure Statement Hearing, approved the Disclosure Statement on a final basis, and entered the *Final Order Approving the First Amended Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 513];
- l. reviewed the Plan, the Confirmation Brief, the Plan Supplement, the Voting Certification, the Confirmation Declarations, and all pleadings, exhibits, statements, responses, and comments regarding Confirmation, including any and all objections, statements, and reservations of rights filed by parties in interest on the docket of the Chapter 11 Cases;
- m. held the Confirmation Hearing;
- n. heard the statements, arguments, and objections, if any, made by counsel in respect of Confirmation;
- o. considered all oral representations, testimony, documents, filings, and other evidence regarding Confirmation;
- p. taken judicial notice of all pleadings and other documents filed, all orders entered, and all evidence and arguments presented in the Chapter 11 Cases; and

- q. overruled any and all objections to the Plan and to Confirmation and all statements and reservations of right not consensually resolved or withdrawn unless otherwise indicated herein.

NOW, THEREFORE, the Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of Confirmation and all evidence proffered, admitted, or adduced by counsel at the Confirmation Hearing and the entire record of the Chapter 11 Cases establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following Findings of Fact, Conclusions of Law, and Orders:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Findings and Conclusions.

1. The findings and conclusions set forth herein and on the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. The findings and conclusions of the Court pursuant to Bankruptcy Rule 7052 set forth in the record at the Confirmation Hearing, if any, are incorporated as if set forth herein. To the extent any of the following conclusions of law constitute findings of fact, or vice versa, they are adopted as such.

B. Jurisdiction, Venue, and Core Proceeding.

2. The Court has jurisdiction over the Chapter 11 Cases pursuant to section 1334 of title 28 of the United States Code. The Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

Venue is proper in this district pursuant to sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding within the meaning of section 157(b)(2) of title 28 of the United States Code, and the Court may enter a final order consistent with Article III of the United States Constitution.

C. Eligibility for Relief.

3. The Debtors were and are entities eligible for relief under section 109 of the Bankruptcy Code.

D. Commencement and Joint Administration of the Chapter 11 Cases.

4. On the Petition Date, each Debtor commenced a chapter 11 case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code. By prior order of the Court, the Chapter 11 Cases were consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015 [Docket No. 24]. The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases. On April 14, 2020, the Office of the United States Trustee for the Region 7 for the Southern District of Texas (the “*U.S. Trustee*”) appointed an Official Committee of Unsecured Creditors (the “*Committee*”) in the Chapter 11 Cases.

E. Judicial Notice.

5. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including all pleadings and other documents filed, all orders entered, all hearing transcripts, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the pendency of the Chapter 11 Cases.

F. Notice.

6. Due, timely, proper, and adequate notice of the Plan and the Confirmation Hearing, together with the deadlines for voting to accept or reject the Plan as well as objecting to the Plan, has been provided substantially in accordance with the Conditional Disclosure Statement Order as set forth in the Solicitation Affidavit and the Publication Notice Affidavit.

7. Such notice was appropriate and satisfactory based upon the facts and circumstances of the Chapter 11 Cases and pursuant to sections 1125 and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018, and 3020, and other applicable law and rules. Because such transmittal and service were adequate and sufficient, no other or further notice is necessary or shall be required, and due, proper, timely and adequate notice of the Confirmation Hearing has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable nonbankruptcy law.

G. Solicitation.

8. The First Amended Plan, the Plan Supplement, the Disclosure Statement, the Ballots, the Notice of Non-Voting Status, the Combined Hearing Notice, and the other materials distributed by the Debtors in connection with solicitation of the Plan (collectively, the “**Solicitation Package**”) were transmitted and served in compliance with the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, with the Local Rules, and with the Solicitation and Tabulation Procedures approved by the Conditional Disclosure Statement Order.

9. As set forth in the Solicitation Affidavit, on May 4, 2020, the Solicitation Package was transmitted to and served on the eligible Holders of Claims in the Classes of Claims entitled to vote to accept or reject the Plan (the “**Voting Classes**”). Each Holder of a Claim in the Voting Classes received a Ballot. The form of the Ballots adequately addressed the particular needs of the Chapter 11 Cases and was appropriate for the Holders of Claims in each Voting Class. The

instructions on the Ballot advised that for the Ballot to be counted, the Ballot must be properly executed, completed, and delivered to the Notice and Claims Agent so that it was actually received by the Notice and Claims Agent no later than 5:00 p.m. (prevailing Central Time) on the Voting Deadline, unless such time was extended by the Debtors. The period during which the Debtors solicited acceptance of the Plan was a reasonable period of time for Holders of Claims in the Voting Classes to make an informed decision to accept or reject the Plan.

10. The Debtors were not required to solicit votes from the Holders of Claims in Class 1 – Other Priority Claims and Class 2 – Other Secured Claims (collectively, the “*Unimpaired Classes*”), as each such class is Unimpaired under the Plan and thus presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. The Debtors were not required to solicit votes from the Holders of Claims or Interests in Class 5 – Intercompany Claims and Class 6 – Intercompany Interests (collectively, the “*Intercompany Classes*”), as such classes are either Unimpaired or Impaired under the Plan, and in either case, are not entitled to vote to accept or reject the Plan. The Debtors were not required to solicit votes from Holders of Claims or Interests in Class 7 – Section 510(b) Claims and Class 8 – CARBO Interests (collectively, the “*Deemed Rejecting Classes*”), as such classes are Impaired and not entitled to receive distributions on account of their Claims or Interests under the Plan and, thus, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

11. As described in and as evidenced by the Voting Certification and the Solicitation Affidavit, the transmittal and service of the Solicitation Package (all of the foregoing, the “*Solicitation*”) was timely, adequate, and sufficient under the circumstances and no other or further Solicitation was or shall be required. The Solicitation complied with the Solicitation and Tabulation Procedures, was appropriate and satisfactory based upon the circumstances of the

Chapter 11 Cases, was conducted in good faith and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Conditional Disclosure Statement Order, and any other applicable rules, laws, and regulations.

H. Voting.

12. On June 5, 2020, the Voting Certification was filed with the Court, certifying the method and results of the Ballots tabulated for the Voting Classes. As of the Voting Deadline, (a) 100% in number and 100% in dollar amount of the Holders of Claims in Class 3 against each Debtor that timely voted, voted to accept the Plan, (b) 75% in number and 99.93% in dollar amount of the Holders of Claims in Class 4 against Asset Guard that timely voted, voted to accept the Plan, and (c) 100% in number and 100% of the Claims in Class 4 against StrataGen that timely voted, voted to accept the Plan, in each case without counting the votes of any insider (as such term is defined in section 101(31) of the Bankruptcy Code). As set forth in the Voting Stipulation, the Debtors, the Prepetition Lenders, and the Committee stipulated that CARBO Class 4 is deemed to have voted to reject the Plan. As evidenced by the Voting Certification, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Solicitation and Tabulation Procedures, and the Local Rules.

I. Plan Supplement.

13. The Debtors filed the Plan Supplement consisting of, inter alia: (a) the amount of the Administrative and Priority Claims Reserve; (b) the List of Retained Causes of Action; (c) the identity and affiliations of the Plan Administrator; (d) the Liquidating Trust Agreement; (e) the Schedule of Rejected Executory Contracts and Unexpired Leases; (f) the Schedule of Proposed Cure Amounts; (g) the form of Exit Facility Credit Agreement; (h) the identity and affiliations of

the members of the New Board and the officers of Reorganized CARBO as of the Effective Date; (i) forms of the material New Organizational Documents; and (j) the Liquidating Trust Note.

14. All such materials comply with the terms of the Plan, and the filing and notice of the Plan Supplement was proper and in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all applicable law and no other or further notice is or shall be required. Subject to the terms of the Plan, the Debtors reserve the right to alter, amend, update, or modify the Plan Supplement before the Effective Date.

J. Modifications of the Plan.

15. Pursuant to and in compliance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors proposed certain modifications to the First Amended Plan as reflected herein, in the Plan Supplement, and/or in the amended Plan filed with the Court prior to entry of this Confirmation Order (collectively, the “*Plan Modifications*”). In accordance with Bankruptcy Rule 3019, the Plan Modifications do not (a) constitute material modifications of the First Amended Plan under section 1127 of the Bankruptcy Code, (b) cause the Plan to fail to meet the requirements of sections 1122 or 1123 of the Bankruptcy Code, (c) materially and adversely change the treatment of any Claims, (d) require re-solicitation of any Holders of any Claims or Interests, or (e) require that Holders of Claims in the Voting Classes be afforded an opportunity to change their previously cast acceptances of the First Amended Plan. Under the circumstances, the form and manner of notice of the proposed Plan Modifications are adequate, and no other or further notice of the proposed Plan Modifications is necessary or required. In accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, all Holders of Claims who voted to accept the First Amended Plan or who are conclusively presumed to have accepted the First Amended Plan are deemed to have accepted the Plan as modified by the Plan Modifications. The

Holders of Claims in the Voting Classes are not permitted to change their respective acceptances to rejections as a consequence of the Plan Modifications.

K. Bankruptcy Rule 3016.

16. In accordance with Bankruptcy Rule 3016(a), the Plan is dated and identifies the Debtors as the Plan proponents. The Debtors appropriately filed the Plan with the Court, thereby satisfying Bankruptcy Rule 3016(b). The release, injunction, and exculpation provisions of the Plan are set forth in bold and with specific and conspicuous language, thereby complying with Bankruptcy Rule 3016(c).

L. Burden of Proof—Confirmation of the Plan.

17. The Debtors, as proponents of the Plan, have met their burden of proving the applicable elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by a preponderance of the evidence, which is the applicable evidentiary standard for Confirmation. In addition, and to the extent applicable, the Plan is confirmable under the clear and convincing evidentiary standard.

M. Compliance with Bankruptcy Code Requirements—Section 1129(a)(1).

18. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, more particularly:

- (i) Proper Classification—Sections 1122 and 1123(a)(1).

19. In addition to Administrative Claims (including Professional Fee Claims and Committee Professional Fee Claims) and Priority Tax Claims, which need not be classified, Article III of the Plan provides for the separate classification of Claims and Interests into eight Classes at each Debtor (as applicable). Valid business, factual, and legal reasons exist for the separate classification of such Classes of Claims and Interests. The classifications reflect no improper purpose and do not unfairly discriminate between, or among, Holders of Claims or Interests. Each Class of Claims and Interests contains only Claims or Interests that are substantially similar to

other Claims or Interests within that Class. The Plan therefore satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(ii) Specified Unimpaired Classes—Section 1123(a)(2).

20. Article III of the Plan specifies that Class 1 – Other Priority Claims and Class 2 – Other Secured Claims are Unimpaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(iii) Specified Treatment of Impaired Classes—Section 1123(a)(3).

21. Article III of the Plan specifies that Class 3 – Prepetition Lender Secured Claims, Class 4 – General Unsecured Claims, Class 5 – Intercompany Claims, Class 6 – Intercompany Interests, Class 7 – Section 510(b) Claims, and Class 8 – CARBO Interests are Impaired under the Plan, and describes the treatment of such Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(iv) No Discrimination—Section 1123(a)(4).

22. Article III of the Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest in accordance with the Plan, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(v) Adequate Means for Plan Implementation—Section 1123(a)(5).

23. The Plan, including the various documents and agreements in the Plan Supplement, provides adequate and proper means for implementation of the Plan, including, without limitation: (a) the restructuring of the Debtors' balance sheet and other financial transactions provided for by the Plan; (b) the adoption, filing, and implementation of the New Organizational Documents; (c) the consummation of the Restructuring Transactions in accordance with the Plan; (d) the general authority for the Debtors to take all actions necessary or appropriate to effect any

transaction described in, approved by, or necessary or appropriate to effectuate the Plan, as set forth more fully in Article IV of the Plan; (e) the creation of the Liquidating Trust and implementation of the Liquidating Trust Agreement; (f) the appointment of the Plan Administrator and authorization for such individual to implement the provisions of the Plan pertaining to the Plan Administrator, as set forth more fully in the Plan; (g) the issuance of securities, including the Reorganized CARBO Interests; (h) the issuance of the Liquidating Trust Note; (i) the cancellation of certain existing agreements, obligations, instruments, and Interests; (j) the continued vesting of the assets and property of the Debtors' Estates in the Reorganized Debtors; (k) the execution, delivery, filing, or recording of all contracts, instruments, releases, and other agreements or documents in furtherance of the Plan; and (l) provisions governing distributions under the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

(vi) Voting Power of Equity Securities—Section 1123(a)(6).

24. The New Organizational Documents of each Debtor have been or will be amended on or prior to the Effective Date to prohibit the issuance of non-voting equity securities. In addition, the Reorganized CARBO Interests are being issued pursuant to the Plan and do not constitute non-voting equity securities within the meaning of section 1123(a)(6). As such, the Plan satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

(vii) Designation of Directors and Officers—Section 1123(a)(7).

25. The Reorganized Debtors' initial directors and officers have been disclosed in the Plan Supplement and, as of the Effective Date, will be deemed to have been selected and appointed in accordance with the interests of creditors and equity holders and with public policy, and, therefore, satisfy section 1123(a)(7) of the Bankruptcy Code.

(viii) Impairment / Unimpairment of Classes—Section 1123(b)(1).

26. The Plan is consistent with section 1123(b)(1) of the Bankruptcy Code. Specifically, Article III of the Plan impairs or leaves Unimpaired each Class of Claims and Interests.

(ix) Assumption and Rejection of Executory Contracts and Unexpired Leases—Section 1123(b)(2).

27. The Plan is consistent with section 1123(b)(2) of the Bankruptcy Code. Article V.A of the Plan provides for the assumption of the Debtors' Executory Contracts and Unexpired Leases on the Effective Date, in accordance with the provisions of sections 365 and 1123 of the Bankruptcy Code, (a) except as otherwise provided in the Plan or this Confirmation Order and (b) except for those Executory Contracts or Unexpired Leases: (1) that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases³; (2) that have been previously rejected or assumed by a Final Order; (3) that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; and (4) that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

³ As set forth on the Schedule of Rejected Executory Contracts and Unexpired Leases filed as part of the Plan Supplement, (i) certain Executory Contracts listed therein that are employment agreements and/or change in control severance agreements (including but not limited to the Fifth Amended and Restated Employment Agreement with the Debtors' President and CEO entered into as of May 10, 2006, amended as of January 1, 2008, amended and restated as of October 31, 2008, further amended as of March 19, 2010, and further amended and restated effective as of January 1, 2012, December 16, 2014, March 15, 2016, and March 20, 2017) shall be deemed rejected effective as of 11:59 p.m. (prevailing Central Time) on the day before the Effective Date and (ii) the Unexpired Lease, including all amendments thereto, with I-10 Corridor #2 Limited Partnership for the Debtors' Houston headquarters located at 575 N. Dairy Ashford Road, Suite 300, Houston, Texas 77079 shall be deemed rejected effective as of July 31, 2020.

- (x) Settlement, Releases, Exculpation, Injunction, and Preservation of Claims and Causes of Action—Section 1123(b)(3).

28. The Plan is consistent with section 1123(b)(3) of the Bankruptcy Code. In accordance with section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the distributions, settlements, and other benefits provided under the Plan, except as stated otherwise in the Plan, the provisions of the Plan constitute a good-faith compromise of all Claims, Interests, and controversies relating to the contractual, subordination, and other legal rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The compromise and settlement of such Claims and Interests embodied in the Plan are in the best interests of the Debtors, the Estates, and all Holders of Claims and Interests, and are fair, equitable, and reasonable. The Committee Plan Settlement was negotiated at arms'-length and in good faith among the Debtors, the Committee, and the Prepetition Lenders, and their respective professionals.

29. Article VIII.E of the Plan describes certain releases granted by the Debtors and their Estates (the "**Debtor Releases**"). The Debtors have satisfied the business judgment standard with respect to the propriety of the Debtor Releases. For the reasons set forth on the record of these Chapter 11 Cases and the evidence proffered, admitted, or adduced at the Confirmation Hearing, such releases are a necessary and integral part of the Plan, and are fair and equitable and in the best interests of the Debtors, the Estates, and the Holders of Claims and Interests. The Debtor Releases are "fair and equitable" and "in the best interests of the estate" considering (a) the probability of success in litigation of the released Claims and Causes of Action given uncertainty in fact and law with respect to the Claims and Causes of Action; (b) the complexity and likely duration and expense of litigating the released Claims and Causes of Action; and (c) the arm's-length negotiations which produced the settlement embodied in the Plan. Additionally, the Debtor

Releases are: (x) a good-faith settlement and compromise of the Claims and Causes of Action released by Article VIII.E of the Plan; (y) given and made, after due notice and opportunity for hearing; and (z) a bar to any of the Debtors, the Reorganized Debtors, the Plan Administrator, or the Liquidating Trust asserting any Claim or Cause of Action released by Article VIII.E of the Plan.

30. Article VIII.F of the Plan describes certain releases granted by the Releasing Parties (the “*Third-Party Releases*”).⁴ The Third-Party Releases provide finality for the Debtors, the Reorganized Debtors, and the Released Parties regarding the parties’ respective obligations under the Plan and with respect to the Reorganized Debtors. The Ballots sent to all Holders of Claims entitled to vote on the Plan unambiguously stated that the Plan contains the Third-Party Releases and set forth the terms of the Third-Party Releases and provided the option for such Holders to opt-out of granting the Third-Party Releases if such Holders voted to reject the Plan or abstained from voting on the Plan. The Notice of Non-Voting Status sent to all Holders of Claims or Interests not entitled to vote on the Plan similarly unambiguously included information regarding the Third-Party Releases and detailed the process by which Holders of Claims and/or Interests in the Non-Voting Classes could opt-out of the Third-Party Releases, including by providing a form by which such Holders could indicate that they wished to opt-out of giving the Third-Party Releases. The Combined Hearing Notice sent to Holders of Claims and Interests and published in the *New York Times*, as modified for publication purposes, referenced, and/or included the terms of the Third-Party Releases and an explanation of how to object to the Plan and/or opt-out of the Third-Party Releases set forth therein. In addition, the Combined Hearing Notice advised careful review of

⁴ For the avoidance of doubt, the United States and its agencies and instrumentalities are not Releasing Parties.

the release, exculpation, and injunction provisions and emphasized in bold and capitalized typeface that any party should opt-out of the Third-Party Releases if they do not wish to grant such releases.

31. The Third-Party Releases are (a) consensual; (b) specific in language; (c) integral to the Plan; (d) a condition of the settlements embodied in the Plan; and (e) not violative of the Bankruptcy Code. The Third-Party Releases are fully consensual because all parties in interest, including all Releasing Parties, were provided with extensive and sufficient notice of the Chapter 11 Cases, the Plan, the deadline to object to confirmation of the Plan, and the process for opting-out of giving the Third-Party Releases, and all such parties were properly informed that the Plan contained release provisions that could affect such parties' rights.

32. The Third-Party Releases are sufficiently specific as to put the Releasing Parties on notice of the nature of the released Claims and Causes of Action, and they are appropriately tailored under the facts and circumstances of these Chapter 11 Cases. The Third-Party Releases are conspicuous and emphasized with boldface type in the Plan, the Disclosure Statement, the Ballots, the Notice of Non-Voting Status, and the Combined Hearing Notice.

33. The Third-Party Releases are integral to the Plan because they, *inter alia*, facilitated participation in both the formation of the Plan and the chapter 11 process generally and were critical in incentivizing the parties to support the Plan. As such, the Third-Party Releases offer certain protections to parties that participated constructively in the Debtors' restructuring process by, among other things, supporting the Plan and the Restructuring Transactions.

34. The Third-Party Releases are consistent with established practice in this jurisdiction and others because they are, *inter alia*: (a) fully consensual; (b) in the best interests of the Debtors, their Estates, and all Holders of Claims and Interests; (c) fair, equitable, and reasonable; (d) given

and made after due notice and opportunity for hearing; and (e) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Releases.

35. The exculpation, described in Article VIII.G of the Plan (the “*Exculpation*”), is appropriate under applicable law because it was proposed in good faith and is appropriately limited in scope. Without limiting anything in the Exculpation, each Exculpated Party is appropriately released and exculpated from any Claim, Cause of Action, obligation, suit, judgment, damage, demand, loss, liability, or remedy for any claim related to any act or omission in connection with, relating to, or arising out of, the administration of the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Restructuring Support Agreement and related prepetition transactions, the DIP Facility, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the solicitation of votes with respect to the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Debtors’ in- or out-of-court restructuring efforts, the DIP Facility, the Disclosure Statement, the Plan, the Restructuring Support Agreement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, the related agreements, instruments, and other documents (including the Definitive Documentation), or any other related agreement, except for

claims related to any act or omission by such Exculpated Party that is determined in a Final Order to have constituted knowing and intentional fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpation, including its carve-out for knowing and intentional fraud, willful misconduct, and gross negligence, is consistent with established practice in this jurisdiction and others.

36. The injunction provision set forth in Article VIII.H of the Plan is necessary to implement, preserve, and enforce the Debtors' discharge, the Debtor Releases, the Third-Party Releases, and the Exculpation and by extension the compromise and settlement upon which the Plan is founded, and is narrowly tailored to achieve this purpose.

37. Article IV.N of the Plan appropriately provides that in accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII of the Plan, the Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets, the Plan Administrator, will retain, and may enforce, all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any Avoidance Actions not released under the Plan (including, for the avoidance of doubt, the Payee Avoidance Actions) and any other actions specifically enumerated in the List of Retained Causes of Action. The provisions regarding the preservation of Causes of Action in the Plan are appropriate, fair, equitable, and reasonable, and are in the best interests of the Debtors, the Estates, and Holders of Claims and Interests.

