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1776 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

Federal Communications Commission  
Office of Secretary

NANCY J. VICTORY  
(202) 429-7388

February 6, 1998

FACSIMILE  
(202) 429-7049

The Honorable William E. Kennard  
The Honorable Susan Ness  
The Honorable Michael K. Powell  
The Honorable Harold W. Furchtgott-Roth  
The Honorable Gloria Tristani  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

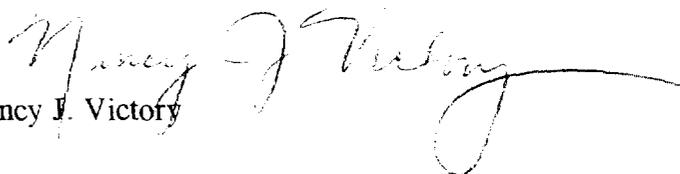
Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed please find the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,

  
Nancy J. Victory

cc: service list on attached document

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Federal Communications Commission  
Office of Secretaries

**MOBILEMEDIA CORPORATION**  
**65 Challenger Road**  
**Ridgefield Park, New Jersey 07660**  
**(201) 393-4664**  
**Fax: (201) 449-8969**

February 6, 1998

The Honorable William E. Kennard  
The Honorable Susan Ness  
The Honorable Michael Powell  
The Honorable Harold W. Furchtgott-Roth  
The Honorable Gloria Tristani  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: MobileMedia Corporation et al. (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly report as to the progress of the bankruptcy proceedings:

**I. PROGRESS TOWARD A CONFIRMED PLAN OF REORGANIZATION**

MobileMedia filed its Joint Plan of Reorganization (the "Plan") with the Bankruptcy Court on January 27, 1998. A copy of the Plan is attached hereto as Exhibit A.

Under the Plan, the holders of the existing stock of MobileMedia Corporation will receive no recovery under the Plan. Moreover, the Plan contemplates that an entirely new board of directors will be chosen by the secured creditors, effective as of the effective date of the Plan.

The creditors will receive the following treatment under the Plan:

- (a) Secured creditors holding approximately \$649 million in secured, pre-petition claims will receive \$150 million in senior secured notes and substantially all the equity of Reorganized MobileMedia.

(b) Unsecured creditors holding approximately \$450 million in unsecured bonds will receive distributions that vary depending on whether or not the holders of such bonds vote to accept the Plan. If the bondholders vote to accept the Plan, they will receive a package of equity securities of Reorganized MobileMedia including 3% of the common equity of Reorganized MobileMedia (in which case the secured creditors will receive 97% of such common equity), warrants and rights (each of which is described below); if the bondholders vote to reject the Plan, they will receive the warrants and the rights, but no common equity of Reorganized MobileMedia (in which case the secured creditors will receive in excess of 99% of such common equity).<sup>1</sup> The warrants, if fully issued on the effective date of the Plan, would entitle the bondholders to purchase up to 16.5% of the equity of the Reorganized Debtors within a seven-year period. The rights entitle the bondholders to purchase up to 100% of the equity of the Reorganized Debtors within a 60-day exercise period. Any shares issued to the bondholders in connection with an exercise of the rights (i) will result in a share-for-share redemption of the stock issued to the secured creditors and (ii) will have voting rights only upon the receipt of any necessary approvals, including FCC approval, if applicable.

(c) Unsecured creditors other than the bondholders will receive, regardless of whether or not the bondholders vote to accept the Plan, cash in an amount that would provide them with the same percent recovery as would be received by the bondholders (other than the holders of the Dial Page Notes) if the bondholders vote to accept the Plan.

The effectiveness of the Plan is specifically conditioned on, among other things, FCC approval of MobileMedia's Second Thursday application.

Although the Debtors had hoped to reach full creditor consensus on the terms of a plan prior to January 27 -- and have spent months negotiating with representatives of both the secured creditors and the unsecured Creditors' Committee -- the Plan currently has the support only of the Steering Committee (whose members collectively hold approximately 45% of the secured claims) and the Agent for the secured creditors, but does not have the support of the unsecured Creditors' Committee. At the Bankruptcy Court hearing held on January 27, the unsecured Creditors' Committee indicated its intention to commence discovery in connection with possible objections to the Plan, and subsequently filed an ex parte request for discovery against a broad array of parties including the Debtors. A copy of this request for discovery is attached hereto as Exhibit B. Notwithstanding these issues, the Debtors continue to hope that

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<sup>1</sup> The remainder of the common equity of Reorganized MobileMedia -- currently estimated to be less than 1% of the common stock of Reorganized MobileMedia -- will be distributed to the holders of the Dial Page Notes, one of the three series of unsecured bonds outstanding, in exchange for claims in the bankruptcy proceedings currently estimated to be approximately \$1.8 million. Based on the contractual subordination provisions contained in the indentures for the other two series of bonds, the Plan provides that the holders of the Dial Page Notes will receive equity securities -- including common stock -- equal to the full amount of their claim regardless of whether the other bondholders vote to accept or reject the Plan.

they will reach agreement with the unsecured Creditors' Committee and the secured creditors on the terms of a plan of reorganization, and expect that further negotiations will be held among the Debtors, the Steering Committee for the secured creditors and the unsecured Creditors' Committee in the coming weeks.

At the January 27, 1998 hearing, the Debtors also sought and obtained authority to file the disclosure statement relating to the Plan (the "Disclosure Statement") on February 2, 1998. As required by the Bankruptcy Code, the Disclosure Statement is intended to provide the Debtors' creditors with sufficient information regarding the Debtors' business, operations, finances and the terms of the Plan to enable creditors to make an informed decision as to whether to vote to accept the Plan. A copy of the Disclosure Statement, as filed with the Bankruptcy Court on February 2, 1998, is attached hereto as Exhibit C. Due to the Bankruptcy Court's heavy docket and to the issues raised by the unsecured Creditors' Committee and notwithstanding the fact that the Bankruptcy Court was aware of the FCC's stay deadline of April 6, the Bankruptcy Court has set April 14, 1998 as the hearing date for approval of the Disclosure Statement.