38. The release and discharge of all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates described in Article VIII.D of the Plan (the "***Lien Release***") is necessary to implement the Plan. The provisions of the Lien Release are

appropriate, fair, equitable, and reasonable and are in the best interests of the Debtors, the Estates, and Holders of Claims and Interests.

(xi) Modification of Rights—Section 1123(b)(5).

39. The Plan modifies the rights of Holders of Claims or Interests, as applicable, in Class 3 – Prepetition Lender Secured Claims, Class 4 – General Unsecured Claims, Class 5 – Intercompany Claims, Class 6 – Intercompany Interests, Class 7 – Section 510(b) Claims, and Class 8 – CARBO Interests, and leaves Unimpaired the rights of Holders of Claims in Class 1 – Other Priority Claims and Class 2 – Other Secured Claims, and as permitted by section 1123(b)(5) of the Bankruptcy Code.

(xii) Additional Plan Provisions—Section 1123(b)(6).

40. The other discretionary provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, including provisions for (a) distributions to Holders of Claims and Interests, (b) resolution of Disputed Claims, (c) allowance of certain Claims, and (d) retention of Court jurisdiction, thereby satisfying section 1123(b)(6) of the Bankruptcy Code. The failure to address any provisions of the Bankruptcy Code specifically in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

(xiii) Cure of Defaults—Section 1123(d).

41. Article V.C of the Plan provides for the satisfaction of Cure Claims associated with each Executory Contract and Unexpired Lease to be assumed in accordance with section 365(b)(1) of the Bankruptcy Code. The Debtors or the Reorganized Debtors, as applicable, shall pay any Cure Claims not already paid, if any, in Cash on the Effective Date or as soon as reasonably practicable thereafter in the amounts set forth on any notice setting forth proposed Cure Claims or as otherwise agreed by the Debtors and any non-Debtor counterparty to any assumed Executory Contract or Unexpired Lease. Any disputed Cure Claims will be determined in accordance with

the procedures set forth in Article V.C of the Plan, prior orders of the Court providing for the same, and applicable bankruptcy and nonbankruptcy law. As such, the Plan provides that the Debtors will cure, or provide adequate assurance that the Debtors will promptly cure, defaults with respect to assumed Executory Contracts or Unexpired Leases in compliance with section 365(b)(1) of the Bankruptcy Code. Thus, the Plan complies with section 1123(d) of the Bankruptcy Code.

N. Debtor Compliance with the Bankruptcy Code—Section 1129(a)(2).

42. The Debtors have complied with the applicable provisions of the Bankruptcy Code and, thus, satisfied the requirements of section 1129(a)(2) of the Bankruptcy Code. Specifically, each Debtor:

- a. is an eligible debtor under section 109, and a proper proponent of the Plan under section 1121(a), of the Bankruptcy Code;
- b. has complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court; and
- c. complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any applicable nonbankruptcy law, rule and regulation, the Conditional Disclosure Statement Order, and all other applicable law, in transmitting the Solicitation Package and related documents and notices, and in soliciting and tabulating the votes on the Plan.

O. Plan Proposed in Good Faith—Section 1129(a)(3).

43. The Debtors have negotiated, developed, and proposed the Plan (including the Plan Supplement and all other documents and agreements necessary to effectuate the Plan) in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In so determining, the Court has considered the facts and record of the Chapter 11 Cases, the Disclosure Statement, and evidence proffered, admitted, or adduced at the Confirmation Hearing, and examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan, and the process leading to Confirmation. The Debtors' Chapter 11 Cases were filed, and the Plan was proposed, with the legitimate purpose of allowing the Debtors to implement

the Restructuring Transactions, reorganize, and emerge from chapter 11 with a financially deleveraged capital structure. The Plan (including all documents necessary to effectuate the Plan) and the Plan Supplement were negotiated in good faith and at arm's length among the Debtors and their key stakeholders, including the Prepetition Lenders. Additionally, the compromise and settlement that the Debtors negotiated and facilitated with and between the Prepetition Lenders and the Committee that is embodied in the Plan reflects the best possible compromise and settlement that could be reached given the facts and circumstances surrounding the Debtors and these Chapter 11 Cases. Further, the Plan's classification, indemnification, exculpation, release, and injunction provisions have been negotiated in good faith and at arm's length, are consistent with sections 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and are each integral to the Plan, and necessary for the Debtors' successful reorganization.

P. Payment for Services or Costs and Expenses—Section 1129(a)(4).

44. The Debtors have satisfied section 1129(a)(4) of the Bankruptcy Code. Any payment made or to be made by the Debtors for services or for costs and expenses of the Debtors' or the Committee's professionals in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable.

Q. Directors, Officers, and Insiders—Section 1129(a)(5).

45. The Debtors have complied with the requirements of section 1129(a)(5) of the Bankruptcy Code. The Plan Supplement discloses the identity and affiliations of the individuals proposed to serve as the initial directors and officers of the Reorganized Debtors. The proposed directors and officers for the Reorganized Debtors are qualified, and the appointment to such offices of the proposed directors and officers is consistent with the interests of the Holders of Claims and Interests and with public policy.

R. No Rate Changes—Section 1129(a)(6).

46. Section 1129(a)(6) of the Bankruptcy Code is not applicable to the Chapter 11 Cases. The Plan proposes no rate change subject to the jurisdiction of any governmental regulatory commission.

S. Best Interest of Creditors—Section 1129(a)(7).

47. The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis attached to the Disclosure Statement as **Exhibit D** and the other evidence related thereto in support of the Plan that was proffered, admitted, or adduced at or prior to the Confirmation Hearing: (a) are reasonable, persuasive, credible, and accurate as of the dates such analyses or evidence was prepared, presented, or proffered; (b) utilize reasonable and appropriate methodologies and assumptions; (c) have not been controverted by other evidence; and (d) establish that each Holder of an Impaired Claim or Interest against a Debtor either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if such Debtors were liquidated under chapter 7 of the Bankruptcy Code as of the Effective Date.

T. Acceptance by Certain Classes—Section 1129(a)(8).

48. The Unimpaired Classes are Unimpaired by the Plan and, accordingly, Holders of Claims in such Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. As to each Debtor, Class 3 is Impaired and has voted to accept the Plan, as established by the Voting Certification and as stipulated to in the Voting Stipulation. As to each of Asset Guard and StrataGen, Class 4 is Impaired and has voted to accept the Plan, as established by the Voting Certification and as stipulated to in the Voting Stipulation. As to CARBO, Class 4 is Impaired and has voted to reject the Plan, as stipulated to in the Voting

Stipulation. The Deemed Rejecting Classes (and potentially the Intercompany Classes) are Impaired and deemed to reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan. Holders of Claims or Interests in the Deemed Rejecting Classes (and potentially the Intercompany Classes) will not receive or retain any property on account of their Claims or Interests. Therefore, the Plan does not satisfy the requirements of section 1129(a)(8), solely with respect to CARBO Class 4 and the Deemed Rejecting Classes at each Debtor (and potentially the Intercompany Classes). Notwithstanding the foregoing, the Plan is confirmable because it satisfies sections 1129(a)(10) and, with respect to the Deemed Rejecting Classes (and potentially the Intercompany Classes), 1129(b) of the Bankruptcy Code.

U. Treatment of Claims Entitled to Priority Under Section 507(a) of the Bankruptcy Code—Section 1129(a)(9).

49. The treatment of Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Committee Professional Fee Claims, Allowed Priority Tax Claims, and statutory fees imposed by 28 U.S.C. § 1930 under Article II of the Plan, and of Allowed Other Priority Claims under Article III of the Plan, satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code.

V. Acceptance by At Least One Impaired Class—Section 1129(a)(10).

50. The Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code. As evidenced by the Voting Certification, Class 3 for each Debtor and Class 4 for Asset Guard and StrataGen, each of which is Impaired, voted to accept the Plan in accordance with section 1126 of the Bankruptcy Code, determined without including any acceptance of the Plan by any insider (as that term is defined in section 101(31) of the Bankruptcy Code).

W. Feasibility—Section 1129(a)(11).

51. The Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code. The evidence supporting Confirmation of the Plan proffered, admitted, or adduced by the Debtors at or prior to the Confirmation Hearing: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; (d) establishes that the Plan is feasible and Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Reorganized Debtors or any successor to the Reorganized Debtors under the Plan; and (e) establishes that the Reorganized Debtors will have sufficient funds available to meet their obligations under the Plan.

X. Payment of Fees—Section 1129(a)(12).

52. The Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code. Article II.E of the Plan provides for the payment of all fees payable by the Debtors under 28 U.S.C. § 1930(a).

Y. Continuation of Employee Benefits—Section 1129(a)(13).

53. The Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code. Article IV.P of the Plan provides that, on and after the Effective Date, all retiree benefits, as defined in section 1114 of the Bankruptcy Code, shall continue to be paid in accordance with applicable law.

Z. Non-Applicability of Certain Sections— 1129(a)(14), (15), and (16).

54. Sections 1129(a)(14), 1129(a)(15), and 1129(a)(16) of the Bankruptcy Code do not apply to the Chapter 11 Cases. The Debtors (a) are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation, (b) are not individuals, and (c) are each a moneyed, business, or commercial corporation.

AA. “Cram Down” Requirements—Section 1129(b).

55. The Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. Notwithstanding the fact that CARBO Class 4 – General Unsecured Claims, Class 5 – Intercompany Claims, Class 6 – Intercompany Interests, Class 7 – Section 510(b) Claims, and Class 8 – CARBO Interests have been deemed to reject the Plan, the Plan may be confirmed pursuant to section 1129(b) of the Bankruptcy Code. The evidence in support of the Plan that was proffered, admitted, or adduced at or prior to the Confirmation Hearing is reasonable, persuasive, credible, and accurate, has not been controverted by other evidence, and establishes that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. *First*, all of the requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8) have been met. *Second*, the Plan is fair and equitable with respect to such Classes. The Plan has been proposed in good faith, is reasonable, and meets the requirements that (a) no Holder of any Claim or Interest that is junior to each such Classes will receive or retain any property under the Plan on account of such junior Claim or Interest and (b) no Holder of a Claim or Interest in a Class senior to such Classes is receiving more than 100% on account of its Claim. *Third*, the Plan does not discriminate unfairly with respect to such Classes because similarly situated Holders of Claims and Interests will receive substantially similar treatment on account of their Claims and Interests irrespective of Class. Accordingly, the Plan satisfies the requirement of section 1129(b)(1) and (2) of the Bankruptcy Code. The Plan may therefore be confirmed despite the fact that not all Impaired Classes have voted to accept the Plan.

BB. Only One Plan—Section 1129(c).

56. The Plan satisfies the requirements of section 1129(c) of the Bankruptcy Code. The Plan is the only chapter 11 plan filed with respect to each Debtor in each of the Chapter 11 Cases.

CC. Principal Purpose of the Plan—Section 1129(d).

57. The Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act.

DD. Not Small Business Cases—Section 1129(e).

58. The Chapter 11 Cases are not small business cases, and accordingly section 1129(e) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

EE. Good Faith Solicitation—Section 1125(e).

59. Based on the record before the Court in these Chapter 11 Cases, including evidence proffered, admitted, or adduced at or prior to the Confirmation Hearing, the Debtors and the other Exculpated Parties (i) have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, the Local Rules, the Solicitation and Tabulation Procedures, and any applicable nonbankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with the development of the Plan, all their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and (ii) shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance, and solicitation will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of the securities under the Plan, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the Exculpation set forth in Article VIII.G of the Plan.

FF. Satisfaction of Confirmation Requirements.

60. Based upon the foregoing, all other pleadings, documents, exhibits, statements, declarations, and affidavits filed in connection with confirmation of the Plan, and all evidence and arguments made, proffered, admitted, or adduced at the Confirmation Hearing, the Plan satisfies the requirements for Confirmation set forth in section 1129 of the Bankruptcy Code.

GG. Likelihood of Satisfaction of Conditions Precedent to the Effective Date.

61. Without limiting or modifying the rights of any party set forth in Article IX.B or Article IX.C of the Plan, each of the conditions precedent to the Effective Date, as set forth in Article IX.B of the Plan, has been or is reasonably likely to be satisfied or waived in accordance with Article IX.C of the Plan.

HH. Implementation.

62. The terms of the Plan, including the Plan Supplement, and all exhibits and schedules thereto, and all other documents filed in connection with the Plan, and/or executed or to be executed in connection with the transactions contemplated by the Plan and all amendments and modifications of any of the foregoing made pursuant to the provisions of the Plan governing such amendments and modifications (collectively, the “*Plan Documents*”) are incorporated by reference and constitute essential elements of the Plan and this Confirmation Order. Consummation of each such Plan Document is in the best interests of the Debtors, the Debtors’ Estates, and Holders of Claims and Interests, and such Plan Documents are hereby approved. The Debtors have exercised reasonable business judgment in determining to enter into the Plan Documents, and the Plan Documents have been negotiated in good faith, at arm’s-length, are fair and reasonable, are supported by reasonably equivalent value and fair consideration, and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

II. Binding and Enforceable.

63. The Plan and the Plan Documents have been negotiated in good faith and at arm's length and, subject to the occurrence of the Effective Date, shall bind any Holder of a Claim or Interest and such Holder's respective successors and assigns, whether or not the Claim or Interest is Impaired under the Plan, whether or not such Holder has accepted the Plan, and whether or not such Holder is entitled to a distribution under the Plan. The Plan and the Plan Documents constitute legal, valid, binding, and authorized obligations of the respective parties thereto and shall be enforceable in accordance with their terms. Pursuant to section 1142(a) of the Bankruptcy Code, the Plan and the Plan Documents shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

JJ. New Organizational Documents.

64. The New Organizational Documents are necessary for Confirmation and Consummation of the Plan, and are critical to the overall success and feasibility of the Plan. Entry into the New Organizational Documents is in the best interests of the Debtors, their Estates, and all Holders of Claims and Interests. The Debtors have exercised reasonable business judgment in determining to enter into the New Organizational Documents (which shall include, for the avoidance of doubt, their otherwise becoming effective) and have provided sufficient and adequate notice of the material terms of the New Organizational Documents, which material terms were filed in the Plan Supplement. The terms and conditions of the New Organizational Documents are fair and reasonable, and were negotiated in good faith and at arm's-length.

KK. Issuance of Reorganized CARBO Interests and Liquidating Trust Interests.

65. Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution under the Plan of the Reorganized CARBO Interests and, to the extent they constitute securities under the Securities Act, the Liquidating Trust Interests, whether on the Effective Date

or any other date of a distribution thereafter, pursuant to the terms of the Plan and/or in accordance with this Confirmation Order, comply with section 1145 of the Bankruptcy Code and shall be exempt from registration and prospectus delivery requirements under (a) the Securities Act and all rules and regulations promulgated thereunder and (b) any applicable U.S. state or local law requiring registration for the offer, issuance, or distribution of securities. The issuance of the Reorganized CARBO Interests and the Liquidating Trust Interests is or was in exchange for a portion of an Allowed Claim.

66. In addition, under section 1145 of the Bankruptcy Code, any securities issued or distributed as contemplated by the Plan, including the Reorganized CARBO Interests, shall be freely tradable by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (b) the restrictions, if any, on the transferability of such securities or instruments, including, any restrictions on the transferability under the terms of the New Organizational Documents and the Liquidating Trust Agreement; and (c) any other applicable regulatory approval.

LL. Issuance of Liquidating Trust Note.

67. The Liquidating Trust Note is necessary for Confirmation and Consummation of the Plan, and is critical to the overall success of the Plan. The Liquidating Trust Note shall constitute a legal, valid, binding, and authorized obligation of Reorganized CARBO, enforceable in accordance with its terms.

MM. Executory Contracts and Unexpired Leases.

68. The Debtors have exercised sound business judgment in determining whether to assume or reject each of their Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code, and Article V of the Plan. Each assumption of an Executory Contract or Unexpired Lease pursuant to Article V of the Plan, including any amendments to each such Executory Contract or Unexpired Lease, shall be legal, valid, and binding upon the Debtors or Reorganized Debtors and their successors and assigns and all non-Debtor parties and their successors and assigns to such Executory Contract or Unexpired Lease, all to the same extent as if such assumption were effectuated pursuant to an order of the Court under section 365 of the Bankruptcy Code entered before entry of this Confirmation Order. The Debtors or the Reorganized Debtors, as applicable, have cured, or provided adequate assurance that the Debtors, the Reorganized Debtors, or their successors and assigns, as applicable, will cure defaults (if any) under or relating to each of the Executory Contracts and Unexpired Leases that are being assumed by the Debtors pursuant to the Plan.

69. The Debtors gave notice of the proposed cure amounts to each non-Debtor counterparty to an Executory Contract or Unexpired Lease that the Debtors seek to assume under the Plan. The Schedule of Proposed Cure Amounts was good, sufficient, and appropriate under the circumstances, and no further notice need be given to any party in respect of establishing a Cure Claim for the respective Executory Contract or Unexpired Lease. Non-Debtor counterparties to the applicable Executory Contracts and Unexpired Leases have had a sufficient, reasonable, and appropriate opportunity to object to the proposed cure amounts.

NN. Good Faith.

70. The Debtors, the other Released Parties, and the Exculpated Parties have been acting in good faith and will be acting in good faith if they proceed to: (a) consummate the Plan

and the agreements, settlements, transactions, and transfers contemplated thereby in accordance with the Plan; and (b) take the actions authorized and directed by this Confirmation Order.

OO. Disclosure of Facts.

71. The Debtors have disclosed all material facts regarding the Plan, the Plan Documents, and the adoption, execution, and implementation of the other matters provided for under the Plan involving corporate action to be taken by or required of the Debtors.

PP. Retention of Jurisdiction.

72. The Court may properly, and upon the Effective Date shall, retain exclusive jurisdiction over all matters arising in or related to, the Chapter 11 Cases, including the matters set forth in Article XI of the Plan and section 1142 of the Bankruptcy Code.

ORDER

IT IS ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

73. **Findings of Fact and Conclusions of Law.** The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent that any finding of fact is determined to be a conclusion of law, it shall be deemed so, and vice versa.

74. **Confirmation of the Plan.** The Plan is approved in its entirety and **CONFIRMED** under section 1129 of the Bankruptcy Code. The documents contained in or contemplated by the Plan, including, without limitation, the Plan Supplement and Plan Documents, are hereby authorized and approved. The terms of the Plan are incorporated by reference into and are an integral part of this Confirmation Order.

75. **Objections.** All objections to Confirmation of the Plan and other responses, comments, statements, or reservation of rights, if any, in opposition to the Plan that have not been

withdrawn, waived, or otherwise resolved by the Debtors prior to entry of this Confirmation Order are overruled on the merits.

76. **Plan Classification Controlling.** The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of the distributions to be made thereunder. The classification set forth on the ballots tendered to or returned by the Holders of Claims in connection with voting on the Plan: (a) were set forth thereon solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of Claims and Interests under the Plan for distribution purposes; (c) may not be relied upon by any Holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors except for voting purposes.

77. **Combined Hearing Notice.** The Combined Hearing Notice complied with the terms of the Conditional Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable nonbankruptcy law.

78. **Solicitation.** The solicitation of votes on the Plan complied with the Solicitation and Tabulation Procedures, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Conditional Disclosure Statement Order, and applicable nonbankruptcy law.

79. **Plan Modifications.** The modifications, amendments, and supplements made to the First Amended Plan following the solicitation of votes thereon constitute technical changes, reflect the Committee Plan Settlement, and do not materially adversely affect or change the

proposed treatment of any Claims or Interests. After giving effect to such modifications, the Plan continues to satisfy the requirements of sections 1122 and 1123 of the Bankruptcy Code. The filing of the *Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 528] and the proposed form of this Confirmation Order with the Court on June 17, 2020, which contain such modifications, and the disclosure of such modifications on the record at the Confirmation Hearing constitute due and sufficient notice thereof. Accordingly, such modifications do not require additional disclosure or re-solicitation of votes under sections 1125, 1126, or 1127 of the Bankruptcy Code or Bankruptcy Rule 3019, nor do they require that the Holders of Class 3 or Class 4 Claims be afforded an opportunity to change their previously cast votes on the First Amended Plan. The Holders of Class 3 and Class 4 Claims who voted to accept the solicitation version of the First Amended Plan are deemed to accept the Plan as modified. The Plan, as modified, is, therefore, properly before this Court and all votes cast with respect to the First Amended Plan prior to such modification shall be binding and shall apply with respect to the Plan.

80. **No Action Required.** No action of the respective directors, equity holders, managers, or members of the Debtors or the Reorganized Debtors is required to authorize the Debtors or the Reorganized Debtors, as applicable, to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Plan, the Restructuring Transactions, and any contract, assignment, certificate, instrument, or other document to be executed, delivered, adopted, or amended in connection with the implementation of the Plan, including the New Organizational Documents, the other Plan Documents, the Liquidating Trust Note, and the appointment and election of the members of the New Board.

81. **Binding Effect.** On the date of and after entry of this Confirmation Order, subject to the occurrence of the Effective Date and notwithstanding Bankruptcy Rules 3020(e), 6004(d),

6004 (h), or otherwise, the terms of the Plan, the Plan Documents (including, but not limited to, the New Organizational Documents) and this Confirmation Order shall be immediately effective (and/or adopted, where applicable) and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and the Plan Administrator, as applicable, and any and all Holders of Claims or Interests and such Holder's respective successors and assigns (regardless of whether or not (a) the Holders of such Claims or Interests voted to accept or reject, or are deemed to have accepted or rejected, the Plan or (b) the Holders of such Claims or Interests are entitled to a distribution under the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases (including the releases set forth in Article VIII of the Plan), waivers, discharges, exculpations, and injunctions provided for in the Plan, each Entity acquiring property under the Plan or this Confirmation Order, all owners of Reorganized CARBO Interests, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases. All Claims and debts shall be fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan. The Plan and the Plan Documents constitute legal, valid, binding, and authorized obligations of the respective parties thereto and shall be enforceable in accordance with their terms. Pursuant to section 1142(a) of the Bankruptcy Code, the Plan and the Plan Documents, and any amendments or modifications thereto, shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

82. **Vesting of Assets in the Reorganized Debtors.** Except as otherwise provided in the Plan, this Confirmation Order, or in any agreement, instrument, or other document incorporated in the Plan (including the New Organizational Documents and the Liquidating Trust Agreement), on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and

clear of all Liens, Claims, charges, or other encumbrances; *provided* that the Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions) shall vest in the Liquidating Trust as set forth in the Plan. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. To the extent that the retention by the Debtors or the Reorganized Debtors of assets or property held immediately prior to the Effective Date in accordance with the Plan is deemed, in any instance, to constitute a “transfer” of property, such transfer of property to the Debtors or the Reorganized Debtors (a) is or shall be a legal, valid, and effective transfer of property, (b) vests or shall vest the Debtors or the Reorganized Debtors with good title to such property, free and clear of all Liens, Claims, charges, or other encumbrances, except as expressly provided in the Plan or this Confirmation Order, (c) does not and shall not constitute an avoidable transfer under the Bankruptcy Code or under applicable nonbankruptcy law, and (d) does not and shall not subject the Debtors or the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including by laws affecting successor or transferee liability.

83. **Effectiveness of All Actions.** All actions contemplated by the Plan, including all actions pursuant to, in accordance with, or in connection with the Plan Documents, are hereby effective and authorized to be taken on, prior to, or after the Effective Date, as applicable, under this Confirmation Order, without further application to, or order of the Court, or further action by the respective officers, directors, managers, members, or equity holders of the Debtors or the

Reorganized Debtors and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members, or equity holders.

84. **Plan Implementation.**

(a) In accordance with section 1142 of the Bankruptcy Code and any provisions of the business corporation law and limited liability company law of any applicable jurisdiction (collectively, the “*Reorganization Effectuation Statutes*”), without further action by the Court or the equity holders, members, managers, officers, or directors of any of the Debtors or Reorganized Debtors, the Debtors and the Reorganized Debtors, as well as the managers and officers of the Debtors or Reorganized Debtors, and the Plan Administrator are authorized to: (i) take any and all actions necessary or appropriate to implement, effectuate and consummate the Plan, the Plan Supplement, the Plan Documents, this Confirmation Order, and the transactions contemplated thereby or hereby, and (ii) execute and deliver, adopt or amend, as the case may be, any contracts, instruments, releases, agreements, and documents necessary to implement, effectuate, and consummate the Plan, the Plan Supplement, and the Plan Documents, including those contracts, instruments, releases, agreements, and documents identified in Article IV of the Plan.

(b) Except as set forth in the Plan, all actions authorized to be taken pursuant to the Plan, the Plan Supplement, and the Plan Documents including, (i) the rejection or assumption, as appropriate, of any Executory Contracts and Unexpired Leases, (ii) issuances and distributions of the Reorganized CARBO Interests and the Liquidating Trust Interests, and (iii) entry into any contracts, instruments, releases, agreements, and documents necessary to implement, effectuate, and consummate the Plan shall be effective prior to, on, or after the Effective Date pursuant to this Confirmation Order, without further notice, application to, or order of this Court, or further action

by the respective managers, officers, directors, members, or equity holders of the Debtors or Reorganized Debtors.

(c) To the extent that, under applicable nonbankruptcy law, any of the foregoing actions would otherwise require the consent or approval of the equity holders, members, managers, or directors of any of the Debtors or Reorganized Debtors, this Confirmation Order shall, pursuant to section 1142 of the Bankruptcy Code and the Reorganization Effectuation Statutes, constitute such consent or approval, and such actions are deemed to have been taken by unanimous action of the directors, managers, members, and equity holders of the appropriate Debtors or Reorganized Debtors, as applicable.

(d) All such transactions effected by the Debtors during the pendency of the Chapter 11 Cases from the Petition Date through the Confirmation Date (or as otherwise contemplated by this Confirmation Order) are approved and ratified, subject to the satisfaction of any applicable terms and conditions to effectiveness of such transactions and the occurrence of the Effective Date.

85. Cancellation of Existing Securities and Agreements. On the Effective Date, except as otherwise provided herein or in the Plan, all notes, instruments, certificates, and other instruments or documents, directly or indirectly, evidencing any Claim or Interest, including all CARBO Interests, shall be deemed cancelled and the obligations of the Debtors or Reorganized Debtors thereunder or in any way related thereto shall be discharged; *provided, however*, that notwithstanding the releases set forth in Article VIII.F of the Plan, Confirmation, or the occurrence of the Effective Date, any credit document or agreement that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for purposes of enabling Holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided therein; *provided*,

however, that nothing in the Plan or Confirmation Order shall effectuate a cancellation of any Reorganized CARBO Interests, Asset Guard Interests, or StrataGen Interests, or the obligations of the Reorganized Debtors thereunder, and the Asset Guard Interests and StrataGen Interests shall be deemed to be converted automatically into the Reorganized Asset Guard Interests and Reorganized StrataGen Interests, respectively, all of which Interests shall be wholly owned by Reorganized CARBO, as set forth in the Plan.

86. **New Organizational Documents.** The New Organizational Documents are approved in all respects. The Debtors and the Reorganized Debtors, as applicable, are authorized, without further approval of the Court, to make modifications, and, as may be modified, enter into the New Organizational Documents in accordance with the Plan, and to execute and deliver all agreements, documents, instruments, and certificates relating to the New Organizational Documents and take such other actions as deemed reasonably necessary and appropriate to perform their obligations thereunder.

87. **Directors and Officers of Reorganized Debtors.** The Reorganized Debtors' initial directors and officers, to the extent known, have been disclosed prior to the Confirmation Hearing, including the identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of any compensation of such insider. The appointment of the directors and officers as indicated in the Plan Supplement is hereby approved and shall be effective as of the Effective Date, without any further corporate, limited liability company, or shareholder action at each of the Reorganized Debtors effective as of the Effective Date. To the extent that any director or officer has not yet been determined prior to the Effective Date, such determination will be made in accordance with the New Organizational Documents and such appointment is hereby approved. Based on the foregoing, the appointment to, or continuance in, the applicable office by the

applicable individual is consistent with the interests of the creditors and equity holders and with public policy, and, therefore, satisfy section 1123(a)(7) of the Bankruptcy Code.

88. **Exit Facility Documents.** Notwithstanding anything to the contrary in this Confirmation Order, the entry into the Exit Facility Documents in form and substance consistent with the description set forth in the Plan and Exit Facility Documents included in the Plan Supplement, and all transactions contemplated thereby, including, without limitation, all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, costs, and expenses provided for therein, are hereby approved.

89. The Debtors and the Reorganized Debtors, as applicable, are authorized in all respects, without further notice to any party, or further order or other approval of the Court, or further act or action under applicable law, regulation, order, or rule, or the vote, consent, authorization or approval of any Person except as otherwise required by the Exit Facility Documents, to (a) execute and deliver, or cause to be executed and delivered, the Exit Facility Documents, and to perform their obligations thereunder, including, but not limited to, any documents related to the loans and other extensions of credit contemplated by the Exit Facility Documents, any guarantees thereof and any other documents executed in connection therewith, except as otherwise required by the Exit Facility Documents, (b) to grant Liens to secure such loans, other than extensions of credit and guarantees, (c) incur the indebtedness under the Exit Facility Documents, and (d) perform all obligations under the Exit Facility Documents and the payment of all fees, expenses, losses, damages, indemnities, and other amounts provided under the Exit Facility Documents, in each case consistent with the terms of the Exit Facility Documents.

90. The obligations of the Reorganized Debtors under the Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, and the Exit Facility Documents and the indebtedness arising thereunder shall be enforceable in accordance with their terms. The Debtors' or the Reorganized Debtors', as applicable, entry on the Effective Date into the Exit Facility Documents is approved in all respects by virtue of this Confirmation Order, in accordance with the Bankruptcy Code and applicable state law (including any analogous provision of the applicable business organizations law or code of each other state in which the Reorganized Debtors are incorporated or organized) and without the need for further corporate action or any further action by Holders of Claims or Interests in the Debtors or the Reorganized Debtors or stockholders, directors, members, or partners of the Debtors or the Reorganized Debtors, and with like effect as if such actions had been taken by unanimous actions thereof.

91. Each of the Reorganized Debtors, without any further action by the Court or each respective Reorganized Debtors' officers, directors, or stockholders, is hereby authorized and directed to enter into, and take such actions as necessary to perform under, or otherwise effectuate, the Exit Facility Documents, as well as any notes, documents, or agreements in connection therewith, including, without limitation, any documents required in connection with the creation, continuation, or perfection of Liens or other security interests in connection therewith.

92. On the Effective Date, all of the Liens and security interests to be granted pursuant to the Plan and the Exit Facility Documents, shall be (a) deemed approved, (b) legal, valid, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, and with the priorities established in respect thereof under applicable nonbankruptcy law, and (c) deemed perfected on the Effective

Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents.

93. The Reorganized Debtors and the secured parties (and their designees and agents) under the Exit Facility Documents are hereby authorized to make all filings and recordings, and to obtain all governmental approvals and consents to evidence, establish, continue, and perfect such Liens and other security interests under the provisions of the applicable state, provincial, federal, or other law that would be applicable in the absence of the Plan and this Confirmation Order (it being understood that the perfection of the Liens and security interests granted under the Exit Facility Documents shall occur automatically by virtue of the entry of this Confirmation Order and the consummation of the Exit Facility Documents, and any such filings, recordings, approvals, and consents shall not be necessary or required as a matter of law to perfect or continue the perfection of such Liens and other security interests), and shall thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and other security interests to third parties.

94. Neither the execution and delivery by the Reorganized Debtors of any of the Exit Facility Documents nor the performance by the Reorganized Debtors of their respective obligations thereunder constitutes a violation of or a default under any contract or agreement to which any Reorganized Debtor is a party, including those contracts or agreements assigned to the Reorganized Debtors or reinstated under the Plan.

95. Notwithstanding anything to the contrary in the Plan, the Plan Documents, or this Confirmation Order, the Court's retention of jurisdiction shall not govern the enforcement of the Exit Facility Documents or any rights or remedies related thereto, other than the effectiveness of the Debtors' entry into the Exit Facility Documents.

96. **Exemption from Transfer Taxes.** Pursuant to section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to: (a) the issuance, distribution, transfer, delivery, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the Restructuring Transactions; (c) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; or (e) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment to the fullest extent contemplated by section 1146(a) of the Bankruptcy Code, and upon entry of this Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation of any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

97. **Exemption from Registration Requirements.** To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable nonbankruptcy law, the offering, issuance, and distribution under the Plan of the Reorganized CARBO Interests, and to the extent they constitute securities under the Securities Act, the Liquidating Trust Interests, whether on the

Effective Date or any other date of distribution thereafter, pursuant to the terms of the Plan or the Confirmation Order, shall be exempt from registration and prospectus delivery requirements under (a) the Securities Act and all rules and regulations promulgated thereunder and (b) any applicable U.S. state or local law requiring registration for the offer, issuance, or distribution of securities. The issuance of the Reorganized CARBO Interests and the Liquidating Trust Interests is or was in exchange for a portion of an Allowed Claim.

98. Pursuant to section 1145 of the Bankruptcy Code, any issuance of securities contemplated by the Plan, including the Reorganized CARBO Interests, shall be freely tradable by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (b) the restrictions, if any, on the transferability of such securities or instruments, including, any restrictions on the transferability under the terms of the New Organizational Documents and the Liquidating Trust Agreement; and (c) any other applicable regulatory approval.

99. **Preservation of Rights of Action.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the List of Retained Causes of Action, as set forth in the Plan; *provided* that any Avoidance Actions held by CARBO that are not otherwise released under the Plan shall

constitute Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions) and shall be assigned to the Liquidating Trust on the Effective Date. The Reorganized Debtors' and the Plan Administrator's rights, as applicable, to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, the Debtors' failure to specify a Cause of Action in the Disclosure Statement, the Plan, the Plan Supplement, or otherwise in no way limits the rights of the Reorganized Debtors or, if applicable, the Plan Administrator, as set forth above and in the Plan. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as an indication that the Debtors, the Reorganized Debtors, or the Plan Administrator, as applicable, will not pursue any and all preserved Causes of Action against it. The Debtors or Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan or this Confirmation Order.

100. **Professional Compensation.** The provisions governing compensation of Professionals set forth in Article II.B and Article IX.B of the Plan are approved in their entirety. All final requests for Professional Fee Claims and Committee Professional Fee Claims through and including the Effective Date shall be Filed no later than 45 days after the Effective Date. Any objections to Professional Fee Claims or Committee Professional Fee Claims shall be served and filed no later than 21 days after the filing of such final applications for payment of Professional Fee Claims and Committee Professional Fee Claims.

101. **Subordination.** Except as otherwise expressly provided in the Plan, this Confirmation Order, and any other order of the Court: (a) the classification and manner of satisfying all Claims and Interests under the Plan takes into consideration all subordination rights,

whether arising by contract or under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise; (b) all subordination rights that a Holder of a Claim or Interest may have with respect to any distribution to be made under the Plan shall be discharged and terminated and all actions related to the enforcement of such subordination rights shall be enjoined permanently; and (c) the distributions under the Plan to the Holders of Allowed Claims will not be subject to payment of a beneficiary of such subordination rights, or to levy, garnishment, attachment, or other legal process by a beneficiary of such terminated subordination rights.

102. **Release of Liens.** Except as otherwise provided in the Plan, this Confirmation Order, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Court and without any action or Filing being required to be made by the Debtors. Without limiting the foregoing, to the extent that any Holder of a Secured Claim that has been satisfied or discharged pursuant to the Plan, or any agent for such Holder, has filed or recorded any Liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or any such agent for such Holder) shall be authorized to and shall execute such documents as may be reasonably requested by the Debtors or any of the Reorganized Debtors, at the sole expense of the Debtors or the Reorganized Debtors, as applicable, that are necessary to cancel and/or extinguish such Liens and/or security interests. For the avoidance of doubt, this paragraph shall not apply to

the Liens, Claims, charges, security interests, mortgages, deeds of trust, pledges, and other encumbrances that secure the obligations arising under the Exit Facility Documents.

103. **Assumption of Contracts and Leases.** Pursuant to Article V of the Plan, and except as otherwise provided in the Plan or the Plan Supplement, as of and subject to the occurrence of the Effective Date, all Executory Contracts and Unexpired Leases to which the Debtors are party shall be deemed assumed (a) except as otherwise provided in the Plan, the Plan Supplement, or this Confirmation Order or (b) except for any Executory Contract or Unexpired Lease that (i) is identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (ii) has been previously rejected or assumed by a Final Order; (iii) is the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (iv) is subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. Subject to the occurrence of the Effective Date, entry of this Confirmation Order by the Court shall constitute approval of the assumptions provided for in the Plan, including any amendments agreed to by the Debtors during these Chapter 11 Cases to any Executory Contracts or Unexpired Leases being assumed by the Debtors, pursuant to sections 365(a) and 1123 of the Bankruptcy Code and a determination by the Court that the Reorganized Debtors have provided adequate assurance of future performance under each such assumed Executory Contracts and Unexpired Leases. Each Executory Contract and Unexpired Lease assumed pursuant to the Plan, as each such Executory Contract and Unexpired Lease may have been amended by agreement of the Debtors during these Chapter 11 Cases, shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan, this Confirmation Order, or any Final Order of the Court authorizing and providing for its assumption, or applicable law.

104. Subject to resolution of any dispute regarding any Cure Claims and except as otherwise provided herein, all Cure Claims shall be satisfied by the Debtors or the Reorganized Debtors, as the case may be, upon assumption or assignment, as applicable, of the underlying contracts and unexpired leases. Except as otherwise provided herein, assumption or assignment, as applicable, of any Executory Contract or Unexpired Lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure Claims, if any, whether monetary or nonmonetary, arising under any assumed Executory Contract or Unexpired Lease at any time before the effective date of the assumption or assignment and assignment, as applicable. Subject to satisfaction of any Cure Claim, all liabilities reflected in the Schedules and any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assigned shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Court or any other entity, upon the deemed assumption of such contract or unexpired lease.

105. **Rejection of Contracts and Leases.** As of and subject to the occurrence of the Effective Date, except as otherwise provided in the Plan, the Plan Supplement, or this Confirmation Order,⁵ all Executory Contracts and Unexpired Leases listed on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be deemed rejected; *provided* that the Debtors may add or remove Executory Contracts or Unexpired Leases to/from the Schedule of

⁵ As set forth on the Schedule of Rejected Executory Contracts and Unexpired Leases filed as part of the Plan Supplement, (i) certain Executory Contracts listed therein that are employment agreements and/or change in control severance agreements (including but not limited to the Fifth Amended and Restated Employment Agreement with the Debtors' President and CEO entered into as of May 10, 2006, amended as of January 1, 2008, amended and restated as of October 31, 2008, further amended as of March 19, 2010, and further amended and restated effective as of January 1, 2012, December 16, 2014, March 15, 2016, and March 20, 2017) shall be deemed and hereby are rejected effective as of 11:59 p.m. (prevailing Central Time) on the day before the Effective Date and (ii) the Unexpired Lease, including all amendments thereto, with I-10 Corridor #2 Limited Partnership for the Debtors' Houston headquarters located at 575 N. Dairy Ashford Road, Suite 300, Houston, Texas 77079 shall be deemed and hereby is rejected effective as of July 31, 2020.

Rejected Executory Contracts and Unexpired Leases until the Effective Date or as otherwise provided in the Plan, in each case in accordance with the Plan and the Restructuring Support Agreement, as applicable. Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Court within 21 days after the date of entry of an order of the Court (including this Confirmation Order) approving such rejection. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in any Proof of Claim to the contrary. Claims arising from or related to the rejection of an Executory Contract or Unexpired Lease shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan.

106. **Indemnification.** Pursuant to Article V.D of the Plan, the Indemnification Obligations shall not be discharged or impaired by the Plan or Confirmation and the Indemnification Obligations are hereby deemed to be, and shall be treated as, Executory Contracts assumed by the Debtors under the Plan, and shall continue as obligations of the Reorganized Debtors; *provided, however*, that the Reorganized Debtors shall not indemnify directors or officers of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that constitutes knowing and intentional fraud, gross negligence, or willful misconduct.

107. **Insurance.** As of the Effective Date, all of the Debtors' insurance policies (including all D&O Liability Insurance Policies) and any agreements, documents, or instruments relating thereto, shall be treated as and deemed to be Executory Contracts. On the Effective Date, such insurance policies and any agreements, documents, and instruments related thereto shall be assumed by the applicable Debtors or Reorganized Debtor and shall continue in full force and effect thereafter in accordance with their respective terms.

108. **Distributions.** All distributions pursuant to the Plan shall be made in accordance with Article VI of the Plan, and such methods of distribution are approved.

109. **Issuance of Reorganized CARBO Interests.** On the Effective Date, Reorganized CARBO is authorized to and shall issue the Reorganized CARBO Interests in accordance with the terms of the Plan and without the need for any further corporate or shareholder action. All of the Reorganized CARBO Interests when so issued, shall be duly authorized, validly issued, enforceable, and fully paid and non-assessable.

110. **Issuance of Liquidating Trust Note.** The Liquidating Trust Note is approved in all respects. On the Liquidating Trust Note Issuance Date, Reorganized CARBO is authorized to and shall issue the Liquidating Trust Note in accordance with the terms of the Plan and without the need for any further corporate or shareholder action.

111. **Compromise and Settlement of Claims, Interests, and Controversies.** Pursuant to section 1123(b)(3)(a) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan – including the Committee Plan Settlement – constitute a good faith compromise of Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a creditor or an Interest Holder may have with respect to any Allowed Claim or Interest or any

distribution to be made on account of such Allowed Claim or Interest. The entry of this Confirmation Order constitutes approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding that such compromise or settlement was negotiated at arms'-length and in good faith, is in the best interests of the Debtors, their Estates, and Holders of such Claims and Interests, and is fair, equitable, and reasonable.

112. **Release, Exculpation, Discharge, and Injunction Provisions.** All discharge, injunction, release, and exculpation provisions set forth in the Plan, including but not limited to those contained in Articles VIII.B, VIII.C, VIII.D, VIII.E, VIII.F, VIII.G, and VIII.H of the Plan, are approved and shall be effective and binding on all persons and entities to the extent provided therein.

113. **Discharge of Claims and Termination of Interests.** Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan and the Plan Supplement, or in a contract, instrument, or other agreement or document executed pursuant to the Plan and the Plan Supplement, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors or, solely with respect to any General Unsecured Claims, the Plan Administrator), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-

contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim or Interest has voted to accept the Plan. Any default or “event of default” by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. This Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

114. **Tax Withholding.** Pursuant to the Plan, including Article VI.E thereof, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Debtors, the Reorganized Debtors, and the Plan Administrator, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

115. **Payment of Statutory Fees.** On the Effective Date and thereafter as may be required, the Plan Administrator shall pay from the Liquidating Trust Assets any and all fees incurred pursuant to sections 1911 through 1930 of chapter 123 of title 28 of the United States Code, together with interest, if any, pursuant to § 3717 of title 31 of the United States Code for the Chapter 11 Cases until the Chapter 11 Cases are dismissed or a final decree is issued, whichever occurs first.