Until the Debtors' Disclosure Statement has been approved by the Bankruptcy Court, the Debtors cannot solicit votes on the Plan. Assuming that the hearing on the Disclosure Statement goes forward on April 14, 1998, and the Disclosure Statement is approved, the Bankruptcy Court will fix a solicitation period, expected to be 60-90 days in duration, and a date for a hearing on the confirmation of the Plan. At the hearing on confirmation, the Debtors will be required to respond to any objections to the Plan and to demonstrate that the Plan complies with a variety of statutory requirements.

## **II. OTHER PROCEEDINGS IN THE BANKRUPTCY COURT**

At the hearing held on January 27, 1998, the Debtors were authorized by the Bankruptcy Court, on an interim basis, to extend their debtor-in-possession financing until July 31, 1998. As requested by the Debtors, the commitment under this facility was reduced from \$200 million to \$100 million. (As of the date of this report, only \$10 million is outstanding under this facility.) The Debtors' secured creditors and the unsecured Creditors' Committee supported this extension. If no objections are filed, the interim approval will become final on February 13, 1998.

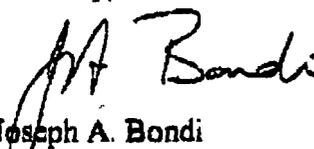
On January 7, 1998, the Debtors filed their Second Omnibus Claims Objection. This objection relates to approximately 658 proofs of claim filed against the Debtors.

## **III. FINANCIAL PERFORMANCE**

As previously indicated, the Debtors are required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to the Debtors' financial performance for the prior month. A copy of the Debtors' Monthly Operating Report for December 1997, which was filed on February 2, 1998, is attached hereto as Exhibit D.

We hope that this information is helpful. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi  
Chairman-Restructuring

cc: Daniel Phythyon, Esq.  
David Solomon, Esq.  
Rosalind K. Allen, Esq.  
Gary Schonman, Esq.  
John J. Riffer, Esq.  
John Harwood, Esq.  
Philip Spector, Esq.  
Ky E. Kirby, Esq.  
David Spears, Esq.  
Ms. Magalie Roman Salas (for inclusion with WT Docket No. 97-115)



IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
MobileMedia Communications,	)	Case No. 97-174 (PJW)
Inc., <u>et al.</u> ,	)	
	)	(Jointly Administered)
Debtors	)	

**DEBTORS' JOINT PLAN OF REORGANIZATION**

**Dated: January 27, 1998**

J. Ronald Trost  
Shelley C. Chapman  
Lee M. Stein  
Marshall S. Huebner  
SIDLEY & AUSTIN  
875 Third Avenue  
New York, New York 10022  
(212) 906-2000

Samuel A. Fishman  
John B. Duer  
LATHAM & WATKINS  
885 Third Avenue  
New York, New York 10022  
(212) 906-1200

James L. Patton, Jr. (No. 2202)  
Joel A. Waite (No. 2925)  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
11th Floor - Rodney Square North  
P.O. Box 391  
Wilmington, Delaware 19899  
(302) 571-6600

Co-Counsel to Debtors and  
Debtors-in-Possession

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MobileMedia Corporation, a Delaware corporation ("MobileMedia"), MobileMedia Communications, Inc., a Delaware corporation ("Communications"), MobileMedia Communications, Inc. (California), a California corporation, MobileMedia DP Properties, Inc., a Delaware corporation, MobileMedia PCS, Inc., a Delaware corporation, Dial Page Southeast, Inc., a Delaware corporation, Radio Call Co. of Virginia, Inc., a Virginia corporation, MobileMedia Paging, Inc., a Delaware corporation, Mobile Communications Corporation of America, a Mississippi corporation, MobileComm of the Southeast, Inc., a Delaware corporation, MobileComm of the Northeast, Inc., a Delaware corporation, MobileComm Nationwide Operations, Inc., a Delaware corporation, MobileComm of Tennessee, Inc., a Tennessee corporation, MobileComm of the Southeast Private Carrier Operations, Inc., a Georgia corporation, MobileComm of the Southwest, Inc., a Texas corporation, MobileComm of Florida, Inc., a Florida corporation, MobileComm of the Midsouth, Inc., a Missouri corporation, FWS Radio, Inc., a Texas corporation, and MobileComm of the West, Inc., a California corporation, each a debtor and debtor-in-possession herein (collectively, the "Debtors"), propose the following Joint Plan of Reorganization (the "Plan").

## **INTRODUCTION**

This Plan encompasses a reorganization of the Debtors pursuant to which certain existing creditors of the Debtors will receive cash, debt securities and/or equity securities of the reorganized Debtors. In addition, this Plan reflects a corporate restructuring of the Debtors such that certain of the Debtors will be merged with and into the Debtors that are to be reorganized hereunder.

Reference is made to the Disclosure Statement accompanying this Plan, including the Exhibits thereto (the "Disclosure Statement"), for a discussion of the Debtors' history, business, results of operations and properties, and for a summary and analysis of this Plan. All creditors are encouraged to consult the Disclosure Statement and to read this Plan carefully before voting to accept or reject this Plan.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE BANKRUPTCY COURT, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

## **ARTICLE I** **DEFINITIONS**

### 1.1 Definitions.

In addition to such other terms as are defined in other Sections of this Plan, the following terms (which appear in this Plan as capitalized terms) shall have the meanings set forth below, such meanings to be applicable to both the singular and plural forms of the terms defined.

A term used in this Plan and not defined herein or elsewhere in this Plan but that is defined in the Code has the meaning set forth in the Code.

"9¾% Note Indenture" means the Indenture dated as of November 13, 1995, between Communications, as Issuer, and State Street Bank and Trust Company, as Trustee.