116. **Documents, Mortgages and Instruments.** Each federal, state, local, foreign or other governmental agency is authorized to accept any and all documents, mortgages or instruments necessary or appropriate to effectuate, implement or consummate the Plan.

117. **Return of Deposits.** All utilities, including any Person who received a deposit or other form of “adequate assurance” of performance pursuant to section 366 of the Bankruptcy Code during the Chapter 11 Cases (collectively, the “**Deposits**”), whether pursuant to the *Order (I)(A) Approving Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services, (B) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, and (C) Approving Debtors’ Proposed Procedures Resolving Additional Assurance Requests, and (III) Granting Related Relief* [Docket No. 39] (the “**Utilities Order**”) or otherwise, including, but not limited to, gas, electric, telephone, data, cable, trash, freight, and waste management services, are directed to return such Deposits to the Reorganized Debtors within 15 days following the Effective Date. Additionally, the Debtors or Reorganized Debtors, as applicable, are hereby authorized to close the Adequate Assurance Account (as defined in the Utilities Order).

118. **Filing and Recording.** This Confirmation Order is binding upon and shall govern the acts of all persons or entities including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any document or instrument. Each and every federal, state, and local government agency is hereby directed to accept any and all documents and instruments necessary, useful, or appropriate (including financing statements under the applicable uniform commercial code) to effectuate, implement, and consummate the

transactions contemplated by the Plan and this Confirmation Order without payment of any stamp tax or similar tax imposed by state or local law.

119. **Continued Effect of Stays and Injunctions.** Unless otherwise provided in the Plan or this Confirmation Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 362 of the Bankruptcy Code or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

120. **Debtors' Actions Post-Confirmation Through the Effective Date.** During the period from entry of this Confirmation Order through and until the Effective Date, each of the Debtors shall continue to operate its business as a debtor in possession, subject to the oversight of the Court as provided under the Bankruptcy Code, the Bankruptcy Rules, and this Confirmation Order and any order of the Court that is in full force and effect.

121. **Authorization to Consummate.** The Debtors are authorized to consummate the Plan and the Restructuring Transactions at any time after entry of this Confirmation Order subject to satisfaction, or waiver in accordance with Article IX.C of the Plan, of the conditions precedent to Consummation set forth in Article IX of the Plan.

122. **Nonseverability of Plan Provisions Upon Confirmation.** Each provision of the Plan is: (a) valid and enforceable in accordance with its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent (and subject to other consents and consultation rights set forth in the Plan) in accordance with the terms set forth in the Plan; and (c) nonseverable and mutually dependent.

123. **Post-Confirmation Modifications.** Without need for further order or authorization of the Court, the Debtors or the Reorganized Debtors, as applicable, are authorized

and empowered to make any and all modifications to any and all Plan Documents that are necessary to effectuate the Plan that do not materially modify the terms of such documents and are consistent with the Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors and the Reorganized Debtors reserve their respective rights prior to the Effective Date to withdraw, alter, amend, or modify materially the Plan with respect to such Debtor or Reorganized Debtor and, to the extent necessary, may initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or this Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Article X.A of the Plan.

124. **Conditions to the Effective Date.** The Plan shall not become effective unless and until the conditions set forth in Article IX.B of the Plan have been satisfied or waived pursuant to Article IX.C of the Plan.

125. **Plan Administrator.** Upon the Effective Date, the Plan Administrator shall be appointed to reconcile General Unsecured Claims of each Debtor, effectuate distributions on account thereof from the GUC Cash Pool, administer the Liquidating Trust Note, and conduct all related services. The Plan Administrator shall have all the rights and powers to implement the provisions of the Plan pertaining to the Plan Administrator in accordance with, and subject to the terms of, the Plan and the Liquidating Trust Agreement. The role and responsibilities of the Plan Administrator shall terminate in accordance with the Liquidating Trust Agreement. All Plan Administrator Expenses shall be paid as set forth in the Plan and the Liquidating Trust Agreement.

The Reorganized Debtors shall reasonably cooperate with the Plan Administrator and provide it with copies or access to any books and records reasonably necessary for the Plan Administrator to perform its duties under the Plan at no cost to the Reorganized Debtors at the Plan Administrator's sole expense. As set forth in the Plan, the Plan Administrator may not pursue any Claims or Causes of Action against any of the Released Parties.

126. **Reversal/Stay/Modification/Vacatur of Confirmation Order.** Except as otherwise provided in this Confirmation Order, if any or all of the provisions of this Confirmation Order are hereafter reversed, modified, vacated, or stayed by subsequent order of this Court or any other court, such reversal, stay, modification, or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority, or Lien incurred or undertaken by the Debtors or the Reorganized Debtors, as applicable, prior to the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification, or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, this Confirmation Order prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

127. **Applicable Nonbankruptcy Law.** The provisions of this Confirmation Order, the Plan, and related documents, or any amendments or modifications thereto, shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

128. **Governmental Approvals Not Required.** This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state, federal, or other governmental authority with respect to the implementation or consummation of

the Plan, any certifications, documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Plan.

129. **Resolution of Objections and Other Issues.** To the extent that any objections, reservations of rights, statements or joinders to Confirmation have not been resolved, withdrawn, waived, or settled prior to entry of this Confirmation Order or otherwise resolved herein or as stated on the record of the Confirmation Hearing, they are hereby overruled on the merits based on the record before this Court.

130. **Governmental Agencies.** Nothing in this Confirmation Order or the Plan discharges, releases, precludes, or enjoins: (i) any liability to any governmental unit as defined in 11 U.S.C. § 101(27) (“*Governmental Unit*”) that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any Claim of a Governmental Unit arising on or after the Effective Date; (iii) any police or regulatory liability to a Governmental Unit that any entity would be subject to as the owner or operator of property after the Effective Date; or (iv) any liability to a Governmental Unit on the part of any non-Debtor. Nor shall anything in this Confirmation Order or the Plan enjoin or otherwise bar a Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding sentence. Notwithstanding any provision of the Plan, this Confirmation Order, or any implementing or supplementing plan documents, the United States’ setoff rights under federal law as recognized in section 553 of the Bankruptcy Code, and recoupment rights, shall be preserved and are unaffected. Nothing in this Confirmation Order or the Plan shall authorize the Debtors, Plan Administrator, or Liquidating Trust to abandon any real property or wells.

131. **SEC.** Notwithstanding any provision herein to the contrary or an abstention from voting on the Plan, no provision of the Plan, or any order confirming the Plan: (i) releases any

non-Debtor person or entity (including any Released Party) from any Claim or cause of action of the U.S. Securities and Exchange Commission (“*SEC*”); or (ii) enjoins, limits, impairs, or delays the SEC from commencing or continuing any Claims, causes of action, proceedings or investigations against any non-Debtor person or entity (including any Released Party) in any forum.

132. **Texas Comptroller.** Notwithstanding anything to the contrary in the Plan or this Confirmation Order, these provisions will govern the treatment of the claims of the Texas Comptroller of Public Accounts (the “*Comptroller*”): (i) nothing provided in the Plan or this Confirmation Order shall affect or impair any statutory or common law setoff rights of the Comptroller in accordance with 11 U.S.C. § 553; (ii) nothing provided in the Plan or this Confirmation Order shall affect or impair any rights of the Comptroller to pursue any non-debtor third parties for tax debts or claims; (iii) nothing provided in the Plan or this Confirmation Order shall be construed to preclude the payment of interest on the Comptroller’s administrative expense tax claims; (iv) to the extent that interest is payable with respect to any administrative expense, priority or secured tax claim of the Comptroller, the interest rate shall be the statutory rate of interest, currently 5.75% per annum; (v) the Comptroller’s allowed Priority Tax Claim(s) will be paid in equal monthly installments through no later than March 28, 2025, (vi) the Comptroller’s priority claim will be provided for in its face amount in any claim escrow, pending its allowance by the Court, and (vii) the Comptroller is not required to file a motion or application for payment of administrative expense claims pursuant to 11 U.S.C. § 503(b)(1)(D) and the Comptroller’s administrative expense claims are allowed upon filing, subject to objection on substantive grounds.

133. **Taxing Authorities.** Bexar County, Cypress-Fairbanks Independent School District, Dallas County, Harris County, Irving Independent School District, Jim Wells CAD, Wise

County, Upton County Appraisal District, Dallas Utility & Reclamation District, and Brazos County (collectively, the “*Texas Tax Authorities*”) assert that they are Holders of prepetition Claims for unpaid 2019 and 2020 ad valorem real and business personal property taxes. The Debtors/Reorganized Debtors shall pay all amounts owed to the Texas Tax Authorities in the ordinary course of business no later than January 31, 2021. In the event the Claims are paid after January 31, 2021, regardless of whether the Claims are disputed or undisputed, the Texas Tax Authorities shall receive interest from the Petition Date through the Effective Date and from the Effective Date through payment in full at the state statutory rate pursuant to 11 U.S.C. §§ 506(b), 511, and 1129. The Texas Tax Authorities shall retain the liens that secure all prepetition amounts ultimately owed on their Claims as well as the state law priority of those liens until the Claims are paid in full. In the event that collateral that secures the Claim of one or more of the Texas Tax Authorities is returned to a creditor that is junior to the Texas Tax Authorities, the Debtor/Reorganized Debtor shall first pay all ad valorem property taxes that are secured by the collateral. In the event that the Debtors abandon any property upon which the Texas Tax Authorities have liens securing any tax Claims, the Debtors or Reorganized Debtors shall provide notice of such abandonment and of the occurrence of the Effective Date to the affected Texas Tax Authority. The Texas Tax Authorities’ Claims for year 2020 ad valorem real and business personal property taxes shall not be discharged until such time as the amounts owed are paid in full. In the event of a default in the payment of the tax Claims as provided herein, the Texas Tax Authorities shall provide notice to counsel for the Debtors/Reorganized Debtors who shall have twenty (20) days from the date of such notice to cure the default. If the default is not cured, the Texas Tax Authorities shall be entitled to pursue collection of all amounts owed pursuant to state law outside this Court. Failure to pay the 2020 ad valorem taxes prior to the state law delinquency date shall

constitute an event of default only as to the relevant Texas Tax Authority. The Debtors'/Reorganized Debtors' rights and defenses under Texas state law and the Bankruptcy Code with respect to this provision of the Order, including their right to dispute or object to the Texas Tax Authorities Claims and liens, are fully preserved.

134. **Waiver of Filings.** Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule, or statement with the Court or the U.S. Trustee (except for monthly operating reports or any other post-confirmation reporting obligation to the U.S. Trustee) is hereby waived as to any such list, schedule, or statement not filed as of the Confirmation Date.

135. **Waiver of Stay.** For good cause shown, the stay of this Confirmation Order provided by any Bankruptcy Rule is in effect for 7 days after entry. This Confirmation Order shall be effective and enforceable immediately upon the expiration of 7 days from entry. The Debtors and the Reorganized Debtors are authorized to consummate the Plan any time thereafter.

136. **Notice of Entry of the Confirmation Order and Effective Date.** In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of this Confirmation Order and notice of the Effective Date, substantially in the form annexed hereto as **Exhibit B** to all parties who hold a Claim or Interest in these cases, the U.S. Trustee, and other parties in interest. Such notice is hereby approved in all respects and shall be deemed good and sufficient notice of confirmation of the Plan, entry of this Confirmation Order, and the occurrence of the Effective Date.

137. **Substantial Consummation.** On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

138. **Termination of Restructuring Support Agreement.** On the Effective Date, the Restructuring Support Agreement will terminate in accordance with Section 5.04 thereof.

139. **References to and Omissions of Particular Plan Provisions.** References to articles, sections, and provisions of the Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan or this Confirmation Order. The failure to specifically describe, include, or to refer to any particular article, section, or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such article, section, or provision, it being the intent of the Court that the Plan is confirmed in its entirety, except as expressly modified herein, the Plan Documents are approved in their entirety, and all are incorporated herein by this reference.

140. **Headings.** Headings utilized herein are for convenience and reference only, and do not constitute a part of the Plan or this Confirmation Order for any other purpose.

141. **Effect of Conflict.** This Confirmation Order supersedes any Court order issued prior to the Confirmation Date that may be inconsistent with this Confirmation Order. If there is any inconsistency between the terms of the Plan and the terms of this Confirmation Order, then, solely to the extent of such inconsistency, the terms of this Confirmation Order govern and control.

142. **Final Order.** This Confirmation Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof.

143. **Retention of Jurisdiction.** Except as set forth in the Plan or this Confirmation Order, the Court may properly, and upon the Effective Date shall retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, including the matters set forth in Article XI of the Plan and section 1142 of the Bankruptcy Code.

Signed: June 18, 2020

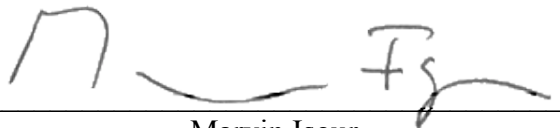

Marvin Isgur
United States Bankruptcy Judge

Exhibit A

Plan

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

In re:	§	Case No. 20-31973 (MI)
	§	
CARBO CERAMICS INC., et al.,	§	(Chapter 11)
	§	
Debtors.¹	§	(Jointly Administered)
	§	

DEBTORS’ SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION

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COUNSEL FOR THE DEBTORS

Dated: June 17, 2020

¹ The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: CARBO Ceramics Inc. (0013); StrataGen, Inc. (5205); and Asset Guard Products Inc. (6422). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 575 N. Dairy Ashford Road, Suite 300, Houston, Texas 77079.

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INTRODUCTION

CARBO Ceramics Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases jointly propose this chapter 11 plan of reorganization. Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against, and Interests in, such Debtor. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A hereof or the Bankruptcy Code or Bankruptcy Rules. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, projections of future operations, and prepetition sale process, as well as a summary and description of the Plan. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms*

As used in the Plan, capitalized terms have the meanings set forth below.

1. “**Administrative and Priority Claims Reserve**” means a reserve to be funded by the applicable Supporting Lenders in a reasonable and appropriate amount, which amount shall be subject to the Supporting Lenders' approval in their sole discretion, for the payment of Administrative Claims pursuant to Article II.A, Priority Tax Claims pursuant to Article II.D, and Other Priority Claims in Class 1.

2. “**Administrative Claim**” means a Claim (other than DIP Facility Claims) for costs and expenses of administration of the Debtors' Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Professional Fee Claims; (c) Committee Professional Fee Claims; and (d) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code.

3. “**Administrative Claims Bar Date**” means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to Administrative Claims other than Professional Fee Claims and Committee Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims and Committee Professional Fee Claims, shall be 45 days after the Effective Date.

4. “**Affiliate**” shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

5. “**Allowed**” means with respect to any Claim: (a) any Claim, proof of which is timely Filed on or before the applicable Bar Date (or that pursuant to the Bankruptcy Code or Final Order is not or shall not be required to be Filed); (b) any Claim that is listed in the Schedules as of

the Effective Date as not disputed, not contingent, and not unliquidated, and for which no Proof of Claim has been timely Filed; or (c) any Claim allowed pursuant to the Plan or a Final Order of the Court (including pursuant to any stipulation approved by the Court); *provided that* with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered Allowed only if and to the extent that no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Court or such an objection is so interposed and the Claim has been Allowed by a Final Order; *provided further* that any Claim described in clauses (a), (b), and (c) above shall not include any Claim on account of a right, option, warrant, right to convert, or other right to purchase an Interest. Except as otherwise specified in the Plan or an order of the Court or with respect to Priority Tax Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. Any Claim that has been listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely Filed, is not considered Allowed and is hereby expunged without further action and without any further notice to or action, order, or approval of the Court.

6. “**Asset Guard**” means Asset Guard Products Inc., a Delaware corporation and a Debtor in the Chapter 11 Cases.

7. “**Asset Guard Interests**” means all Interests in Asset Guard prior to the Effective Date.

8. “**Avoidance Actions**” means any and all actual or potential Claims and Causes of Action arising under chapter 5 of the Bankruptcy Code, including sections 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

9. “**Bankruptcy Code**” means title 11 of the United States Code, as amended and in effect during the pendency of the Chapter 11 Cases.

10. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Court other than the Local Rules.

11. “**Bar Date**” means, as applicable, the Administrative Claims Bar Date, the General Bar Date, the Governmental Bar Date, and any other date or dates established or to be established by an order of the Court by which Proofs of Claim must be Filed.

12. “**Business Day**” means any day other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)). For the avoidance of doubt, any day that would otherwise constitute a Business Day notwithstanding any shelter in place or similar order resulting from the COVID-19 crisis shall nonetheless be a Business Day.

13. “**CARBO**” means CARBO Ceramics Inc., a Delaware corporation and a Debtor in the Chapter 11 Cases.

14. “**CARBO GUC Settlement Amount**” means the amount of \$5,500,000 to be allocated, first, to pay in full all Allowed Committee Professional Fee Claims and, second, to establish the Liquidating Trust Note Amount.

15. “**CARBO Interests**” means all Interests in CARBO prior to the Effective Date.

16. “**Cash**” means the legal tender of the United States of America or the equivalent thereof.

17. “**Causes of Action**” means any action, claim, cause of action, controversy, third-party claim, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, a “Cause of Action” includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code, including any Avoidance Action; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (e) any state or foreign law fraudulent transfer or similar claim.

18. “**Chapter 11 Cases**” means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Court; and (b) when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Court.

19. “**Claim**” shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

20. “**Claims Register**” means the official register of Claims against and Interests in the Debtors maintained by the Notice and Claims Agent.

21. “**Class**” means a category of Claims against or Interests in the Debtors as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

22. “**Committee**” means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases on April 14, 2020, by the Office of the U.S. Trustee pursuant to section 1102 of the Bankruptcy Code as set forth on Docket No. 113.

23. “**Committee Professional Fee Claims**” means all Administrative Claims for compensation and reimbursement of expenses of Professionals employed or retained by the Committee for services through and including the Effective Date and as may be incurred after the Effective Date in preparation and presentation to the Court of such Professionals’ Final Fee Applications if Filed prior to the Administrative Claims Bar Date applicable thereto; *provided* that in no event shall the Allowed Committee Professional Fee Claims exceed the CARBO GUC Settlement Amount. To the extent the Court denies or reduces by a Final Order any amount of a Committee Professional’s requested fees and expenses, then the amount by which such fees or

expenses are reduced or denied shall reduce the applicable Allowed Committee Professional Fee Claim.

24. “**Committee Professional Fee Reserve Amount**” means the total amount of Committee Professional Fee Claims of the Committee’s Professionals estimated in accordance with Article II.B.3; *provided* that, for the avoidance of doubt, to the extent any Allowed Committee Professional Fee Claims have been paid under the Interim Compensation Order during the Chapter 11 Cases, such amounts shall not be included in the Committee Professional Fee Reserve Amount.

25. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

26. “**Confirmation Date**” means the date upon which the Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

27. “**Confirmation Hearing**” means the hearing held by the Court to consider Confirmation of the Plan pursuant to section 1128(a) of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

28. “**Confirmation Order**” means the order of the Court, in form and substance acceptable to the Debtors and the Supporting Lenders in all respects and subject to reasonable review by and consultation with the Committee, confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

29. “**Consummation**” means the occurrence of the Effective Date.

30. “**Court**” means the United States Bankruptcy Court for the Southern District of Texas having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to section 151 of title 28 of the United States Code, the United States District Court for the Southern District of Texas.

31. “**Cure Claim**” means a monetary Claim based upon a Debtor’s defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor pursuant to section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

32. “**D&O Liability Insurance Policies**” means all directors’, managers’, and officers’ liability insurance policies (including any “tail policy” or other fiduciary policy) of any of the Debtors with respect to directors, managers, officers, and employees of any of the Debtors.

33. “**Debtors**” means, collectively, the following: CARBO, StrataGen, and Asset Guard.

34. “**Definitive Documentation**” means the definitive documents and agreements governing the Restructuring Transactions and shall include: (a) the Plan (and all exhibits thereto) and the Confirmation Order; (b) the Disclosure Statement; (c) the solicitation materials with

respect to the Plan; (d) the Liquidating Trust Agreement; (e) the New Organizational Documents (f) the Exit Facility Documents; (g) the Liquidating Trust Note; and (h) any other documents included in the Plan Supplement. Any document that is included within this definition of “Definitive Documentation,” including any amendment, supplement, or modification thereof, shall contain terms and conditions consistent with the Restructuring Support Agreement and shall each be in form and substance acceptable to the Debtors and the Supporting Lenders in all respects and (x) as it relates to the Liquidating Trust Agreement, the identity of the Plan Administrator, and the List of Retained Causes of Action (solely to the extent it impacts any Cause of Action that is a Liquidating Trust Asset) shall be subject to reasonable review by and consultation with the Committee and (y) as it relates to the Liquidating Trust Note, shall also be in form and substance acceptable to the Committee in all respects.

35. “**DIP Credit Agreement**” means that certain *Senior Secured Super Priority Debtor-in-Possession Credit Agreement* dated as of March 30, 2020 (as amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof).

36. “**DIP Facility**” means the senior secured superpriority multiple draw term loan facility provided by the DIP Lenders on the terms and conditions set forth in the DIP Facility Documents.

37. “**DIP Facility Claim**” means any Claim held by the DIP Lenders arising under or related to the DIP Facility on account of the loans made thereunder and associated fees.

38. “**DIP Facility Documents**” means the DIP Credit Agreement and all other agreements, documents, instruments, and amendments related thereto, including the DIP Orders and any guaranty agreements, pledge and collateral agreements, Uniform Commercial Code financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and any other security agreements.

39. “**DIP Facility Treatment Election**” has the meaning set forth in Article II.C hereof.

40. “**DIP Lenders**” means the lenders party to the DIP Facility from time to time.

41. “**DIP Lender/Prepetition Lender Equity Distribution**” means 100% of the Reorganized CARBO Interests, such Interests to be issued and outstanding pursuant to this Plan on the Effective Date.

42. “**DIP Orders**” means, collectively, the Interim DIP Order and the Final DIP Order.

43. “**Disallowed**” means, with respect to any Claim, or any portion thereof, that such Claim, or such portion thereof, is not Allowed.

44. “**Disbursing Agent**” means, as applicable, (a) the Debtors, solely with respect to distributions that are required to be made on the Effective Date or thereafter by the Debtors or the Reorganized Debtors as contemplated under the Plan, (b) the Plan Administrator, solely with respect to the GUC Cash Pool and any amounts to be distributed from the Liquidating Trust, or (c) any Person or Entity designated or retained by the Debtors, the Reorganized Debtors, or the

Plan Administrator, as applicable, in their sole discretion and without the need for further order of the Court.

45. “**Disclosure Statement**” means the disclosure statement for the Plan, as may be amended, supplemented, or modified from time to time in accordance with the Restructuring Support Agreement, including all exhibits and schedules thereto, which is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

46. “**Disputed**” means, with respect to any Claim or Interest, that such Claim or Interest is not yet Allowed.

47. “**Distribution Record Date**” means the date for determining which Holders of Allowed Claims are eligible to receive distributions hereunder, which, unless otherwise specified, shall be the Confirmation Date or such other date as designated in a Final Order of the Court.

48. “**Effective Date**” means the date that is a Business Day selected by the Debtors, in consultation with the Supporting Lenders and the Committee, on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.B have been satisfied or waived (in accordance with Article IX.C); and (c) the Plan becomes effective.

49. “**Entity**” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

50. “**Estate**” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

51. “**Exculpated Party**” means each of the following solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) each Released Party; (d) the Committee and the current and former members of the Committee; and (e) with respect to each of the foregoing parties under (a) through (d), such party and each of its Affiliates, predecessors, successors, assigns, subsidiaries, current and former officers and directors, principals, equity holders, members, partners, managers, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such Persons’ or Entities’ respective heirs, executors, estates, and nominees, in each case solely in their capacity as such.

52. “**Executory Contract**” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

53. “**Exit Facility**” means a senior secured term loan facility in an aggregate amount equal to the amount each Holder of a DIP Facility Claim elects to convert into loans under the Exit Facility pursuant to Article II.C, such facility to be on the terms and conditions set forth in the Exit Facility Term Sheet and otherwise acceptable to the Debtors and the Supporting Lenders in all respects.

54. “**Exit Facility Documents**” means the credit agreement and all other agreements, documents, instruments, and amendments related thereto, including any guarantee agreements, pledge and collateral agreements, Uniform Commercial Code financing statements or other

perfection documents, intercreditor agreements, subordination agreements, fee letters, and any other security agreements with respect to the Exit Facility, each of which shall be in form and substance acceptable to the Debtors and the Exit Facility Lenders.

55. “**Exit Facility Lenders**” means the lenders party to the Exit Facility from time to time.

56. “**Exit Facility Term Sheet**” means, if applicable, that certain term sheet, in form and substance acceptable to the Exit Facility Lenders in all respects, filed in the Plan Supplement and incorporated herein by reference.

57. “**Federal Judgment Rate**” means the federal judgment rate in effect as of the Petition Date, compounded annually.

58. “**File,**” “**Filed,**” or “**Filing**” means file, filed, or filing in the Chapter 11 Cases with the Court or, with respect to the filing of a Proof of Claim or proof of Interest, with the Notice and Claims Agent or the Court through the PACER or CM/ECF website.

59. “**Final DIP Order**” means the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Grant Senior Liens and Superpriority Administrative Expense Status, and (C) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Lenders, and (III) Granting Related Relief* [Docket No. 218].

60. “**Final Order**” means (a) an order or judgment of the Court, as entered on the docket in any of the Chapter 11 Cases (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction; or (b) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Court (or any other court of competent jurisdiction, including in an appeal taken) in any of the Chapter 11 Cases (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Rules, may be Filed relating to such order shall not prevent such order from being a Final Order.

61. “**General Bar Date**” means (a) as to Asset Guard and StrataGen, May 29, 2020, at 5:00 p.m. (prevailing Central Time) and (b) as to CARBO, June 30, 2020, at 5:00 p.m. (prevailing Central Time).

62. “**General Unsecured Claim**” means, with respect to a Debtor, any Unsecured Claim against such Debtor (including, for the avoidance of doubt, the Prepetition Lender Deficiency Claims and any Claim arising from the rejection of an Executory Contract or Unexpired

Lease) that is not otherwise paid in full or otherwise satisfied during the Chapter 11 Cases pursuant to an order of the Court, other than a Professional Fee Claim, a Committee Professional Fee Claim, an Administrative Claim, a Priority Tax Claim, an Other Priority Claim, or an Intercompany Claim.

63. “**Governmental Bar Date**” means September 25, 2020, at 5:00 p.m. (prevailing Central Time).

64. “**Governmental Unit**” shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

65. “**GUC Cash Pool**” means Cash to be contributed by one or more of the Supporting Lenders to the GUC Cash Pool Account on the Effective Date in an amount equal to no more than the sum of (a) \$500,000 to be allocated to fund distributions to the Holders of Allowed General Unsecured Claims against CARBO, and (b)(i) the lesser of (x) \$1,500,000 and (y) such amount as is necessary to render all Allowed General Unsecured Claims against Asset Guard and StrataGen Unimpaired, or (ii) in the Supporting Lenders’ sole discretion, such higher amount as necessary to render all Allowed General Unsecured Claims against Asset Guard and StrataGen Unimpaired. At the DIP Lenders’ election, and in their sole discretion, all or a portion of the GUC Cash Pool may be funded with any unused Commitments (as defined in the DIP Credit Agreement) under the DIP Facility as of immediately prior to the Effective Date; *provided* that notwithstanding the foregoing, and for the avoidance of doubt, the funding in full of the GUC Cash Pool shall be the responsibility of the applicable Supporting Lenders and is a condition precedent to the occurrence of the Effective Date, as set forth in Article IX.B.10 hereof.

66. “**GUC Cash Pool Account**” means an interest bearing account with a banking institution selected by the Committee, established no later than two Business Days prior to the Effective Date and funded by the applicable Supporting Lenders on the Effective Date in the amount of the GUC Cash Pool.

67. “**Holder**” means a Person or Entity holding a Claim against or Interest in a Debtor, as applicable.

68. “**Impaired**” means, with respect to a Class of Claims or Interests, such Class of Claims or Interests is not Unimpaired.

69. “**Indemnification Obligations**” means each of the Debtors’ indemnification obligations for the current and former directors, managers, and officers of the Debtors, whether set forth in the Debtors’ bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment contracts.

70. “**Intercompany Claim**” means any Claim held against one Debtor by another Debtor.

71. “**Intercompany Interest**” means an Interest in one Debtor held by another Debtor.

72. “**Interest**” means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests or units of any Debtor, including any options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), including any Claim against the Debtors that is subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

73. “**Interim Compensation Order**” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 296].

74. “**Interim DIP Order**” means the *Interim Order (I) Authorizing Debtors to (A) Obtain Postpetition Financing, (B) Grant Senior Liens and Superpriority Administrative Expense Status, and (C) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Lenders, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* [Docket No. 37].

75. “**Internal Revenue Code**” means title 26 of the United States Code, 26 U.S.C. §§ 1-9834.

76. “**Judicial Code**” means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

77. “**Lien**” shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

78. “**Liquidating Trust**” means that certain trust to be established on the Effective Date for the benefit of the Holders of Allowed General Unsecured Claims.

79. “**Liquidating Trust Agreement**” means the agreement to be executed as of the Effective Date establishing the Liquidating Trust pursuant to this Plan, substantially in the form filed as part of the Plan Supplement.

80. “**Liquidating Trust Assets**” means (i) the Liquidating Trust Expense Reserve, (ii) the GUC Cash Pool, (iii) the Liquidating Trust Note, (iv) any Avoidance Actions not released under the Plan, including the Payee Avoidance Actions, and (v) any Causes of Action of the Debtors not released under the Plan against any Person who was a former director or former officer of any of the Debtors as of the Petition Date (excluding Justin Wilks), solely in his or her capacity as such, that are Avoidance Actions or that are covered Causes of Action under the D&O Liability Insurance Policies; *provided, however*, that any recovery from such Causes of Action, other than Avoidance Actions, shall be limited to the amount of coverage available under the D&O Liability Insurance Policies at the time of such recovery, and any and all recovery shall, for the avoidance of doubt, be collected only from the insurer that issued such D&O Liability Insurance Policies and not from any of the Debtors, Reorganized Debtors, or any former director or former officer of the Debtors, or any of their estates, assets, or beneficiaries. For the avoidance of doubt, no Causes of Action (including Avoidance Actions) released pursuant to Article VIII of the Plan shall be included in the Liquidating Trust Assets, including any Causes of Action (including Avoidance Actions) against or in respect of (a) Justin Wilks; (b) the Prepetition Agent and the Prepetition Lenders; (c) the Supporting Lenders or DIP Lenders; or (d) any other Released Party.

81. “**Liquidating Trust Expense Reserve**” means \$100,000 of Cash to be funded by the applicable Supporting Lenders to the Liquidating Trust on the Effective Date to allow the Plan Administrator to maintain the Liquidating Trust Assets and to comply with the Plan Administrator’s obligations under the Plan.

82. “**Liquidating Trust Interest**” means a beneficial interest in the Liquidating Trust issued to Holders of Allowed General Unsecured Claims on the Effective Date on account of such Claims.

83. “**Liquidating Trust Note**” means that certain promissory note issued by Reorganized CARBO on the Liquidating Trust Note Issuance Date in the principal amount equal to the Liquidating Trust Note Amount and payable to the order of the Liquidating Trust for the benefit of Holders of Allowed Class 4 Claims against CARBO, which promissory note shall mature on December 31, 2021 and accrue interest at a rate of 4.0% per annum with a balloon payment of principal and accrued interest at maturity and shall be included in the Plan Supplement, as amended.

84. “**Liquidating Trust Note Amount**” means the amount of the CARBO GUC Settlement Amount remaining after the Allowed amount of all Committee Professional Fee Claims is determined by one or more Final Orders of the Court.

85. “**Liquidating Trust Note Issuance Date**” means the first Business Day after the Allowed amount of all Committee Professional Fee Claims is determined by one or more Final Orders of the Court.

86. “**List of Retained Causes of Action**” means the schedule of certain Causes of Action of the Debtors that are not released or waived pursuant to the Plan, which shall be included in the Plan Supplement. For the avoidance of doubt, the List of Retained Causes of Action shall not include any Causes of Action against any of the Released Parties.

87. “**Local Rules**” means the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas.

88. “**New Board**” means the board of directors of Reorganized CARBO appointed by the Supporting Lenders effective as of the Effective Date.

89. “**New Organizational Documents**” means the form of the certificates or articles of incorporation, certificates of formation, bylaws, operating agreements, or such other applicable formation, organizational, and governance documents of each of the Reorganized Debtors, which shall be in form and substance acceptable to the Supporting Lenders in all respects.

90. “**Notice and Claims Agent**” means Epiq Corporate Restructuring, LLC, the notice, claims, and solicitation agent proposed to be retained by the Debtors in the Chapter 11 Cases, or its successor in that capacity.

91. “**Other Priority Claim**” means any Claim against a Debtor other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section

507(a) of the Bankruptcy Code, to the extent such claim has not already been paid during the Chapter 11 Cases.

92. “**Other Secured Claim**” means any Secured Claim other than the Prepetition Lender Secured Claims.

93. “**Payee Avoidance Actions**” means any potential Avoidance Actions of the Debtors against the Payee Former Directors on account of payments received by the Payee Former Directors in respect of those certain Promissory Notes made by CARBO in favor of the Payee Former Directors. For the avoidance of doubt, the Payee Avoidance Actions are not released under the Plan, and the Payee Former Directors are not Released Parties.

94. “**Payee Former Directors**” means William C. Morris and Robert S. Rubin (now deceased).

95. “**Person**” shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

96. “**Petition Date**” means March 29, 2020, the date on which each Debtor Filed its voluntary petition for relief commencing the Chapter 11 Cases.

97. “**Plan**” means this chapter 11 plan of reorganization, as the same may be further amended, altered, modified, or supplemented from time to time in accordance with the terms hereof and the terms of the Restructuring Support Agreement, including the Plan Supplement and all exhibits, supplements, appendices, and schedules thereto, each of which shall be in form and substance acceptable to the Debtors and the Supporting Lenders in all respects.

98. “**Plan Administrator**” means GlassRatner Advisory & Capital Group, who shall act as the trustee of the Liquidating Trust and shall be responsible for reconciling General Unsecured Claims after the Effective Date, effectuating distributions from the Liquidating Trust Assets on account thereof, and providing all related services, including the services set forth in Articles II.E, IV.D, and XII.M of the Plan.

99. “**Plan Supplement**” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement), each of which shall be in form and substance acceptable to the Debtors and the Supporting Lenders in all respects, to be Filed by the Debtors no later than three Business Days before the deadline to File objections to the Plan, including the following, as applicable: (a) the Liquidating Trust Agreement; (b) the New Organizational Documents; (c) the Schedule of Rejected Executory Contracts and Unexpired Leases; (d) the identity of the members of the New Board and the officers of Reorganized CARBO as of the Effective Date; (e) the List of Retained Causes of Action; (f) the Exit Facility Documents, if applicable; (g) the Liquidating Trust Note; and (h) any other documentation necessary or advisable to effectuate the Restructuring Transactions or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date solely in accordance with, and to the extent permitted by, the Restructuring Support Agreement; *provided, however*, that (x) solely with respect to any such amendments to the Liquidating Trust Agreement,

the List of Retained Causes of Action (solely to the extent it impacts any Causes of Action that are Liquidating Trust Assets), or the identity of the Plan Administrator, such amendments shall also be subject to the reasonable review by and consultation with the Committee and (y) solely with respect to any such amendments to the Liquidating Trust Note, such amendments shall also be in form and substance acceptable to the Committee in all respects.

100. “**Prepetition Agent**” means Wilks Brothers, LLC, in its capacity as administrative agent under the Prepetition Credit Agreement.

101. “**Prepetition Credit Agreement**” means that certain Amended and Restated Credit Agreement, dated as of March 2, 2017, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of June 7, 2018, and that certain Second Amendment to Amended and Restated Credit Agreement and Joinder, dated as of June 20, 2019, by and among CARBO, as borrower, the guarantors party thereto, the Prepetition Lenders, and the Prepetition Agent.

102. “**Prepetition Credit Documents**” means the Prepetition Credit Agreement and all other agreements, documents, instruments, and amendments related thereto, including any guarantee agreements, pledge and collateral agreements, Uniform Commercial Code financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and any other security agreements.

103. “**Prepetition Lenders**” means the lenders party to the Prepetition Credit Agreement.

104. “**Prepetition Lender Claim**” means any Claim against the Debtors arising under the Prepetition Credit Documents.

105. “**Prepetition Lender Deficiency Claim**” means any Unsecured deficiency Claim arising under the Prepetition Credit Documents, which is hereby deemed an Allowed Class 4 General Unsecured Claim against each Debtor.

106. “**Prepetition Lender Secured Claim**” means any Secured Claim arising under the Prepetition Credit Documents.

107. “**Prepetition Loan Obligations**” means, collectively, (i) the aggregate principal amount owed under the Prepetition Credit Documents, *plus* (ii) any fees, expenses, and other amounts required to be paid or reimbursed by the Debtors under the Prepetition Credit Documents.

108. “**Priority Tax Claim**” means any Claim entitled to priority, whether Secured or Unsecured, against a Debtor of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

109. “**Pro Rata**” means, unless indicated otherwise, the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

110. “**Professional**” means an Entity employed pursuant to a Final Order of the Court in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

111. “**Professional Fee Claims**” means all Administrative Claims for the compensation of the Debtors’ Professionals and the reimbursement of expenses incurred by such Professionals through and including the Effective Date and as may be incurred after the Effective Date in preparation and presentation to the Court of such Professionals’ Final Fee Applications if Filed prior to the Administrative Claims Bar Date applicable thereto, to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Court. To the extent the Court denies or reduces by a Final Order any amount of a Debtor Professional’s requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Allowed Professional Fee Claim.

112. “**Professional Fee Escrow Account**” means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount and funded by the Debtors on the Effective Date pursuant to Article II.B.

113. “**Professional Fee Reserve Amount**” means the total amount of Professional Fee Claims of the Debtors’ Professionals estimated in accordance with Article II.B.3.

114. “**Proof of Claim**” means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

115. “**Reinstated**” or “**Reinstatement**” means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

116. “**Released Party**” means each of the following: (a) the Debtors; (b) any Person who was an officer, director, manager, or employee of any of the Debtors as of or after the Petition Date, each solely in their capacity as such and not in any other capacity; (c) Justin Wilks, in his capacity as a former director of the Debtors; (d) the Reorganized Debtors; (e) the Prepetition Agent and the Prepetition Lenders, solely in their capacity as such; (f) the Supporting Lenders and the DIP Lenders, solely in their capacity as such; (g) the Committee and the current and former members of the Committee, solely in their capacity as such; and (h) with respect to each of the foregoing parties under (a) through (g), such party and each of its Affiliates, predecessors, successors, assigns, subsidiaries, current and former officers and directors, principals, equity holders, members, partners, managers, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, and such Persons’ or Entities’ respective heirs, executors, estates, and nominees, in each case solely in their capacity as such. Notwithstanding the foregoing, the Payee Former Directors or any Person or Entity that opts out of the releases set forth in Article VIII.F of the Plan shall not be a Released Party.

117. “**Releasing Party**” means each of the following solely in its capacity as such: (a) the Holders of all Claims or Interests that vote to accept the Plan; (b) the Holders of all Claims or Interests whose vote to accept or reject the Plan is solicited but who do not vote either to accept

or to reject the Plan; (c) the Holders of all Claims or Interests who vote, or are deemed, to reject the Plan but do not opt out of granting the releases set forth herein; (d) the Holders of all Claims and Interests that were given notice of the opportunity to opt out of granting the releases set forth herein but did not opt out; and (e) each Released Party.

118. “**Reorganized Asset Guard**” means Asset Guard or any successor thereto, by merger, consolidation, or otherwise on or after the Effective Date.

119. “**Reorganized Asset Guard Interests**” means the Interests in Reorganized Asset Guard to be preserved, retained and outstanding pursuant to the Plan on the Effective Date, which Interests will be reinstated and retained by Reorganized CARBO on the Effective Date.

120. “**Reorganized CARBO**” means CARBO or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

121. “**Reorganized CARBO Interests**” means the Interests in Reorganized CARBO to be issued and outstanding pursuant to the Plan on the Effective Date.

122. “**Reorganized Debtors**” means, collectively, Reorganized CARBO, Reorganized Asset Guard, and Reorganized StrataGen.

123. “**Reorganized StrataGen**” means StrataGen or any successor thereto, by merger, consolidation, or otherwise on or after the Effective Date.

124. “**Reorganized StrataGen Interests**” means the Interests in Reorganized StrataGen to be preserved, retained, and outstanding pursuant to the Plan on the Effective Date, which Interests will be reinstated and retained by Reorganized CARBO on the Effective Date.

125. “**Restructuring Support Agreement**” means that certain Restructuring Support Agreement, dated March 28, 2020, by and among the Debtors and the Supporting Lenders, as amended, modified, or supplemented, from time to time.

126. “**Restructuring Transactions**” means all actions that may be necessary or appropriate to effectuate the transactions described in, approved by, or contemplated by the Restructuring Support Agreement and the Plan, including the Plan Supplement.

127. “**Schedule of Rejected Executory Contracts and Unexpired Leases**” means the schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as set forth in the Plan Supplement, as may be amended from time to time prior to the Effective Date, which schedule shall be subject to the consent of the Supporting Lenders.

128. “**Schedules**” means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial conformance with the official bankruptcy forms, as the same may have been amended, modified, or supplemented from time to time.

129. “**Secured**” means, when referring to a Claim, a Claim that is: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed pursuant to the Plan as a Secured Claim.

130. “**Securities Act**” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state or local law.

131. “**Security**” or “**Securities**” shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

132. “**StrataGen**” means StrataGen, Inc., a Delaware corporation and a Debtor in the Chapter 11 Cases.

133. “**StrataGen Interests**” means all Interests in StrataGen prior to the Effective Date.

134. “**Supporting Lenders**” has the meaning set forth in the Restructuring Support Agreement.

135. “**Unexpired Lease**” means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

136. “**Unimpaired**” means, with respect to a Class of Claims or Interests, such Class consists of Claims or Interests that are “unimpaired” within the meaning of section 1124 of the Bankruptcy Code, including through payment in full in Cash or Reinstatement.

137. “**Unsecured**” means, when referring to a Claim, a Claim that is not Secured.