"9¾% Notes" means the Senior Subordinated Notes due November 1, 2007, issued pursuant to the 9¾% Note Indenture.

"10½% Note Indenture" means the Indenture dated as of December 1, 1993, between Communications, as Issuer, and First Trust USA (as successor to BankAmerica National Trust Company), as Trustee, as amended.

"10½% Notes" means the 10½% Senior Subordinated Deferred Coupon Notes due December 1, 2003, issued pursuant to the 10½% Note Indenture.

"1995 Credit Agreement" means the Credit Agreement dated as of December 4, 1995, as amended, among Communications, the Pre-Petition Lenders and the Pre-Petition Agent.

"Accepting Noteholder Distribution" means the Aggregate Unsecured Distribution minus (i) the Reorganized MobileMedia Common Shares, Reorganized MobileMedia Warrants and Reorganized MobileMedia Rights included in the Dial Page Distribution and (ii) Reorganized MobileMedia Warrants having a value, as determined in accordance with Schedule 1, equal to \$4,000,000.

"Additional Non-Priority Unsecured Distribution" means cash in an amount equal to the product of (i) the Non-Priority Unsecured Percentage and (ii) the excess of (x) \$4,000,000 over (y) the aggregate amount distributed prior to the Final Distribution Date on account of Allowed Class 7 Claims.

"Additional Noteholder Distribution" means Reorganized MobileMedia Warrants having a value, as determined in accordance with Schedule 1, equal to (i) the product of (x) the Subordinated Note Percentage and (y) the excess of (1) \$4,000,000 over (2) the aggregate amount distributed prior to the Final Distribution Date on account of Allowed Class 7 Claims.

"Administrative Claim" means a Claim to the extent that it is of the kind described in section 503(b) of the Code and is entitled to priority under section 507(a)(1) of the Code.

"Aggregate Unsecured Distribution" means (i) Reorganized MobileMedia Common Shares representing 3% of the aggregate number of Reorganized MobileMedia Capital Shares to be issued on the Effective Date, (ii) the Reorganized MobileMedia Warrants and (iii) the Reorganized MobileMedia Rights.

"Allowed" means as to any Claim (whether an Administrative Claim, Priority Claim, Priority Tax Claim, Secured Claim or Unsecured Claim), the extent to which such Claim:

- (a) (i) was timely filed or listed in the Schedules and not listed as disputed, contingent or unliquidated as to amount; and
- (ii) the Debtors, the Reorganized Debtors or any other party in interest entitled to do so has not and does not file an objection to such Claim prior to the Effective Date or such other date as may be established by this Plan or the Bankruptcy Court;
- (b) is allowed by a Final Order of the Bankruptcy Court; or
- (c) is allowed by this Plan.

"Alternative Noteholder Distribution" means, collectively, (i) the Reorganized MobileMedia Warrants minus the Reorganized MobileMedia Warrants included in the Dial Page Distribution and minus Reorganized MobileMedia Warrants having a value, as determined in accordance with Schedule 1, equal to \$4,000,000 and (ii) the Reorganized MobileMedia Rights minus the Reorganized MobileMedia Rights included in the Dial Page Distribution.

"Ballot" means the ballot for voting to accept or reject this Plan distributed by the Debtors to all holders of impaired Claims entitled to vote on this Plan.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware in which the Cases were filed on January 30, 1997, or any other court with jurisdiction over the Cases.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time to the extent applicable to the Cases.

"Bar Date" means June 16, 1997, which is the date by which certain Claims were required to be filed with the Bankruptcy Court.

"Business Day" means and refers to any day other than a Saturday, Sunday or day on which commercial banks in the city of New York, New York or the States of New Jersey or Delaware are authorized or required to close.

"Cases" means the reorganization proceedings of the Debtors under chapter 11 of the Code, jointly administered as Case No. 97-174 (PJW).

"Causes of Action" means all claims and causes of action now owned or hereafter acquired by the Debtors, whether arising under any contract or under the Code or other federal or state law, including, without limitation, any causes of action arising under sections 544, 545, 547, 548, 549, 550, 551, 553(b) or other sections of the Code.

"Claim" means "claim" as defined in section 101(5) of the Code, as supplemented by section 102(2) of the Code.

"Class" means each class of claims or claims and interests created under this Plan.

"Code" means the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended from time to time to the extent applicable to the Cases.

"Committee" means the Official Committee of Unsecured Creditors appointed by the United States Trustee for the District of Delaware on February 10, 1997.

"Common Stock" means, collectively, (i) the Class A common stock of MobileMedia, par value \$.001, issued and outstanding immediately prior to the Effective Date, (ii) the Class B common stock of MobileMedia, par value \$.001, issued and outstanding immediately prior to the Effective Date and (iii) all options, warrants and other rights to purchase the Class A common stock or the Class B common stock.

"Common Stock Claim" means any Claim with respect to the Common Stock of the kind described in section 510(b) of the Code, including, without limitation, any such Claim asserted in or by the parties to the Securities Actions and any Claim by an officer, director or underwriter for indemnification related thereto.

"Confirmation" means "confirmation" as used in section 1129 of the Code.

"Confirmation Date" means the date on which the Confirmation Order is entered by the Bankruptcy Court.

"Confirmation Hearing" means the hearing at which the Bankruptcy Court considers Confirmation of the Plan.

"Confirmation Order" means an order of the Bankruptcy Court, which need not be a Final Order, confirming the Plan, which order shall be reasonably acceptable to the Pre-Petition Agent.

"Creditor" means "creditor" as defined in section 101(10) of the Code.

"Customer Refund Claim" means a Claim by a customer or subscriber of the Debtors for refund of amounts improperly paid or billed, or for the return of a deposit.

"Dial Page Distribution" means, whether or not Class 6 votes to accept this Plan, Reorganized MobileMedia Common Shares, Reorganized MobileMedia Warrants and Reorganized MobileMedia Rights, in the same proportion as such forms of consideration would be delivered to holders of Allowed Class 6 Claims if Class 6 votes to accept the Plan, having an aggregate value, as determined in accordance with Schedule 1, equal to the aggregate amount of the Allowed Class 5 Claims.

"Dial Page Indenture" means the Indenture dated as of February 1, 1993, between Dial Page, Inc., a Delaware corporation, as Issuer, and Norwest Bank Minnesota, N.A. (as successor to First Union Bank of South Carolina), as Trustee, as amended.

"Dial Page Notes" means the 12¼% Senior Notes due 2000, issued pursuant to the Dial Page Indenture.

"DIP Agent" means The Chase Manhattan Bank, in its capacity as agent for the DIP Lenders under the DIP Credit Agreement.

"DIP Approval Orders" means the Final Order (I) Authorizing (A) Secured Post-Petition Financing On A Super Priority Basis Pursuant To 11 U.S.C. § 364, (B) Use Of Cash Collateral Pursuant to 11 U.S.C. § 363 and (C) Grant of Adequate Protection Pursuant To 11 U.S.C. §§ 363 And 364, dated February 19, 1997, and Order Authorizing (I) Extension of (A) Secured Post-Petition Financing On A Super Priority Basis Pursuant To 11 U.S.C. § 364, (B) Use Of Cash Collateral Pursuant To 11 U.S.C. § 363 And (C) Grant Of Adequate Protection Pursuant To 11 U.S.C. §§ 363 And 364 And (II) Scheduling A Final Hearing Pursuant To Bankruptcy Rule 4001(c), dated January 27, 1998.

"DIP Credit Agreement" means the Revolving Credit and Guarantee Agreement dated as of January 30, 1997, as amended, among Communications, as Borrower, MobileMedia, as Parent and Guarantor, each of the direct and indirect subsidiaries of Communications designated as Guarantor in Schedule 3.5 thereto, as Guarantors, the DIP Agent and the DIP Lenders.

"DIP Lenders" means those financial institutions from time to time party to the DIP Credit Agreement as lenders.

"Disclosure Statement" means the Disclosure Statement respecting this Plan approved by order of the Bankruptcy Court, and all supplements and exhibits thereto.

"Disputed Claim" means a Claim against the Debtors to the extent that such Claim is not Allowed.

"Effective Date" means a Business Day selected by the Debtors that shall be no later than three (3) Business Days after the conditions to the Effective Date set forth in Section 5.1 of this Plan have been satisfied or waived.

"FCC" means the Federal Communications Commission or any governmental authority succeeding to the rights and powers thereof.

"Final Distribution Date" means the first Business Day that is at least ten days after the date on which no Class 7 Claim remains a Disputed Claim.

"Final Order" means, as to any court, administrative agency or other tribunal, an order or judgment of such tribunal as entered on its docket as to which the time to appeal or petition for certiorari has expired and as to which no appeal or petition for certiorari is pending or, if an

appeal or petition for certiorari has been timely filed or taken, the order or judgment of the tribunal has been affirmed (or such appeal or petition has been dismissed as moot) by the highest court (or other tribunal having appellate jurisdiction over the order or judgment) to which the order was appealed or the petition for certiorari has been denied, and the time to take any further appeal or to seek further certiorari has expired.

"Interest" means all rights (including unpaid dividends) arising from any equity security (as defined in section 101(16) of the Code) of the Debtors, including, without limitation, the Common Stock, but excluding Common Stock Claims.

"License Co. L.L.C." means the limited liability company to be formed as a wholly owned subsidiary of MCCA as reorganized pursuant to this Plan that will hold the Reorganized Debtors' Licenses after the Effective Date.

"Licenses" means the licenses and other authorizations of the Debtors to operate their paging networks.

"Lien" means, with respect to any interest in property, any mortgage, lien, pledge, charge, security interest, easement or encumbrance of any kind whatsoever affecting such interest in property.

"MCCA" means Mobile Communications Corporation of America, a Mississippi corporation.

"Miscellaneous Secured Claim" means a Secured Claim not classified in Class 4 under this Plan.

"New Credit Agreement" means the Agreement to be entered into by the Reorganized Debtors as of the Effective Date, which Agreement shall be reasonably acceptable to the Pre-Petition Agent and which shall provide for availability for the Reorganized Debtors in a principal amount of not less than \$125,000,000, but in any event sufficient to pay all amounts outstanding under the DIP Credit Agreement, all Allowed Administrative Claims and all amounts payable to the Pre-Petition Agent and the Pre-Petition Lenders pursuant to DIP Approval Orders, and provide for availability for the Reorganized Debtors in the principal amount of \$75,000,000 for working capital purposes.

"Non-Priority Unsecured Claim" means any Unsecured Claim not classified in Class 3, 5, 6, 8, 9 or 10 under this Plan.

"Non-Priority Unsecured Percentage" means a fraction, the numerator of which is the aggregate amount of Allowed Class 7 Claims and the denominator of which is the sum of (i) the aggregate amount of Allowed Class 6 Claims and (ii) the aggregate amount of Allowed Class 7 Claims as of the Final Distribution Date.

"Note Litigation Claim" means any Claim with respect to the Notes of the kind described in section 510(b) of the Code, including, without limitation, any such Claim asserted in

or by the parties to the Securities Actions and any Claim by an officer, director or underwriter for indemnification related thereto.

"Notes" means, collectively, the Dial Page Notes, the 9<sup>3</sup>/<sub>8</sub>% Notes and the 10<sup>1</sup>/<sub>2</sub>% Notes.

"Percent Recovery" means \_\_%, which is a fraction, the numerator of which is the sum of (i) the value, as determined in accordance with Schedule 1, of the Dial Page Distribution and (ii) the value, as determined in accordance with Schedule 1, of the Accepting Noteholder Distribution, and the denominator of which is the sum of (i) the aggregate amount of Allowed Class 5 Claims and (ii) the aggregate amount of Allowed Class 6 Claims.