138. “**U.S. Trustee**” means the Office of the United States Trustee Region 7 for the Southern District of Texas.

139. “**U.S. Trustee Fees**” means fees arising under 28 U.S.C. § 1930(a)(6) and, to the extent applicable, accrued interest thereon arising under 31 U.S.C. § 3717.

140. “**Voting Deadline**” means June 3, 2020 at 5:00 p.m. Prevailing Central Time.

141. “**Voting Record Date**” means April 27, 2020.

B. *Rules of Interpretation*

For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) except as otherwise provided, any reference herein to a contract, lease, instrument, release,

indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) except as otherwise provided, any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the terms of the Plan and the Restructuring Support Agreement; (4) unless otherwise specified, all references herein to “Articles” are references to Articles of the Plan; (5) unless otherwise stated, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (6) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (7) the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation”; (8) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (9) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (10) any docket number references in the Plan shall refer to the docket number of any document Filed with the Court in the Chapter 11 Cases.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction, action, or event shall or may occur pursuant to the Plan is a day that is not a Business Day, then such transaction, action, or event shall instead occur on the next succeeding Business Day.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan and any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided that* corporate, partnership, or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor or Reorganized Debtor.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. *Reference to the Debtors or the Reorganized Debtors*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. *Consent Rights of the Supporting Lenders*

Notwithstanding anything herein to the contrary, any and all approval, consent, or similar rights of the Supporting Lenders set forth in the Restructuring Support Agreement, including with respect to the form and substance of the Plan and the Plan Supplement, the Definitive Documents, and any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference and fully enforceable as if stated in full herein.

H. *Controlling Document*

Except as otherwise set forth herein or in the Confirmation Order, in the event of an inconsistency between the Plan, the Restructuring Support Agreement, the Disclosure Statement, or any order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing, other than the Plan Supplement), the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

**ARTICLE II.
ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE CLAIMS,
COMMITTEE PROFESSIONAL FEE CLAIMS, AND PRIORITY CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. *Administrative Claims*

Except with respect to Administrative Claims that are Professional Fee Claims or Committee Professional Fee Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash by the Reorganized Debtors and not from the Liquidating Trust Assets on the latest of: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; *provided that* Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the

Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such dates shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, or their respective assets or property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date or such other date fixed by the Court. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim that is Allowed prior to the occurrence of the Effective Date.

B. *Professional Compensation*

1. Final Fee Applications

All final requests for payment of Professional Fee Claims and Committee Professional Fee Claims, including the Professional Fee Claims and Committee Professional Fee Claims incurred during the period from the Petition Date through and including the Effective Date and as may be incurred after the Effective Date in preparation and presentation to the Court of such Professionals' Final Fee Applications if Filed prior to the Administrative Claims Bar Date applicable thereto, shall be Filed and served on the Reorganized Debtors and the Plan Administrator, no later than the Administrative Claims Bar Date applicable thereto. Each such final request will be subject to approval by the Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court in the Chapter 11 Cases, and once approved by the Court, shall be promptly paid from the Professional Fee Escrow Account up to its full Allowed amount. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of all Professional Fee Claims and/or Committee Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims and/or Allowed Committee Professional Fee Claims shall be promptly paid by the Reorganized Debtors without any further action or order of the Court.

Except as otherwise provided in the Plan, Professionals may be paid in accordance with the Interim Compensation Order.

2. Professional Fee Escrow Account

Immediately prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount and the Committee Professional Fee Reserve Amount. At the DIP Lenders' election, and in their sole discretion, all or a portion of the Professional Fee Reserve Amount and the Committee Professional Fee Reserve Amount may be funded with any unused Commitments (as defined in the DIP Credit Agreement) under the DIP Facility as of immediately prior to the Effective Date. The Professional Fee Escrow Account shall not be subject to any Lien and shall be maintained in trust solely for the benefit of the Professionals, including with respect to whom fees or expenses have been held back pursuant to the Interim Compensation Order. Except as otherwise set forth herein, the funds in the Professional Fee Escrow Account shall not be considered property of the Estates or of the Reorganized Debtors. The amount of Professional Fee Claims or Committee Professional Fee Claims owing to the Debtors' Professionals or the Committee's Professionals, as applicable, shall be paid in Cash to such Professionals from the Professional Fee Escrow Account as soon as

reasonably practicable after such Professional Fee Claims or Committee Professional Fee Claims, as applicable, are Allowed by a Final Order. When all such Allowed amounts owing to the Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be turned over to the Reorganized Debtors without any further action or order of the Court.

3. Professional Fee Reserve Amounts

Professionals shall reasonably estimate their unpaid Professional Fee Claims or Committee Professional Fee Claims, as applicable, before and as of the Effective Date, and shall deliver such estimate to the Debtors in writing via email no later than five Business Days before the Effective Date, *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims or Committee Professional Fee Claims, as applicable. If a Professional does not timely provide an estimate, the Debtors or the Reorganized Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall be authorized to, in the ordinary course of business and without any further notice or application to or action, order, or approval of the Court, pay in Cash the reasonable, actual, and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred on or after the Effective Date by the Debtors' Professionals (including any fees related to the preparation of such Professional's fee applications). Upon the Effective Date, any requirement that such Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional for fees and expenses incurred after the Effective Date in the ordinary course of business without any further notice to or action, order, or approval of the Court.

C. *DIP Facility Claims*

Notwithstanding anything to the contrary herein, on the Effective Date, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of its DIP Facility Claim, each Holder of a DIP Facility Claim shall, at its election and in its sole discretion, voluntarily: (i) receive, together with its recovery on account of its Allowed Prepetition Lender Secured Claim, its Pro Rata share of the DIP Lender/Prepetition Lender Equity Distribution; (ii) convert all of its DIP Facility Claims into the loans under the Exit Facility; and/or (iii) elect to receive any combination of (i) and (ii) (such election, a "***DIP Facility Treatment Election***"). Each Holder of a DIP Facility Claim shall submit its DIP Facility Treatment Election in writing to counsel for the Debtors no later than three Business Days before the Confirmation Hearing. Upon the indefeasible payment or satisfaction in Cash and/or in the form of the DIP Lender/Prepetition Equity Distribution and/or the loans under the Exit Facility, on the Effective Date, all Liens granted to secure the Allowed DIP Facility Claims shall be terminated and of no further force and effect.

D. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

E. *Statutory Fees*

All fees payable pursuant to 28 U.S.C. § 1930(a) prior to the Effective Date shall be paid by the Debtors on the Effective Date. After the Effective Date, the Plan Administrator shall pay from the Liquidating Trust Assets any and all such fees for each quarter (including any fraction thereof) until the Chapter 11 Cases are dismissed or a final decree is issued, whichever occurs first. The Debtors shall File all quarterly reports due prior to the Effective Date when they become due, in a form reasonably acceptable to the U.S. Trustee. After the Effective Date, the Plan Administrator shall File quarterly reports when they become due, in a form reasonably acceptable to the U.S. Trustee.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Summary of Classification*

Claims and Interests, except for Administrative Claims, Professional Fee Claims, Committee Professional Fee Claims, Cure Claims, DIP Facility Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date. The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor, and the classifications set forth in Classes 1 through 8 shall be deemed to apply separately to each Debtor. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (*i.e.*, there will be 8 Classes for each Debtor); *provided that* any Class that is vacant as to a particular Debtor will be treated in accordance with Article III.E below.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Intercompany Claims	Unimpaired / Impaired	Not Entitled to Vote
6	Intercompany Interests	Unimpaired / Impaired	Not Entitled to Vote
7	Section 510(b) Claims	Impaired	Deemed to Reject
8	CARBO Interests	Impaired	Deemed to Reject

B. *Treatment of Claims and Interests*

1. Class 1 – Other Priority Claims

- a. *Classification:* Class 1 consists of Other Priority Claims.
- b. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Other Priority Claim, each Holder thereof shall receive, at the Debtors' election, either (i) payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim or (ii) such other treatment as may be agreed to by such Holder and the Debtors.
- c. *Voting:* Class 1 is Unimpaired under the Plan. Each Holder of an Other Priority Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Other Priority Claims will not be entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

- a. *Classification:* Class 2 consists of Other Secured Claims.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, its Allowed Other Secured Claim, each Holder of such Claim shall receive, at the Reorganized Debtors' election, either (i) Cash equal to the full Allowed amount of its Other Secured Claim on the later of (x) the Effective Date and (y) the date payment on account of such Claim is due, (ii) Reinstatement of such Holder's Allowed Other Secured Claim, (iii) the return or abandonment of the collateral securing such Allowed Other Secured Claim to such Holder, or (iv) such other treatment as may be agreed to by such Holder and the Debtors.

- c. *Voting:* Class 2 is Unimpaired under the Plan. Each Holder of an Other Secured Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Other Secured Claims will not be entitled to vote to accept or reject the Plan.

3. Class 3 – Prepetition Lender Secured Claims

- a. *Classification:* Class 3 consists of the Prepetition Lender Secured Claims.
- b. *Allowance:* On the Effective Date, the Prepetition Lender Claims in Class 3 shall be deemed Allowed in the amount of not less than \$20,000,000, unless otherwise agreed by the Debtors and the Prepetition Lenders.
- c. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, its Allowed Prepetition Lender Secured Claim, each Holder of an Allowed Prepetition Lender Secured Claim shall receive, together with its recovery on account of its DIP Facility Claims (except to the extent that all or any portion of such DIP Facility Claims are converted into loans under the Exit Facility), its Pro Rata share of the DIP Lender/Prepetition Lender Equity Distribution.
- d. *Voting:* Class 3 is Impaired under the Plan. Holders of Allowed Prepetition Lender Secured Claims will be entitled to vote to accept or reject the Plan.

4. Class 4 – General Unsecured Claims

- a. *Classification:* Class 4 consists of all Allowed General Unsecured Claims.
- b. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, its Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim against a Debtor shall receive its Pro Rata share of (i) the portion of the GUC Cash Pool allocated to Holders of Allowed General Unsecured Claims of such Debtor pursuant to the Plan, and (ii) as applicable, the Liquidating Trust Interests to the extent allocated to Holders of Allowed General Unsecured Claims of such Debtor pursuant to the Plan; *provided, however,* that the Supporting Lenders waive their right to a distribution on account of their respective Prepetition Lender Deficiency Claims against each Debtor.
- c. *Voting:* Class 4 is Impaired under the Plan. Holders of Allowed General Unsecured Claims will be entitled to vote to accept or reject the Plan.

5. Class 5 – Intercompany Claims

- a. *Classification:* Class 5 consists of all Intercompany Claims.

- b. *Treatment:* On the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Intercompany Claim, each Intercompany Claim shall, at the Reorganized Debtors' election, be (i) Unimpaired and Reinstated or (ii) Impaired and cancelled and released without any distribution.
- c. *Voting:* Intercompany Claims are either Unimpaired, in which case the Holders of such Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired and not receiving any distribution under the Plan, in which case the Holders of such Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, no Holder of an Intercompany Claim will be entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Interests

- a. *Classification:* Class 6 consists of all Intercompany Interests.
- b. *Treatment:* Intercompany Interests shall be Reinstated as of the Effective Date or, at the Reorganized Debtors' election, shall be cancelled. No distribution shall be made on account of any Intercompany Interests.

To the extent Intercompany Interests are Reinstated under the Plan, such Reinstatement is solely for the purposes of administrative convenience, for the ultimate benefit of the Holders of the Reorganized CARBO Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims. For the avoidance of doubt, to the extent Reinstated pursuant to the Plan, on and after the Effective Date, each Intercompany Interest shall continue to be owned by the Reorganized Debtor, the predecessor Entity of which owned such Intercompany Interest prior to the Effective Date.

- c. *Voting:* Intercompany Interests are either Unimpaired, in which case the Holders of such Intercompany Interests conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, in which case the Holders of such Intercompany Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, no Holder of an Intercompany Interest will be entitled to vote to accept or reject the Plan.

7. Class 7 – Section 510(b) Claims

- a. *Classification:* Class 7 consists of all Section 510(b) Claims.
- b. *Treatment:* On the Effective Date, all Section 510(b) Claims shall be cancelled, released, discharged, and extinguished. Holders of Section

510(b) Claims shall not receive any distribution on account thereof. The Debtors believe that no Section 510(b) Claims exist.

- c. *Voting:* Section 510(b) Claims are Impaired under the Plan. Each Holder of a Section 510(b) Claim will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, no Holder of a Section 510(b) Claim will be entitled to vote to accept or reject the Plan.

8. Class 8 – CARBO Interests

- a. *Classification:* Class 8 consists of all CARBO Interests.
- b. *Treatment:* On the Effective Date, all CARBO Interests shall be cancelled, released, discharged, and extinguished. Holders of CARBO Interests shall not receive any distribution on account of such Interests.
- c. *Voting:* CARBO Interests are Impaired under the Plan. Each Holder of a CARBO Interest will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, no Holder of CARBO Interests will be entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against any such Unimpaired Claims.

D. *Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code*

The Debtors reserve the right to seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests, and the Filing of the Plan shall constitute a motion for such relief.

E. *Elimination of Vacant Classes*

Any Class of Claims that does not contain an Allowed Claim or a Claim temporarily Allowed by the Court for voting purposes as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. *Subordinated Claims*

Except as may be the result of the settlement described in Article VIII.A of the Plan, the allowance, classification, and treatment of all Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable

subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors reserve the right to reclassify any Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

G. *Right to Convert any Chapter 11 Case*

The Debtors reserve the right, in consultation with the Supporting Lenders, to seek conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code at any time, including in the event that the vote of any Class of Claims or Interests at a particular Debtor would cause the Plan to fail with respect to such Debtor.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. *Sources of Plan Consideration*

The Debtors, the Reorganized Debtors, and/or the Plan Administrator, as applicable, shall fund distributions under the Plan as follows:

1. Cash on Hand/DIP Facility Borrowings

On the Effective Date, the Debtors shall pay or otherwise provide for the funding of the Administrative and Priority Claims Reserve and shall make all other distributions required to be made by the Debtors under the Plan using Cash on hand as of the Effective Date, including Cash from operations and the proceeds of borrowings under the DIP Facility or the Exit Facility (as needed). All remaining Cash on hand as of the Effective Date, after payment or funding of the Administrative and Priority Claims Reserve and all other distributions required to be made by the Debtors on the Effective Date, including Cash from operations and the proceeds of borrowings under the DIP Facility or the Exit Facility (as needed), but excluding the Cash funded into the (i) Professional Fee Escrow Account, (ii) GUC Cash Pool Account, and (iii) Liquidating Trust Expense Reserve, shall be retained by or transferred to, as applicable, the Reorganized Debtors. Cash payments to be made pursuant to the Plan will be made by the Debtors, the Reorganized Debtors, or the Plan Administrator, as applicable. The Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

2. Issuance and Distribution of Reorganized CARBO Interests

On the Effective Date, Reorganized CARBO shall be authorized to and shall issue the Reorganized CARBO Interests in accordance with the terms of the Plan without the need for any further corporate action. All of the Reorganized CARBO Interests, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the Reorganized CARBO Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the

instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

3. Exit Facility

On the Effective Date, the Reorganized Debtors may, at the election of the DIP Lenders, in their sole discretion pursuant to Article II.C, enter into the Exit Facility in accordance with the terms of the Exit Facility Term Sheet. The Confirmation Order shall constitute approval of the Exit Facility (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Reorganized Debtors in connection therewith), and authorization for the Reorganized Debtors to enter into and perform under the Exit Facility Documents and such other documents as may be required or appropriate.

The Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facility Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, whether under the Bankruptcy Code or other applicable non-bankruptcy law, and shall not constitute preferential transfers, fraudulent transfers, obligations, or conveyances, or other voidable transfers or obligations under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (including any Liens and security interests previously granted with respect to the Prepetition Credit Documents or the DIP Facility Documents that are deemed to be granted in accordance with the Exit Facility Documents) (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (b) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers, obligations, or conveyances, or other voidable transfers or obligations under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

4. Liquidating Trust Note

On the Liquidating Trust Note Issuance Date, Reorganized CARBO shall issue the Liquidating Trust Note to the Liquidating Trust in accordance with the terms of the Plan. The

Liquidating Trust Note shall constitute a legal, valid, binding, and authorized obligation of Reorganized CARBO, enforceable in accordance with its terms. The Liquidating Trust Note is, and shall be deemed to have been issued in good faith and for legitimate business purposes, is reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, whether under the Bankruptcy Code or other applicable non-bankruptcy law, and shall not constitute a preferential transfer, fraudulent transfer, obligation, or conveyance, or other voidable transfer or obligation under the Bankruptcy Code or any other applicable non-bankruptcy law.

B. *Restructuring Transactions*

On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors shall undertake the Restructuring Transactions, including: (1) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, sale, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan; (3) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (4) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (5) the issuance of securities, including the Reorganized CARBO Interests and, to the extent they constitute securities, the Liquidating Trust Interests, which shall be authorized and approved in all respects in each case without further action being required under applicable law, regulation, order, or rule; (6) the execution and delivery of the Exit Facility Documents; (7) the execution and delivery of Definitive Documentation not otherwise included in the foregoing, if applicable; and (8) all other actions that the Reorganized Debtors determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law. The Confirmation Order shall and shall be deemed to, pursuant to sections 363, 1123, and 1145(a) of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Restructuring Transactions.

C. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in the Plan, the Plan Supplement, or any agreement, instrument, or other document incorporated herein or therein, on the Effective Date: (a) all property in each Estate, including all Causes of Action (other than any Causes of Action that are Liquidating Trust Assets), and any property acquired by any of the Debtors, in each case other than the Liquidating Trust Assets, shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances; and (b) the Liquidating Trust Assets shall vest in the Liquidating Trust, free and clear of all Liens, Claims, charges, setoff rights, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action (other than any Causes of Action

that are Liquidating Trust Assets) without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Except with respect to Liens and security interests securing the Exit Facility or as otherwise provided for in the Plan, to the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such Holder, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Debtors, the Reorganized Debtors, or any administrative agent under the Exit Facility Documents that are necessary to cancel and/or extinguish such Liens and/or security interests.

After the Effective Date, the Reorganized Debtors may present Court order(s) or assignment(s) suitable for filing in the records of every county or governmental agency where the property vested in accordance with the foregoing paragraph is or was located, which provide that such property is conveyed to and vested in the Reorganized Debtors. The Court order(s) or assignment(s) may designate all Liens, Claims, encumbrances, or other interests which appear of record and/or from which the property is being transferred, assigned and/or vested free and clear of. The Plan shall be conclusively deemed to be adequate notice that such Lien, Claim, encumbrance, or other interest is being extinguished and no notice, other than by the Plan, shall be given prior to the presentation of such Court order(s) or assignment(s). Any Person having a Lien, Claim, encumbrance, or other interest against any of the property vested in accordance with the foregoing paragraph shall be conclusively deemed to have consented to the transfer, assignment and vesting of such property to or in the Reorganized Debtors free and clear of all Liens, Claims, charges or other encumbrances by failing to object to confirmation of the Plan, except as otherwise provided in the Plan.

D. *Plan Administrator and Liquidating Trust*

1. Plan Administrator

Upon the Effective Date, (a) the applicable Supporting Lenders shall fund (i) the GUC Cash Pool Account in the amount of the GUC Cash Pool and (ii) the Liquidating Trust Expense Reserve, and (b) the Plan Administrator shall be appointed to reconcile General Unsecured Claims of each Debtor, effectuate distributions on account thereof from the Liquidating Trust Assets, and conduct all related services pursuant to the Plan and the Liquidating Trust Agreement. The Plan Administrator, as a representative of the Debtors' Estates appointed under section 1123(b)(3)(B) of the Bankruptcy Code, shall have all the rights and powers to implement the provisions of the Plan pertaining to the Plan Administrator, including the right to (a) employ professionals to assist in fulfilling the Plan Administrator's responsibilities, including pursuing Causes of Action that are Liquidating Trust Assets, (b) make distributions from the Liquidating Trust Assets as contemplated in the Plan, (c) establish and administer any necessary reserves from the GUC Cash Pool for Disputed General Unsecured Claims and for expenses of the Liquidating Trust that may be required or anticipated in excess of the Liquidating Trust Expense Reserve, (d) object to Disputed General Unsecured Claims and prosecute, settle, compromise, withdraw, or resolve in any manner approved by the Court such Disputed General Unsecured Claims, and (e) administer the Liquidating Trust Note. The Plan Administrator shall not be required to give any bond or

surety or other security for the performance of its duties unless otherwise ordered by the Court. The reasonable costs and expenses incurred by the Plan Administrator in performing the duties set forth in the Plan and the Liquidating Trust Agreement shall be paid solely from the Liquidating Trust Assets. The Reorganized Debtors shall provide the Plan Administrator with reasonable access to all relevant books and records so as to enable the Plan Administrator to carry out its duties.

2. Liquidating Trust

On the Effective Date, the Liquidating Trust will be formed with the primary purpose of liquidating the Liquidating Trust Assets and making distributions to Holders of Allowed General Unsecured Claims on account of their Liquidating Trust Interests. The Liquidating Trust will be deemed created and effective without any further action by the Court or any party. The Liquidating Trust will have no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Upon the transfer of the Liquidating Trust Assets as more fully set forth in the Liquidating Trust Agreement, the Debtors will have no reversionary or further interest in or with respect to the Liquidating Trust Assets.