"Person" means any person, including, without limitation, any individual, partnership, joint venture, corporation, trust, estate, unincorporated organization and any governmental unit.

"Personal Injury Claim" means a Claim against the Debtors that is unliquidated or contingent as of the Confirmation Date and is of the kind described in 28 U.S.C. § 157(b)(5).

"Petition Date" means January 30, 1997, the date on which the petitions initiating the Cases were filed with the Bankruptcy Court.

"Plan" means this Joint Plan of Reorganization, as amended from time to time, and all addenda, exhibits, schedules and other attachments hereto, as the same may be amended from time to time, pursuant to the Plan or the Code, all of which are incorporated herein by reference.

"Pre-Petition Agent" means The Chase Manhattan Bank, in its capacity as the agent for the Pre-Petition Lenders under the 1995 Credit Agreement.

"Pre-Petition Lenders" means those financial institutions from time to time party to the 1995 Credit Agreement, as Lenders thereunder.

"Priority Claim" means a Claim to the extent that it is of the kind described in, and entitled to priority under, section 507(a)(3), (a)(4) or (a)(6) of the Code.

"Priority Tax Claim" means a Claim to the extent that it is of the kind described in, and entitled to priority under, section 507(a) of the Code.

"Pro Rata Share" means proportionately, so that with respect to an Allowed Claim, the ratio of (i)(a) the amount of payments or other property distributable on account of a particular Allowed Claim in a particular Class under this Plan to (b) the amount of the Allowed Claim is the same as the ratio of (ii)(a) the amount of payments or other property distributable on account of all Allowed Claims in such Class to (b) the amount of all Allowed Claims in such Class.

"Record Date" means the date designated by the Debtors or fixed by the Bankruptcy Court, prior to distribution of Ballots for voting on the Plan, as the record date for determination of the holders of the Notes and the Common Stock.

"Reorganized Debtors" means, on and after the Effective Date, each of the Debtors that is to be reorganized under the Plan and that shall be a surviving corporation after any merger specified in Section 4.2(B), as reorganized under and pursuant to this Plan.

"Reorganized Debtor's Articles of Incorporation" means, as to each Reorganized Debtor, the Amended and Restated Certificate of Incorporation or Amended and Restated Articles of Incorporation, as the case may be, of such Reorganized Debtor, which shall be in a form reasonably acceptable to the Pre-Petition Agent.

"Reorganized MobileMedia" means, on and after the Effective Date, MobileMedia as reorganized under and pursuant to this Plan.

"Reorganized MobileMedia Bylaws" means the Bylaws of Reorganized MobileMedia, which shall be in a form reasonably acceptable to the Pre-Petition Agent.

"Reorganized MobileMedia Capital Shares" means, collectively, the Reorganized MobileMedia Class A Shares and the Reorganized MobileMedia Common Shares.

"Reorganized MobileMedia Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of Reorganized MobileMedia, which Reorganized MobileMedia Certificate of Incorporation shall include the restrictive terms set forth on Schedule 2 to this Plan and shall be in a form reasonably acceptable to the Pre-Petition Agent.

"Reorganized MobileMedia Class A Shares" means the shares of Class A Stock of Reorganized MobileMedia, par value \$0.001 per share, issued pursuant to this Plan and having the terms set forth on Schedule 3 in respect thereof.

"Reorganized MobileMedia Class B Shares" means, the shares of Class B Stock of Reorganized MobileMedia, par value \$0.001 per share, issued pursuant to this Plan and having the terms set forth on Schedule 3 in respect thereof.

"Reorganized MobileMedia Class A Stock Lender Distribution" means the number of Reorganized MobileMedia Class A Shares to be issued under this Plan on the Effective Date to the holders of the Allowed Class 4 Claims, which number of Shares shall equal 100% of the aggregate number of Reorganized MobileMedia Capital Shares to be issued under this Plan on the Effective Date minus the number of Reorganized MobileMedia Common Shares included in the Dial Page Distribution; provided that, if Class 6 votes to accept the Plan, the Reorganized MobileMedia Class A Stock Lender Distribution means the number of Reorganized MobileMedia Class A Shares to be issued under this Plan on the Effective Date to the holders of Allowed Class 4 Claims, which number of Reorganized MobileMedia Class A Shares shall constitute 97% of the aggregate number of Reorganized MobileMedia Capital Shares to be issued under this Plan on the Effective Date.

"Reorganized MobileMedia Common Shares" means the shares of Common Stock of Reorganized MobileMedia, par value \$0.001 per share, issued pursuant to this Plan and having the terms set forth on Schedule 3 in respect thereof.

"Reorganized MobileMedia Notes" means \$150 million in notes to be issued by Reorganized MobileMedia on the Effective Date for the benefit of the holders of Allowed Class 4 Claims, having the terms set forth on Schedule 4 in respect thereof.

"Reorganized MobileMedia Rights" means rights for the purchase of an aggregate number of Reorganized MobileMedia Class B Shares equal to the aggregate number of Reorganized MobileMedia Class A Shares issued by Reorganized MobileMedia on the Effective Date, which Reorganized MobileMedia Rights shall be issued to the holders of Allowed Class 5 Claims (as part of the Dial Page Distribution) and to the holders of Allowed Class 6 Claims (as part of the Accepting Noteholder Distribution or Alternative Noteholder Distribution, as the case may be), and shall have the terms set forth on Schedule 5 in respect thereof.

"Reorganized MobileMedia Stock Option Plan" means a stock option plan adopted by the Board of Directors of Reorganized MobileMedia, effective as of the Effective Date, pursuant to which Reorganized MobileMedia may issue up to 7% Reorganized MobileMedia Capital Shares, on a fully-diluted basis, to the officers and employees of Reorganized MobileMedia or any Reorganized MobileMedia Subsidiary pursuant to options granted from time to time after the Effective Date and which grants are approved by the Board of Directors of Reorganized MobileMedia.

"Reorganized MobileMedia Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned or controlled by Reorganized MobileMedia, one or more of the other Reorganized MobileMedia Subsidiaries or any combination thereof.

"Reorganized MobileMedia Warrants" means warrants for the purchase of such aggregate number of Reorganized MobileMedia Common Shares as shall equal the product of (i) 16.5% and (ii) the sum of (a) the aggregate number of Reorganized MobileMedia Capital Shares issued under this Plan on the Effective Date and (b) the aggregate number of Reorganized MobileMedia Common Shares issuable upon the exercise of such warrants (assuming such warrants are exercised in full), which Reorganized MobileMedia Warrants shall be issued to the holders of Allowed Class 5 Claims and to the holders of Allowed Class 6 Claims, and shall have the terms set forth on Schedule 6 in respect thereof.

"Schedules" means the joint Schedules of Assets, Liabilities and Executory Contracts filed by the Debtors with the Clerk of the Bankruptcy Court for the District of Delaware pursuant to Bankruptcy Rule 1007, as such schedules have been or may be amended or supplemented by the Debtors from time to time.

"Second Thursday Application" means, collectively, the applications to be filed by the Debtors with the FCC requesting authority to transfer the Licenses to the Reorganized Debtors or an affiliate of the Reorganized Debtors in accordance with the FCC's Second Thursday doctrine.

"Secured Claim" means a Claim secured by a Lien on, or interest in, property of the Debtors, or that is subject to setoff under section 553 of the Code, but only to the extent of the value

of the Creditor's interest (directly or by enforceable subrogation) in the Debtors' interest in such property or to the extent of the amount subject to setoff, which value shall be determined as provided in section 506(a) of the Code or as provided in this Plan.

"Securities Actions" means, collectively, the actions styled In re MobileMedia Securities Litigation, No. 96-5723 (AJL) (D. N.J. 1996), Allen T. Gilliland Trust v. Hellman & Friedman Capital Partners II, L.P., et al., Civil Action No. 97-3543 (N.D. Cal. 1997) and Allen T. Gilliland Trust v. Hellman & Friedman MobileMedia Partners, L.L.C., et al., Case No. 989891 (Cal. Super. Ct. 1997).

"Subordinated Indentures" means, collectively, the 9 $\frac{3}{8}$ % Note Indenture and the 10 $\frac{1}{2}$ % Note Indenture.

"Subordinated Note Percentage" means a fraction, the numerator of which is the aggregate amount of Allowed Class 6 Claims and the denominator of which is the sum of (i) the aggregate amount of Allowed Class 6 Claims and (ii) the aggregate amount of Allowed Class 7 Claims as of the Final Distribution Date.

"Subordinated Notes" means, collectively, the 9 $\frac{3}{8}$ % Notes and the 10 $\frac{1}{2}$ % Notes.

"Subsidiary Claim" means any Claim by a Debtor against another Debtor.

"Subsidiary Interest" means any Interest held by a Debtor in another Debtor.

"Unsecured Claim" means a Claim that is not an Administrative Claim, a Priority Claim, a Priority Tax Claim or a Secured Claim.

"Voting Deadline" means that date set in an order of the Bankruptcy Court as the deadline for the return of Ballots accepting or rejecting the Plan.

## **ARTICLE II**

### **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

The following is a designation of the Classes of Claims and Interests classified under this Plan, and the treatment to be provided to each such Class.

A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of the Claim or Interest qualifies within the description of such different Class. Administrative Claims and Priority Tax Claims have not been classified in accordance with section 1123(a)(1) of the Code, although the treatment for such unclassified claims is set forth below.

The treatment of and consideration to be provided on account of Claims and Interests pursuant to the Plan shall be in full settlement, release and discharge of such Claims and Interests;

provided, that such discharge shall not affect the liability of any other entity on, or the property of any other entity encumbered to secure payment of, any such Claim or Interest, except as otherwise provided in this Plan; and provided, further, that such discharge shall not affect the Reorganized Debtors' obligations under and pursuant to the Plan.

No Claim shall entitle the holder thereof to a distribution of cash or securities or to other consideration pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim. Except as hereinafter specifically provided, all distributions of cash or securities on account of Allowed Claims shall be made as soon as practicable after the Effective Date.

### UNCLASSIFIED CLAIMS

2.1 Administrative Claims. Subject to the provisions of Section 4.4(A) of this Plan and unless otherwise agreed by the holder of an Allowed Administrative Claim (in which event such other agreement shall govern), each holder of an Allowed Administrative Claim shall receive on account of such Administrative Claim: (a) cash equal to the unpaid amount of such Allowed Administrative Claim; or (b) at the option of the Reorganized Debtors, payment in accordance with the ordinary business terms of such Allowed Administrative Claim.

2.2 Priority Tax Claims. Unless otherwise agreed by the holder of an Allowed Priority Tax Claim (in which event such other agreement shall govern), each holder of an Allowed Priority Tax Claim shall, on the Effective Date, receive, at the Debtors' option (with the consent of the Pre-Petition Agent, which consent shall not be unreasonably withheld), either (a) cash equal to the amount of such Allowed Priority Tax Claim or (b) a promissory note in the principal amount of such Allowed Priority Tax Claim on which interest shall accrue from and after the Effective Date at the rate of 5% or such higher or lower rate as is determined by the Bankruptcy Court to be appropriate under section 1129(a)(9)(C) of the Code and shall be paid semiannually in arrears; the principal amount of the promissory note shall be paid in full on a date or dates six (6) years after the date of assessment of such Allowed Priority Tax Claim.

### CLASSIFIED CLAIMS AND INTERESTS

#### 2.3 Class 1 Claims (Priority Claims).

- A. Classification. Class 1 consists of all Priority Claims.
- B. Allowance. Claims in Class 1 shall be allowed or disallowed in accordance with Section 4.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules.
- C. Treatment. Allowed Claims in Class 1 shall be paid in full in cash on the later of the Effective Date and the date upon which such Claim becomes an Allowed Priority Claim.
- D. Impairment and Voting. Class 1 Claims are unimpaired and are not entitled to vote on this Plan.