The Plan Administrator shall sign the Liquidating Trust Agreement and cause the Liquidating Trust to accept, on behalf of the holders of the Liquidating Trust Interests, the Liquidating Trust Assets; *provided, however*, that the Plan Administrator, on behalf of the Liquidating Trust, may abandon or otherwise not accept any assets that the Plan Administrator believes, in good faith, have no value to the Liquidating Trust. Any assets so abandoned or otherwise not accepted by the Liquidating Trust shall not vest in the Liquidating Trust. As of the Effective Date, all assets vested in the Liquidating Trust and all assets dealt with in the Plan shall be free and clear of all Liens, Claims, rights of setoff, and Interests except as otherwise specifically provided in the Plan or in the Confirmation Order.

3. Certain Powers and Duties of the Liquidating Trust and Plan Administrator

The Plan Administrator shall be the exclusive trustee of the Liquidating Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3) and shall continue to have all of the rights and powers granted to the Plan Administrator as set forth in this Plan and applicable non-bankruptcy law. The powers, rights, and responsibilities of the Plan Administrator shall be specified in the Liquidating Trust Agreement and shall include the authority and responsibility to: (a) receive, manage, invest, supervise, and protect the Liquidating Trust Assets, including administering the Liquidating Trust Note; (b) pay taxes or other obligations incurred by the Liquidating Trust; (c) retain and compensate, without further order of the Court, the services of employees, professionals, and consultants to advise and assist in the administration, prosecution, and distribution of the Liquidating Trust Assets; (d) calculate and implement distributions of Liquidating Trust Assets; (e) prosecute, compromise, and settle, in accordance with the specific terms of the Liquidating Trust Agreement, the Causes of Action that are Liquidating Trust Assets; and (f) resolve issues involving General Unsecured Claims after the Effective Date.

All expenses incurred by the Liquidating Trust and the Plan Administrator shall be the sole responsibility of and paid by the Liquidating Trust, in accordance with the Liquidating Trust Agreement.

In no event later than three months after the Effective Date, and on a quarterly basis thereafter until all Cash held by the Liquidating Trust has been released or paid out in accordance with the Plan, the Plan Administrator shall file with the Bankruptcy Court a report setting forth the amounts, recipients, and dates of all Distributions made by the Plan Administrator under the Plan through each applicable reporting period.

E. *U.S. Federal Income Tax Treatment of the Liquidating Trust for the Liquidating Trust Assets; Tax Reporting and Tax Payment Obligations*

For U.S. federal income tax purposes, it is intended that the Liquidating Trust be classified as a “liquidating trust” under Treasury Regulation Section 301.7701-4(d). Accordingly, for U.S. federal income tax purposes, it is intended that the beneficiaries of the Liquidating Trust be treated as if they had received a Distribution from the Estates of an undivided interest in each of the Liquidating Trust Assets (to the extent of the value of their respective interests therein) and then contributed such interests to the Liquidating Trust.

1. Liquidating Trust Assets Treated as Owned by Beneficiaries of Liquidating Trust

For all U.S. federal income tax purposes, all parties shall treat the transfer of Liquidating Trust Assets (net of any applicable liabilities) to the Liquidating Trust for the benefit of the beneficiaries thereof as (a) a transfer by the Debtors of the Liquidating Trust Assets directly to the beneficiaries of the Liquidating Trust (to the extent of the value of their respective interests in the Liquidating Trust Assets), followed by (b) the transfer of the Liquidating Trust Assets by the beneficiaries of the Liquidating Trust (to the extent of the value of their respective interests in the Liquidating Trust Assets) to the Liquidating Trust in exchange for the Liquidating Trust Interests. Accordingly, for U.S. federal income tax purposes, the Liquidating Trust shall be treated as a grantor trust, and the beneficiaries of the Liquidating Trust shall be treated as the grantors of the Liquidating Trust and the owners of the assets thereof.

2. Tax Reporting

The Plan Administrator shall be responsible for filing all U.S. federal, state, local and foreign tax returns, including, but not limited to, any documentation related thereto, for the Liquidating Trust. The Plan Administrator shall file all tax returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) and in accordance with this Article IV.E. Within a reasonable time following the end of the taxable year, the Plan Administrator shall send to each holder of a beneficial interest appearing on its record during such year, a separate statement setting forth such holder’s share of items of income, gain, loss, deduction or credit and each such holder shall report such items on their U.S. federal income tax returns. The Plan Administrator shall allocate the taxable income, gain, loss, deduction or credit of the Liquidating Trust with respect to each holder of a Liquidating Trust Interest to the extent required by the Internal Revenue Code and applicable law.

As soon as reasonably practicable after the Effective Date, the Plan Administrator shall make a good faith valuation of the Liquidating Trust Assets, and such valuation shall be used consistently by all parties for all U.S. federal income tax purposes. The Liquidating Trust Agreement will require consistent valuation by all parties, including the Debtors, the Reorganized Debtors, the Plan Administrator, and each holder of a Liquidating Trust Interest, for all U.S. federal income tax and reporting purposes of any property held by the Liquidating Trust. The Plan Administrator also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any taxing authority.

The Plan Administrator may request an expedited determination of the tax obligations of the Liquidating Trust under Bankruptcy Code Section 505(b) for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

The Liquidating Trust shall comply with all withholding and reporting requirements imposed by any U.S. federal, state, local, or foreign taxing authority, and all Distributions made by the Liquidating Trust shall be subject to any such withholding and reporting requirements.

The Liquidating Trust Agreement will provide that termination of the Liquidating Trust will occur no later than three (3) years after the Effective Date; *provided, however* if the Court approves an extension based upon a finding that such an extension is necessary for the Liquidating Trust to complete its liquidating purpose, the term of the Liquidating Trust may be extended one or more times for a finite period not to exceed six months (and such extensions shall not exceed a total of four extensions unless the Plan Administrator receives a favorable ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidating Trust as a grantor trust for U.S. federal income tax purposes). The Liquidating Trust Agreement will also limit the investment powers of the Plan Administrator in accordance with Revenue Procedure 94-45 and will require the Liquidating Trust to distribute at least annually to each holder of a beneficial interest of a Liquidating Trust Interest, any net income plus all net proceeds from the sale of Liquidating Trust Assets, except that the Liquidating Trust may retain an amount of net income or net proceeds as is reasonably necessary to maintain the value of the Liquidating Trust Assets or to meet claims and contingent liabilities.

3. Tax Payment Obligations

The Liquidating Trust shall be responsible for payment of any taxes imposed on the Liquidating Trust or the Liquidating Trust Assets. In the event, and to the extent, any Cash retained on account of Disputed Claims in the GUC Cash Pool Account is insufficient to pay the portion of any such taxes attributable to the Liquidating Trust Assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (a) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (b) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating Trust as a result of the resolutions of such Disputed Claims.

F. *Corporate Action*

Upon the Effective Date, all actions (whether to occur before, on, or after the Effective Date) contemplated by the Plan shall be deemed authorized and approved by the Court in all

respects, including, as applicable: (1) entry into the Exit Facility; (2) execution and delivery of the Exit Facility Documents; (3) the issuance of the Reorganized CARBO Interests; (4) appointment of the New Board and any other directors and officers for the Reorganized Debtors, as the case may be; (5) implementation of the Restructuring Transactions; (6) execution and delivery of the Liquidating Trust Note; and (7) all other actions contemplated by the Plan, the Plan Supplement, and the Restructuring Support Agreement. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan (including any items listed in the first sentence of this paragraph) shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) before the Effective Date, the appropriate directors, officers, managers, or other authorized persons of the Debtors or the Reorganized Debtors are hereby authorized and empowered to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the transactions contemplated by the Plan), including those contemplated by Articles IV.G, H, I, J, and K, in the name of and on behalf of the Debtors and the Reorganized Debtors, as applicable, including the Exit Facility Documents, the Liquidating Trust Note, and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by this Article IV.F shall be effective notwithstanding any requirements under non-bankruptcy law.

G. *Continued Corporate Existence*

Except as otherwise provided in the Plan, the Plan Supplement, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Reorganized Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the New Organizational Documents. On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and the New Organizational Documents, as such Reorganized Debtor may determine is reasonable and appropriate, including causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter, and such action and documents are deemed to require no further action or approval (other than any requisite filings required under the applicable state, provincial, and federal or foreign law).

H. *Cancellation of Existing Securities and Agreements*

On the Effective Date, (i) the CARBO Interests shall be cancelled, released, discharged, and extinguished, and the Reorganized CARBO Interests shall be issued in respect of the DIP Lender/Prepetition Lender Equity Distribution and (ii) the Asset Guard Interests and the StrataGen Interests shall be deemed to be converted automatically into the Reorganized Asset Guard Interests

and the Reorganized StrataGen Interests, respectively, all of which Interests shall be wholly owned by Reorganized CARBO. Except as otherwise provided in the Plan, including in this Article IV.H, on the Effective Date: (1) the obligations of the Debtors under the Prepetition Credit Documents, all CARBO Interests, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument, agreement, or document, directly or indirectly, evidencing or creating any indebtedness or obligation of the Debtors or giving rise to any Claim or Interest shall be cancelled or extinguished and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of, or Claims against or Interests in, the Debtors shall be released and discharged; *provided that* notwithstanding the releases set forth in Article VIII.F of the Plan, Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for purposes of enabling Holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided herein; *provided, further*, that nothing in this section shall effectuate a cancellation of any Reorganized CARBO Interests, Reorganized Asset Guard Interests, Reorganized StrataGen Interests, Intercompany Interests, Intercompany Claims, Indemnification Obligations, or any security interests or Liens granted in connection with or with respect to the Prepetition Credit Documents, the DIP Facility, and/or the Exit Facility that secure the Exit Facility. For the avoidance of doubt, each Debtor and non-Debtor entity shall retain the Interests in any other entity in which each Debtor or non-Debtor has an interest as of the Petition Date.

Notwithstanding the foregoing, any provision in any document, instrument, lease, or other agreement that causes or effectuates, or purports to cause or effectuate, a default, termination, waiver, or other forfeiture of, or by, a Debtor or its interests, as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in this Article IV.F shall be deemed null and void and shall be of no force and effect. Nothing contained herein shall be deemed to cancel, terminate, release, or discharge the obligation of a Debtor or any of its counterparties under any Executory Contract or Unexpired Lease to the extent such executory contract or unexpired lease has been assumed by such Debtor or Reorganized Debtor, as applicable, pursuant to the Plan or a Final Order of the Court.

I. *New Organizational Documents*

To the extent required under the Plan or applicable non-bankruptcy law, the Reorganized Debtors will, on or as soon as practicable after the Effective Date, file their respective New Organizational Documents, as applicable, with the applicable Secretaries of State and/or other applicable authorities in their respective states, provinces, or countries of incorporation or organization in accordance with the corporate laws of the respective states, provinces, or countries of incorporation or organization. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents of the Reorganized Debtors will prohibit the issuance of non-voting equity securities and will comply with all other applicable provisions of section 1123(a)(6) of the Bankruptcy Code regarding the distribution of power among, and dividends to be paid to, different classes of voting securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents, as

permitted by the laws of their respective states, provinces, or countries of incorporation and their respective New Organizational Documents. On the Effective Date, the New Organizational Documents, substantially in the forms set forth in the Plan Supplement, shall be deemed to be valid, binding, and enforceable in accordance with their terms and provisions.

J. *Directors and Officers of the Reorganized Debtors*

As of the Effective Date, the term of the current members of the board of directors or other governing body of the Debtors shall expire automatically and each person serving as a director of a Debtor shall be removed and cease to serve automatically, and the New Board of each of the Reorganized Debtors shall be appointed in accordance with the Plan, the New Organizational Documents, and the other constituent documents of each Reorganized Debtor. In addition, each person serving as an officer of a Debtor shall be removed and cease to serve automatically as of the Effective Date, and the initial officers of each Reorganized Debtor will be appointed pursuant to the Plan and the New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent known, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial New Board in the Plan Supplement. To the extent any such director or officer is an “insider” as defined in section 101(31) of the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

K. *Effectuating Documents; Further Transactions*

On and after the Effective Date, the Reorganized Debtors, the Reorganized Debtors’ officers, and the members of the New Board, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and any Securities issued pursuant to the Plan, including the Reorganized CARBO Interests and the Liquidating Trust Note, in the name of and on behalf of Reorganized CARBO or the other Reorganized Debtors, without the need for any approvals, authorization, or consents except those expressly required pursuant to the Plan.

L. *Exemption from Certain Taxes and Fees*

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any issuance, transfer, or exchange of a Security (including, without limitation, of the Reorganized CARBO Interests) or transfer of property, in each case, pursuant to, in contemplation of, or in connection with, the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any instruments of transfer or other relevant documents without the payment of any such tax, recordation fee, or governmental assessment.

M. *Exemption from Registration Requirements*

To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable nonbankruptcy law, the offering, issuance, and distribution under the Plan of the Reorganized CARBO Interests, and to the extent they constitute securities under the Securities Act, the Liquidating Trust Interests, whether on the Effective Date or any other date of distribution thereafter, pursuant to the terms of the Plan or the Confirmation Order, shall be exempt, pursuant to section 1145 of the Bankruptcy Code, without any further act or action by any Entity, from registration under (a) the Securities Act and all rules and regulations promulgated thereunder and (b) any applicable U.S. state or local law requiring registration for the offer, issuance, or distribution of securities. Pursuant to section 1145 of the Bankruptcy Code, any issuance of securities contemplated by the Plan, including the Reorganized CARBO Interests and, to the extent they constitute securities under the Securities Act, the Liquidating Trust Interests, will be freely transferable by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (b) the restrictions, if any, on the transferability of such securities or instruments, including, any restrictions on the transferability under the terms of the New Organizational Documents and the Liquidating Trust Agreement; and (c) any other applicable regulatory approval.

N. *Preservation of Causes of Action*

All Avoidance Actions other than the Payee Avoidance Actions, if applicable, of Asset Guard and StrataGen are hereby released as of the Effective Date. Except as provided in the preceding sentence, in accordance with section 1123(b)(3) of the Bankruptcy Code, but subject in all respects to Article VIII, the Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions), the Plan Administrator, shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any Avoidance Actions not otherwise released under the Plan and any other actions specifically enumerated in the List of Retained Causes of Action, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions), the Plan Administrator, may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors or the Liquidating Trust, as applicable. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtors, the Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets, the Plan Administrator, as applicable, will not pursue any and all available Causes of Action against it. The Debtors, the Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets, the Plan Administrator, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a

Court order, including, pursuant to Article VIII hereof, the Debtors, Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets, Plan Administrator, as applicable, expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this Article IV.N include any claim or Cause of Action released pursuant to Article VIII.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor, except for Causes of Actions that are Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions), which shall vest in the Liquidating Trust in accordance with the Plan. The applicable Reorganized Debtors, or with respect to any Causes of Action that are Liquidating Trust Assets (including, for the avoidance of doubt, the Payee Avoidance Actions), the Plan Administrator, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court. The Plan Administrator shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action that are Liquidating Trust Assets, and to decline to do any of the foregoing, without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

O. *Director and Officer Liability Insurance*

Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all D&O Liability Insurance Policies (including tail coverage liability insurance) pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order will constitute the Court's approval of the Reorganized Debtors' assumption of each of the D&O Liability Insurance Policies, to the extent they are Executory Contracts. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be Filed, and shall survive the Effective Date.

P. *Retiree Benefits*

Pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

**ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the Plan shall serve as a motion under sections 365 and 1123(b)(2) of the Bankruptcy Code to assume Executory Contracts and Unexpired Leases, and all Executory Contracts or Unexpired Leases shall be assumed by the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code without the need for any further notice to or action, order, or approval of the Court, other than: (1) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected or assumed by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute the Court's order approving the assumptions or rejections, as applicable, of Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Rejected Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court. Any motions to reject Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors reserve the right, subject to and in accordance with the terms of the Restructuring Support Agreement and with the consent of the Supporting Lenders, to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time prior to the Effective Date on no less than 3 days' notice to the applicable non-Debtor counterparties.

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

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Court within 21 days after the date of entry of an order of the Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding**

anything in any Proof of Claim to the contrary. Claims arising from or related to the rejection of an Executory Contract or Unexpired Lease shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan.

C. *Cure of Defaults and Objections for Assumed Executory Contracts and Unexpired Leases*

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, if any, on the Effective Date or as soon as reasonably practicable thereafter. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure Claims that differ from the amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty must be filed and served on the Reorganized Debtors on or before 30 days after the Effective Date. If such Cure Claim dispute is not resolved within seven days of the Reorganized Debtors' receiving such Cure Claim dispute, the counterparty to the applicable assumed Executory Contract or Unexpired Lease shall timely file an objection with the Court within seven days. **Any such request and/or objection that is not timely Filed shall be Disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Court.** Any Cure Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure Claim; *provided, however,* that nothing herein shall prevent the Reorganized Debtors from paying any Cure Claim despite the failure of the relevant counterparty to file such request for payment of such Cure Claim. The Reorganized Debtors also may settle any Cure Claim without any further notice to or action, order, or approval of the Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be Filed with the Court on or before 30 days after the Effective Date. Any such objection will be scheduled to be heard by the Court at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing for which such objection is timely Filed. **Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.**

If there is any dispute regarding any Cure Claim, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of the Cure Claim shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy or insolvency-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed, including pursuant to the

Confirmation Order, shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Court.

D. *Indemnification Obligations*

The Indemnification Obligations shall not be discharged or impaired by Confirmation of the Plan and the Indemnification Obligations shall be deemed and treated as Executory Contracts assumed by the Debtors under the Plan, and shall continue as obligations of the Reorganized Debtors; *provided, however*, that the Reorganized Debtors shall not indemnify directors or officers of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that constitutes knowing and intentional fraud, gross negligence, or willful misconduct. No assumption of an Indemnification Obligation shall in any way extend the scope or term of any Indemnification Obligation beyond that contemplated in the applicable agreement governing such Indemnification Obligation, and the Reorganized Debtors reserve and retain all rights, claims, and defenses of any kind (whether legal, equitable, or otherwise) in connection with such Indemnification Obligations, notwithstanding anything to the contrary contained herein. Notwithstanding anything to the contrary herein, any indemnification or reimbursement provision under the Prepetition Credit Documents or the DIP Facility Documents that is expressly stated to survive any repayment under, or termination of, the Prepetition Credit Documents or the DIP Facility Documents shall survive any cancellation or discharge under this Plan in accordance with its terms, and any rights that the Prepetition Agent may have under the agency provisions of the Prepetition Credit Documents, or that the DIP Lenders may have under the DIP Facility Documents, shall survive any such cancellation or discharge.

E. *Insurance Policies*

All of the Debtors' insurance policies (including all D&O Liability Insurance Policies) and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the Reorganized Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto.

F. *Modifications, Amendments, Supplements, Restatements, or Other Agreements*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. *Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized Debtors shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

H. *Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

I. *Contracts and Leases Entered into After the Petition Date*

Contracts and leases entered into after the Petition Date by any Debtor will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases that have not expired or otherwise been terminated, cancelled, or rejected as of the date of Confirmation will survive and remain unaffected by entry of the Confirmation Order.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. *Timing and Calculation of Amounts to Be Distributed; Entitlement to Distributions*

1. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim, including any portion of a Claim that is an Allowed Claim notwithstanding that other portions of such Claim are a Disputed Claim, shall receive the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class; *provided, however*, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (2) Allowed Priority Tax Claims shall be paid in accordance with Article II.D of the Plan. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. Entitlement to Distributions

On and after the Effective Date, the Disbursing Agent shall be authorized to recognize and deal only with those Holders of Claims listed on the Debtors' books and records as of the Distribution Record Date. Accordingly, the Disbursing Agent will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute Securities, property, notices, and other documents only to those Holders of Allowed Claims who are Holders of such Claims (or participants therein) as of the close of business on the Distribution Record Date.

B. *Disbursing Agent*

Except as otherwise provided herein, all distributions under the Plan shall be made by (i) the Debtors or the Reorganized Debtors, as applicable, or (ii) the Plan Administrator (solely with respect to distributions from the Liquidating Trust Assets). A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Court.

C. *Delivery of Distributions and Unclaimed Property*

1. Delivery of Distributions

a. Delivery of Distributions in General

Except as otherwise provided herein, distributions to Holders of an Allowed Claim or Interest shall be made as follows: (1) at the address set forth in the Debtors' or Reorganized Debtors' books and records; (2) at the address set forth in any written notice of address changes delivered to the Reorganized Debtors after the Effective Date; or (3) to any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors and the Reorganized Debtors shall not incur any liability whatsoever on account of any distributions under the Plan except to the extent of their gross negligence or willful misconduct.

In the event that any distribution to any Holder is returned as undeliverable, no further distributions shall be made to such Holder unless and until the Debtors or the Reorganized Debtors, as applicable, are notified in writing of such Holder's then-current address, at which time all

currently-due, missed distributions shall be made to such Holder as soon as reasonably practicable thereafter without interest. Nothing herein shall require the Debtors or the Reorganized Debtors to attempt to locate Holders of undeliverable distributions.

b. Delivery of Distributions to Prepetition Lenders

The Prepetition Agent shall be deemed to be the Holder of all Prepetition Lender Secured Claims for purposes of distributions to be made under the Plan, and all distributions on account of the Prepetition Lender Secured Claims shall be made to the Prepetition Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan, the Prepetition Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of Allowed Prepetition Lender Secured Claims in accordance with the terms of the Prepetition Credit Documents or as otherwise agreed by the Holders of Allowed Prepetition Lender Secured Claims. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the Prepetition Agent shall not have any liability to any Person with respect to distributions made or directed to be made by the Prepetition Agent.

c. Delivery of Distributions on DIP Facility Claims

All distributions on account of DIP Facility Claims shall be made to the DIP Lenders.

d. Delivery of Distributions Under the Liquidating Trust

The Plan Administrator shall be solely responsible for all distributions to Holders of Allowed General Unsecured Claims entitled to any distribution from the Liquidating Trust Assets, and such distributions shall be governed by the terms of the Plan and the Liquidating Trust Agreement.