2.4 Class 2 Claims (Miscellaneous Secured Claims).

A. Classification. Class 2 consists of all Miscellaneous Secured Claims, if any.

B. Allowance. Claims in Class 2 shall be allowed or disallowed in accordance with Section 4.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules.

C. Treatment. The legal, equitable and contractual rights to which each holder of an Allowed Claim in Class 2 is entitled shall be left unaltered or, at the option of the Debtors, shall be left unimpaired in the manner described in section 1124(2) of the Code.

D. Impairment and Voting. Class 2 Claims are unimpaired and are not entitled to vote on this Plan.

2.5 Class 3 Claims (Customer Refund Claims).

A. Classification. Class 3 consists of all Customer Refund Claims not otherwise classified in Class 1 or Class 2.

B. Allowance. Claims in Class 3 shall be allowed or disallowed in accordance with Section 4.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules.

C. Treatment. The legal, equitable and contractual rights to which each holder of an Allowed Claim in Class 3 is entitled shall be left unaltered or, at the option of the Debtors, shall be left unimpaired in the manner described in section 1124(2) of the Code.

D. Impairment and Voting. Class 3 Claims are unimpaired and are not entitled to vote on this Plan.

2.6 Class 4 Claims (Claims arising under or related to the 1995 Credit Agreement).

A. Classification. Class 4 consists of all Secured Claims arising under or related to the 1995 Credit Agreement.

B. Allowance. Class 4 Claims shall be Allowed Secured Claims, and shall not be subject to offset, reduction or credit of any kind whatsoever. Allowed Class 4 Claims shall include all unpaid obligations arising under the 1995 Credit Agreement including, without limitation (i) the outstanding principal amount thereunder, (ii) all accrued and unpaid fees, including, but not limited to, all fees arising under subsections 2.6 and 3.12 of the 1995 Credit Agreement, and (iii) the costs and expenses of the Pre-Petition Agent and Pre-Petition Lenders, to the extent provided in the 1995 Credit Agreement. All interest and fees payable pursuant to, and the costs and

expenses of the Pre-Petition Agent arising under, the 1995 Credit Agreement shall continue to be paid in cash through the Effective Date as provided under the DIP Approval Orders.

C. Treatment. Each holder of an Allowed Claim in Class 4 shall receive from Reorganized MobileMedia, in full satisfaction of its Claim, its Pro Rata Share of each of (i) the Reorganized MobileMedia Notes and (ii) the Reorganized MobileMedia Class A Stock Lender Distribution.

D. Impairment and Voting. Class 4 Claims are impaired and are entitled to vote on this Plan. If each of Class 4 and Class 6 votes to accept this Plan, all holders of Allowed Class 4 Claims shall be deemed to have waived their rights to assert against any Person any contractual subordination rights otherwise enforceable in accordance with section 510(a) of the Code.

#### 2.7 Class 5 Claims (Claims arising under or related to the Dial Page Notes).

A. Classification. Class 5 consists of all Claims arising under or related to the Dial Page Notes, the Dial Page Indenture and related agreements, other than Note Litigation Claims.

B. Allowance. Class 5 Claims shall be Allowed Claims in the sum of: (i) the outstanding principal amount of the Dial Page Notes; (ii) unpaid interest on the Dial Page Notes accrued to the Effective Date calculated at the non-default rate set forth in the Dial Page Notes; and (iii) the unpaid reasonable fees and expenses of the trustee for the Dial Page Notes incurred prior to the Petition Date, to the extent provided for in the Dial Page Indenture.

C. Treatment. Each holder of an Allowed Claim in Class 5 shall receive from Reorganized MobileMedia, in full satisfaction of its Claim, its Pro Rata Share of the Dial Page Distribution.

D. Impairment and Voting. Class 5 Claims are impaired and are entitled to vote on this Plan. If each of Class 5 and Class 6 votes to accept this Plan, all holders of Allowed Class 5 Claims shall be deemed to have waived their rights to assert against any Person any contractual subordination rights otherwise enforceable in accordance with section 510(a) of the Code.

#### 2.8 Class 6 Claims (Claims arising under or related to the Subordinated Notes).

A. Classification. Class 6 consists of all Claims arising under or related to the Subordinated Notes, the Subordinated Indentures and related agreements, other than Note Litigation Claims.

B. Allowance. Class 6 Claims shall be Allowed Claims in the sum of: (i) the outstanding principal amount of the Subordinated Notes; (ii) unpaid interest on the Subordinated Notes accrued prior to the Petition Date calculated at the non-default rate set forth in the Subordinated Notes; and (iii) the unpaid reasonable fees and expenses of each trustee for the

Subordinated Notes incurred prior to the Petition Date, to the extent provided for in the Subordinated Indentures.

C. Treatment. Each holder of an Allowed Claim in Class 6 shall receive from Reorganized MobileMedia (i) on the Effective Date (x) if Class 6 votes to accept the Plan, its Pro Rata Share of the Accepting Noteholder Distribution, or (y) if Class 6 votes to reject the Plan, its Pro Rata Share of the Alternative Noteholder Distribution and (ii) on the Final Distribution Date, its Pro Rata Share of the Additional Noteholder Distribution.

D. Impairment and Voting. Class 6 Claims are impaired and are entitled to vote on this Plan.

2.9 Class 7 Claims (Non-Priority Unsecured Claims).

A. Classification. Class 7 consists of all Non-Priority Unsecured Claims.

B. Allowance. Claims in Class 7 other than Personal Injury Claims shall be allowed or disallowed in accordance with Section 4.4(B) of this Plan and applicable provisions of the Code and Bankruptcy Rules. Personal Injury Claims shall be liquidated and allowed or disallowed in the district court in which the bankruptcy case is pending, or in the district court in the district in which the claim arose, as determined by the district court in which the bankruptcy case is pending.