2. Minimum Distributions

No fractional shares of Reorganized CARBO Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of Reorganized CARBO Interests that is not a whole number, the actual distribution of shares of Reorganized CARBO Interests shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number, and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of Reorganized CARBO Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

Holders of Allowed Claims entitled to distributions of \$50.00 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII and its Holder shall be forever barred pursuant to Article VIII from asserting that Claim against the Reorganized Debtors or their property.

3. Unclaimed Property

In the event that any distribution is returned as undeliverable or is unclaimed, such distribution shall remain in the Debtors' or Reorganized Debtors' possession until such time as a distribution becomes deliverable or such Holder accepts distribution, or such distribution reverts back to the Debtors or Reorganized Debtors, as applicable, and shall not be supplemented with any interest, dividends, or other accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 180 days from the date of attempted distribution. After such date all unclaimed property or interest in property shall revert to the Reorganized Debtors, and the Claim of any other Holder to such property or interest in property shall be discharged and forever barred.

D. *Distributions on Account of Claims Allowed After the Effective Date*

Distributions made after the Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

E. *Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Debtors or the Reorganized Debtors, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors or the Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

F. *Surrender of Cancelled Instruments or Securities*

As a condition precedent to receiving any distribution on account of its Allowed Claim, each Holder of a Claim shall be deemed to have surrendered the certificates or other documentation underlying each such Claim, and all such surrendered certificates and other documentation shall be deemed to be cancelled pursuant to Article IV.H of the Plan, except to the extent otherwise provided in the Plan.

G. *Allocations*

The aggregate consideration to be distributed to each Holder of an Allowed Claim will be allocated first to the principal amount of such Allowed Claim, with any excess allocated to unpaid interest that accrued on such Allowed Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes.

H. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in an order of the Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims or Interests and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any such Claim.

I. *Setoffs and Recoupment*

The Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, set off against, or recoup from, any Claim against a Debtor of any nature whatsoever that the applicable Debtor or Reorganized Debtor may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim against a Debtor hereunder shall constitute a waiver or release by the applicable Debtor or Reorganized Debtor of any such Claim it may have against the Holder of such Allowed Claim.

J. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full an Allowed Claim, and such Claim shall be Disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor, a Reorganized Debtor, or the Plan Administrator; *provided that* the Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the Holder prior to any disallowance of such Claim during which period the Holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and thereafter receives payment from a party that is not a Debtor, a Reorganized Debtor, or the Plan Administrator on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the Debtors, the Reorganized Debtors, or the Plan Administrator, as applicable, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the Petition Date. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Reorganized Debtors or the Plan Administrator, as applicable, annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Insurers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim shall be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court; *provided that* the

Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the Holder of such Claim prior to any disallowance of such Claim during which period the Holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED,
AND DISPUTED CLAIMS**

A. *Allowance of Claims and Interests*

After the Effective Date, the Reorganized Debtors and the Plan Administrator, as applicable, shall have and retain any and all rights and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order and the DIP Orders), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan, the Bankruptcy Code, or the Court has entered a Final Order (including the Confirmation Order) in the Chapter 11 Cases allowing such Claim. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

B. *Claims and Interests Administration Responsibilities*

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the authority to: (1) file, withdraw, or litigate to judgment objections to Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Court; and (3) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Court, shall (x) solely with respect to any General Unsecured Claims, vest in the Plan Administrator and (y) solely with respect to all other Claims, vest in the Reorganized Debtors. The Reorganized Debtors shall consult with the Plan Administrator before seeking to reclassify any Claim as a General Unsecured Claim.

C. *Estimation of Claims*

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, or the Plan Administrator (solely with respect to any General Unsecured Claims) may at any time

request that the Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such Claim or whether the Court has ruled on any such objection, and the Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during any appeal relating to such objection. In the event that the Court estimates any Disputed Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Reorganized Debtors, as applicable, or the Plan Administrator (solely with respect to any General Unsecured Claims), may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court or as otherwise provided in this Article VII.

D. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors or the Plan Administrator (solely with respect to any General Unsecured Claims) without the Reorganized Debtors or the Plan Administrator, as applicable, having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Court.

E. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors.

EXCEPT AS PROVIDED HEREIN, IN AN ORDER OF THE COURT, OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS AT OR PRIOR TO THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

F. *No Distributions Pending Allowance*

No payment or distribution provided under the Plan shall be made to the extent that any Claim is a Disputed Claim, including if an objection to a Claim or portion thereof is Filed as set forth in Article VII, unless and until such Disputed Claim becomes an Allowed Claim; *provided that* any portion of a Claim that is an Allowed Claim shall receive the payment or distribution provided under the Plan thereon notwithstanding that any other portion of such Claim is a Disputed Claim.

G. *Distributions After Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Court allowing any Disputed Claim becomes a Final Order, the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals shall be paid to the Holder of such Allowed Claim on account of such Allowed Claim unless otherwise required under applicable bankruptcy law or as otherwise provided herein.

H. *Single Satisfaction of Claims*

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claim, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100% of such Allowed Claim plus interest, if applicable.

**ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

A. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions, releases, and other benefits provided pursuant to the Plan, which distributions, releases, and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions, releases, and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise and settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that all such compromises and settlements are in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and are fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

B. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan and the Plan Supplement, or in any contract, instrument, or other agreement or document created pursuant to the Plan and the Plan Supplement, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim or Interest has accepted the Plan. Any default or “event of default” by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. *Term of Injunctions or Stays*

Unless otherwise provided herein or in a Final Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 362 of the Bankruptcy Code or otherwise and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date set forth in the order providing for such injunction or stay.

D. *Release of Liens*

Except as otherwise specifically provided in the Plan, the Exit Facility Documents (including in connection with any express written amendment of any mortgage, deed of trust, Lien, pledge, or other security interest under the Exit Facility Documents), or in any other contract, instrument, agreement or document created pursuant to the Plan or Plan Supplement, on the Effective Date and concurrently with the applicable distributions or other treatment made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Court and without any action or Filing being required to be made by the Debtors or the Reorganized Debtors.

E. *Releases by the Debtors*

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, each Released Party is hereby released and discharged by the Debtors, their Estates, and the Reorganized Debtors from any and all Claims, Causes of Action, Avoidance Actions, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, accrued or unaccrued, existing or hereinafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims, asserted or that could be asserted on behalf of the Debtors, that the Debtors, their Estates, or the Reorganized Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the Debtors' in- or out-of-court restructuring efforts, the Debtors' intercompany transactions, the Prepetition Credit Documents, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to the Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in this Article VIII.E do not release any post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in this Article VIII.E shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found, pursuant to a Final Order, to be the result of such Released Party's gross negligence, knowing and intentional fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by the Debtors set forth in this Article VIII.E, which includes by reference each of the related provisions and definitions contained herein, and,

further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or their Estates, the Reorganized Debtors, the Plan Administrator, or the Liquidating Trust asserting any Claim or Cause of Action released pursuant to such releases.

F. *Releases by Holders of Claims and Interests*

As of the Effective Date, each Releasing Party hereby releases and discharges each Debtor, Estate, Reorganized Debtor, and Released Party from any and all Claims, Causes of Action, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever (including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, contract, tort, or otherwise, that such Entity or its estate, affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other persons claiming under or through them would have been legally entitled to assert (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Reorganized Debtors, their Estates, the Debtors' in- or out-of-court restructuring efforts, the Debtors' intercompany transactions, the Prepetition Credit Documents, any Avoidance Actions, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to the Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing; *provided, however*, that except as expressly provided under the Plan, the foregoing releases shall not release obligations arising under agreements among any of the non-Debtor Releasing Parties and the non-Debtor Released Parties. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in this Article VIII.F do not release any

post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in this Article VIII.F shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found, pursuant to a Final Order, to be the result of such Released Party's gross negligence, knowing and intentional fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by Holders of Claims and Interests set forth in this Article VIII.F, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; (6) an essential component of the Plan and the Restructuring Transactions; and (7) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to such releases.

G. *Exculpation*

Except as otherwise specifically provided in the Plan, to the fullest extent permitted by applicable law, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Claim, Cause of Action, obligation, suit, judgment, damage, demand, loss, liability, or remedy for any claim related to any act or omission in connection with, relating to, or arising out of, the administration of the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Restructuring Support Agreement and related prepetition transactions, the DIP Facility, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the solicitation of votes with respect to the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Debtors' in- or out-of-court restructuring efforts, the DIP Facility, the Disclosure Statement, the Plan, the Restructuring Support Agreement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, the related agreements, instruments, and other documents (including the Definitive Documentation), or any other related agreement, except for claims related to any act or omission by such Exculpated Party that is determined in a Final Order to have constituted knowing and intentional fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties (to the extent applicable) have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the Bankruptcy Code and all other applicable laws with regard to the solicitation of,

and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan, including the issuance of Securities thereunder. The exculpation will be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

H. *Injunction*

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, discharged, or exculpated pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under the Plan or under any document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan from bringing an action to enforce the terms of the Plan or such document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan.

I. *Protection Against Discriminatory Treatment*

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

J. *Recoupment*

In no event shall any Holder of an Allowed Claim be entitled to recoup against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

K. *Subordination Rights*

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

L. *Reimbursement or Contribution*

If the Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

**ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION AND
CONSUMMATION OF THE PLAN**

A. *Conditions Precedent to Confirmation*

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. the Restructuring Support Agreement shall not have been terminated and shall remain in full force and effect;
2. an order finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered by the Court;
3. the Confirmation Order shall have been entered by the Court in form and substance acceptable to the Debtors and the Supporting Lenders in all respects; and
4. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, shall have been Filed subject to the terms hereof.

B. *Conditions Precedent to the Effective Date*

It shall be a condition to the occurrence of the Effective Date that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. the Restructuring Support Agreement shall not have been terminated and shall remain in full force and effect;

2. the Confirmation Order shall have been entered and the Confirmation Order shall not have been stayed, modified, or vacated on appeal;

3. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, and inclusive of any amendments, modifications, or supplements made after the Confirmation Date but prior to the Effective Date, shall be consistent with the Restructuring Support Agreement and in form and substance acceptable to the Debtors and the Supporting Lenders in all respects;

4. the Exit Facility Documents, each of which shall be in form and substance acceptable to the Exit Facility Lenders in all respects, shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facility shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facility shall be deemed to occur concurrently with the occurrence of the Effective Date;

5. all other Definitive Documentation shall have been effected or executed and delivered in accordance with the terms hereof and the Restructuring Support Agreement;

6. all conditions precedent to the issuance of the Reorganized CARBO Interests, other than any conditions related to the occurrence of the Effective Date, shall have occurred;

7. the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

8. all required governmental and third-party approvals and consents, including Court approval, necessary in connection with the transactions provided for in the Plan shall have been obtained, shall not be subject to unfulfilled conditions, and shall be in full force and effect, and all applicable waiting periods shall have expired without any action having been taken by any competent authority that would restrain or prevent such transactions;

9. all documents and agreements necessary to implement the Plan and the Restructuring Transactions shall have been (a) tendered for delivery and (b) effected or executed by all Entities party thereto, and all conditions precedent to the effectiveness of such documents and agreements (other than any conditions related to the occurrence of the Effective Date) shall have been satisfied or waived pursuant to the terms of such documents or agreements (including, without limitation, the Exit Facility Documents);

10. the applicable Supporting Lenders shall have funded in full the GUC Cash Pool Account and the Liquidating Trust Expense Reserve;

11. the applicable Supporting Lenders shall have funded in full the Administrative and Priority Claims Reserve; and

12. all Allowed Professional Fee Claims and Allowed Committee Professional Fee Claims approved by the Court shall have been paid in full, and the Professional Fee Escrow Account shall have been funded in the aggregate amount of the Professional Fee Reserve Amount and the Committee Professional Fee Reserve Amount.

C. *Waiver of Conditions*

The conditions precedent to Confirmation of the Plan and to the Effective Date of the Plan set forth in this Article IX may be waived in writing by mutual agreement of the Debtors and the Supporting Lenders without notice, leave, or order of the Court or any formal action other than proceedings to confirm or consummate the Plan.

D. *Substantial Consummation*

“Substantial Consummation” of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

E. *Effect of Non-Occurrence of Conditions to the Confirmation Date or the Effective Date*

If the Confirmation Date and/or the Effective Date do(es) not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors or any other Entity; (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity in any respect; or (4) be used by the Debtors or any Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties’ positions, arguments or claims.

**ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

A. *Modification and Amendments*

Subject to the limitations contained herein, and only in accordance with the Restructuring Support Agreement and with the consent of the Supporting Lenders (and review by and consultation with the Committee, solely to the extent such modification adversely impacts Class 4), the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the restrictions on modifications set forth in the Plan, and the terms of the Restructuring Support Agreement, the Debtors expressly reserve their rights, subject to and in accordance with the terms of the Restructuring Support Agreement and with the consent of the Supporting Lenders (and review by and consultation with the Committee, solely to the extent such modification adversely impacts Class 4), to alter, amend, or modify the Plan, one or more times, after Confirmation, and, to the extent necessary, initiate proceedings in the Court to so alter, amend, or

modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

The Debtors reserve the right, subject to and in accordance with the terms of the Restructuring Support Agreement, to revoke or withdraw the Plan with respect to any or all Debtors prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation do not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the Holders of Claims; (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity; or (iv) be used by the Debtors or any other Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments, or claims.

**ARTICLE XI.
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or Unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections relating to any of the foregoing;
2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;
3. resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or

Unexpired Lease, any Cure Claims, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Debtors or the Reorganized Debtors, as applicable, amending, modifying, or supplementing, pursuant to Article V hereof, the Schedule of Rejected Executory Contracts and Unexpired Leases; and (c) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. ensure that distributions to Holders of Allowed Claims or Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. adjudicate, decide, or resolve any and all matters related to sections 1141, 1145, and 1146 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and the Restructuring Support Agreement, and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Restructuring Support Agreement;

9. enter and enforce any order for the sale of property pursuant to sections 363 or 1123 of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan or the Restructuring Support Agreement;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.I.1 hereof;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Restructuring Support Agreement, the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;
16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein, including any Restructuring Transactions;
17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Court order, including the Confirmation Order;
18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;
19. hear and determine matters concerning state, local, and U.S. federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
20. hear and determine matters concerning section 1145 of the Bankruptcy Code;
21. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
22. enforce all orders previously entered by the Court;
23. hear any other matter not inconsistent with the Bankruptcy Code;
24. enter an order concluding or closing the Chapter 11 Cases;
25. enforce the injunction, release, and exculpation provisions set forth in Article VIII hereof; and
26. enforce the terms of the Liquidating Trust Note.

**ARTICLE XII.
MISCELLANEOUS PROVISIONS**

A. *Immediate Binding Effect*

Subject to Article IX.A hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, the Plan Administrator, and any and all Holders of Claims or Interests (regardless of whether the Holders of such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions provided for in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired

Leases. All Claims and debts shall be fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. *Additional Documents*

On or before the Effective Date, the Debtors may File with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the Restructuring Support Agreement. The Debtors, and all Holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. *Reservation of Rights*

Except as expressly set forth herein, the Plan shall have no force or effect unless the Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect unless the Effective Date occurs. Prior to the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests.

D. *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, if any, of such Entity.

E. *Service of Documents*

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors or Reorganized Debtors, the Supporting Lenders, or the Plan Administrator shall be served on:

Debtors or Reorganized Debtors

CARBO Ceramics Inc.
575 N. Dairy Ashford Road, Suite 300
Houston, Texas 77079
Attn: Ernesto Bautista, III
Robert Willette

Counsel for the Debtors

Vinson & Elkins LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3900
Dallas, Texas 75201
Attn: Paul E. Heath
Garrick C. Smith

-and-

Vinson & Elkins LLP
The Grace Building
1114 Avenue of the Americas
New York, New York 10036-7708
Attn: David S. Meyer

Counsel for the Supporting Lenders **Norton Rose Fulbright US LLP**
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attn: Gregory M. Wilkes

Plan Administrator **GlassRatner Advisory & Capital Group**
4400 Post Oak Parkway, Suite 1400
Houston, Texas 77027
Attn: Scott Van Meter

F. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Court, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

G. *Entire Agreement*

Except as otherwise indicated, on the Effective Date, the Plan, the Plan Supplement, and the Confirmation Order shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

H. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at <https://dm.epiq11.com/Carbo> or the Court's website at www.txs.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Court, the non-exhibit or non-document portion of the Plan shall control.

I. *Nonseverability of Plan Provisions*

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void, or unenforceable, the Court 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 terms or provision shall then be applicable as altered or interpreted, *provided that* any such alteration or interpretation shall be acceptable to the Debtors and the Supporting Lenders in all respects. 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: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

J. *Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, the Prepetition Agent, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals nor the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

K. *Dissolution of any Committee*

On the Effective Date, (a) any Committee shall dissolve, and the members thereof shall be released and discharged from all rights and duties arising from, or related to, the Chapter 11 Cases; and (b) each of (i) the *Emergency Motion of Official Committee of Unsecured Creditors for Leave, Standing, and Authority to Prosecute Causes of Action on Behalf of the Debtors' Estates* [Docket No. 440] and (ii) the *Emergency Motion of the Official Committee of Unsecured Creditors, Pursuant to Sections 105 and 506(a) of the Bankruptcy Code and Bankruptcy Rule 3012(b), for Entry of an Order Determining Value of Prepetition Secured Lenders' Secured Claim for Voting Purposes* [Docket No. 475], shall be deemed withdrawn with prejudice.

L. *Request for Expedited Determination of Taxes*

The Debtors or the Reorganized Debtors, as the case may be, shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the Effective Date.

M. *Closing of Chapter 11 Cases*

The Plan Administrator shall, promptly after the full administration of the Chapter 11 Cases, File with the Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Court to close the Chapter 11 Cases.

N. *No Stay of Confirmation Order*

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e) and 7062.

O. *Waiver or Estoppel*

Except with respect to the Restructuring Support Agreement and the parties thereto, each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement or the Debtors' or Reorganized Debtors' right to enter into settlements was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court or the Notice and Claims Agent prior to the Confirmation Date.

* * * *

Respectfully submitted,

Dated: June 17, 2020

CARBO Ceramics Inc.

/s/ Ernesto Bautista III

Ernesto Bautista III

Vice President & Chief Financial Officer

Asset Guard Products Inc.

/s/ Ernesto Bautista III

Ernesto Bautista III

Vice President & Chief Financial Officer

StrataGen, Inc.

/s/ Ernesto Bautista III

Ernesto Bautista III

Vice President & Chief Financial Officer

Exhibit B

Proposed Confirmation Order Notice

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

In re: § Case No. 20-31973 (MI)
§
CARBO CERAMICS INC., et al., § (Chapter 11)
§
§ (Jointly Administered)
Debtors.¹ § Related to Dkt. No. [___]

**NOTICE OF (I) ENTRY OF ORDER CONFIRMING THE
DEBTORS’ SECOND AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION AND (II) OCCURRENCE OF THE EFFECTIVE DATE**

PLEASE TAKE NOTICE that on June [•], 2020, the Honorable Marvin Isgur, United States Bankruptcy Judge for the United States Bankruptcy Court for the Southern District of Texas (the “*Court*”), entered the order [Docket No. ___] (the “*Confirmation Order*”) confirming the *Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 528] (as amended, modified, or supplemented, the “*Plan*”).²

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on **June [___], 2020.**

PLEASE TAKE FURTHER NOTICE that copies of Confirmation Order and the Plan, as well as other documents filed in the Chapter 11 Cases can be found on the docket of the Chapter 11 Cases and can also be downloaded free of charge from the website of the Debtors’ noticing and claims agent, Epiq Corporate Restructuring, LLC, at <https://dm.epiq11.com/Carbo>.

PLEASE TAKE FURTHER NOTICE that the Court has approved certain discharge, release, exculpation, injunction, and related provisions in Article VIII of the Plan.

PLEASE TAKE FURTHER NOTICE that the Plan and Confirmation Order, and the provisions thereof, are binding on the Debtors, the Reorganized Debtors, the Plan Administrator, the Liquidating Trust, any Holder of a Claim against or Interest in the Debtors and such Holder’s respective successors, assigns, and designees, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder or entity voted to accept the Plan.

¹ The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: CARBO Ceramics Inc. (0013); StrataGen, Inc. (5205); and Asset Guard Products Inc. (6422). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 575 N. Dairy Ashford Road, Suite 300, Houston, Texas 77079.

² Unless otherwise defined in this notice, capitalized terms used in this notice shall have the meanings ascribed to them in the Plan and the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Plan and the Confirmation Order, the deadline for filing requests for payment of Administrative Claims shall be 30 days after the Effective Date and the deadline for filing requests for payment of Professional Fee Claims and Committee Professional Fee Claims shall be 45 days after the Effective Date.

PLEASE TAKE FURTHER NOTICE that from and after this date, if you wish to receive notice of filings in this case, you must request such notice with the clerk of the Court and serve a copy of such request for notice on counsel to the Reorganized Debtors. You must do this even if you filed such a notice prior to the Effective Date.

PLEASE TAKE FURTHER NOTICE that the Plan and the Confirmation Order contain other provisions that may affect your rights. You are encouraged to review the Plan and the Confirmation Order in their entirety.