C. Treatment. Each holder of an Allowed Claim in Class 7 shall receive (i) on the later of the Effective Date and the date on which its claim becomes an Allowed Claim cash in an amount equal to the product of (x) the Percent Recovery and (y) its Allowed Claim and (ii) on the Final Distribution Date, cash in an amount equal to its Pro Rata Share of the Additional Non-Priority Unsecured Distribution.

D. Impairment and Voting. Class 7 Claims are impaired and are entitled to vote on this Plan.

2.10 Class 8 Claims (Note Litigation Claims).

A. Classification. Class 8 consists of all Note Litigation Claims.

B. Treatment. The holders of Allowed Claims in Class 8 shall not be entitled to receive or retain any property pursuant to this Plan on account of their Allowed Claims.

C. Impairment and Voting. Allowed Class 8 Claims are impaired and are deemed not to have accepted this Plan.

2.11 Class 9 Claims and Interests (Common Stock Claims and Interests).

A. Classification. Class 9 consists of all Interests arising from or related to the Common Stock, and all Common Stock Claims.

B. Treatment. Interests in Class 9 shall be cancelled, and the holders of Allowed Claims and Interests in Class 9 shall not be entitled to receive or retain any property on account of their Allowed Claims and Interests.

C. Impairment and Voting. Class 9 Claims and Interests are impaired and are deemed not to have accepted this Plan.

2.12 Class 10 Claims and Interests (Subsidiary Claims and Interests).

A. Classification. Class 10 consists of all Subsidiary Claims and Subsidiary Interests.

B. Treatment. Subject to the merger transactions described in Section 4.2(B), Interests in Class 10 shall be cancelled, and the holders of Allowed Claims and Interests in Class 10 shall not be entitled to receive or retain any property on account of such Allowed Claims and Interests.

C. Impairment and Voting. Class 10 Claims and Interests are impaired and are deemed not to have accepted this Plan.

**ARTICLE III**  
**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

3.1 Assumption.

A. Assumed Contracts. Each executory contract or unexpired lease of the Debtors that has not expired by its own terms prior to the Effective Date, has not been rejected during the Cases prior to Confirmation, is not proposed to be rejected under the Plan and is not subject to a motion for rejection filed before the Confirmation Date, shall, by the terms of this Plan, be assumed by the Reorganized Debtors pursuant to sections 365 and 1123(b)(2) of the Code on the Effective Date. All such assumed contracts, unexpired leases, franchises and permits, and any contracts or unexpired leases assumed by the Debtors by order of the Bankruptcy Court prior to the Confirmation Date, shall be vested in and continue in effect for the benefit of the Reorganized Debtors.

B. Cure Payments and Release of Liability. The Reorganized Debtors shall, within five days after the Confirmation Date, file and serve on all parties to assumed executory contracts and unexpired leases, and on the Pre-Petition Agent and the Committee, a schedule setting forth the amount of cure and compensation payments to be provided by the Reorganized Debtors in accordance with section 365(b)(1) of the Code. To the extent that a party to an assumed

executory contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the twenty-fifth day after the Confirmation Date disputing the amount of any cure and compensation payments offered to it by the Reorganized Debtors, then such party shall be deemed to have waived its right to dispute such amount. All unpaid cure and compensation payments under any executory contracts or unexpired leases that are assumed or assumed and assigned under this Plan (including, without limitation, Claims filed in the Cases or listed in the Schedules and Allowed by order of the Bankruptcy Court prior to the Confirmation Date that relate to executory contracts or unexpired leases that are assumed or assumed and assigned under this Plan) shall be made by the Reorganized Debtors as soon as practicable after the Effective Date, but not later than thirty days after the Effective Date; provided, that, in the event of a dispute regarding the amount of any cure and compensation payments, the Reorganized Debtors shall make such cure and compensation payments as may be required by section 365(b)(1) of the Code following the entry of a Final Order resolving such dispute.

C. Continuation of Management Agreements, Employment Agreements and Benefits Agreements. Subject to such modifications or terminations as the Debtors, with any required Bankruptcy Court approval, may implement prior to the Effective Date, effective on the Effective Date, all contracts, agreements or plans between the Debtors and their current employees and surviving spouses, including agreements with management employees, severance agreements and agreements with respect to retiree or surviving spouse benefits, and all other benefits provided any of their employees, shall be deemed assumed by the Debtors pursuant to sections 365 and 1123(b)(2) of the Code, to the extent such sections are applicable, without further action on the part of the Debtors, but with the prior consent of the Pre-Petition Agent, which consent will not be unreasonably withheld. Such assumed agreements are set forth on Schedule 7. Schedule 7 also identifies certain plans and agreements to be rejected as of the Effective Date. All such agreements that are not executory shall be performed by the Reorganized Debtors according to their terms.

### 3.2 Rejection.

A. Rejected Contracts. Executory contracts and unexpired leases may be rejected by motion(s) filed by the Debtors with the Bankruptcy Court at least ten (10) days prior to the Confirmation Date, in which event, unless the Bankruptcy Court otherwise provides, such executory contracts and unexpired leases shall be deemed rejected on the Effective Date or such earlier date as is set forth in the order of the Bankruptcy Court authorizing the rejection.

B. Claims from Rejected Contracts and Leases. Except as otherwise provided in any order of the Bankruptcy Court, any claims for damages arising from the rejection of an executory contract or unexpired lease not filed on or prior to the Confirmation Date must be filed within 60 days after the earlier of (i) the entry of the order approving rejection of such executory contract or unexpired lease and (ii) the Confirmation Date. Any such Claims not filed within such 60-day period shall be barred and may not thereafter be asserted.

3.3 Post-Petition Contracts and Leases. All contracts and leases entered into or assumed by the Debtors after the Petition Date shall be deemed assigned by the Debtors to the Reorganized Debtors on the Effective Date.