

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

In re:

U.S. TELEPACIFIC CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 26-90625 (ARP)

(Jointly Administered)

**DISCLOSURE STATEMENT FOR THE AMENDED JOINT CHAPTER 11
PLAN OF U.S. TELEPACIFIC CORP. AND ITS DEBTOR AFFILIATES**

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¹ The Debtors in these chapter 11 cases, together with the last four digits of the Debtors' federal tax identification numbers, are: U.S. TelePacific Holdings Corp. (0151); Mpower Holding Corporation (N/A); Mpower Communications Corp. (0042); TPx International Holdings Corp. (N/A); U.S. TelePacific Corp. (3876); NextWeb, Inc. (7530); DSCI, LLC (1304); OCiX, Inc. (2715); Arrival Communications, Inc. (2990); TPx Communications Co. (8824); Big City Networks, Inc. (N/A); and ICG ChoiceCom L.P. (N/A). The Debtors' service address is Plaza 7000 North Mopac Expressway, Suite 2080, Austin, TX 78731.

This disclosure statement (this “Disclosure Statement”) provides information regarding the *Amended Joint Chapter 11 Plan of U.S. TelePacific Corp. and its Debtor Affiliates* (as may be amended, supplemented, or otherwise modified from time to time, the “Plan”),² of which U.S. TelePacific Corp. and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors” or the “Company”), will seek confirmation by the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit A and is incorporated herein by reference. The Debtors are providing the information in this Disclosure Statement to certain Holders of Claims for the purpose of soliciting votes to accept or reject the Plan.

The Debtors urge each Holder of a Claim to consult with its own advisors with respect to any legal, financial, securities, tax, or business advice in reviewing this Disclosure Statement, the Plan, and each proposed transaction contemplated by the Plan.

The Debtors strongly encourage Holders of Claims in Classes 3, 4, 5, and 6 to read this Disclosure Statement (including the Risk Factors described in Article XV hereof) and the Plan in their entirety before voting to accept or reject the Plan. Assuming the requisite acceptances of the Plan are obtained, the Debtors will seek the Bankruptcy Court’s approval of the Plan at the Combined Hearing.

RECOMMENDATION BY THE DEBTORS

EACH DEBTOR’S BOARD OF DIRECTORS, MEMBER, PARTNER OR MANAGER, AS APPLICABLE, HAS APPROVED THE RESTRUCTURING TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT, AND EACH DEBTOR BELIEVES THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF EACH OF THE DEBTORS’ ESTATES, AND PROVIDE THE BEST RECOVERY TO STAKEHOLDERS. EACH OF THE DEBTORS THEREFORE STRONGLY RECOMMENDS THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE CLAIMS AND NOTICING AGENT BY NO LATER THAN AUGUST 26, 2026 AT 4:00 P.M. (PREVAILING CENTRAL TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND ON THE BALLOT.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between the Disclosure Statement and the Plan, the Plan will govern.

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE XV HEREIN.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. THE DEBTORS URGE EACH HOLDER OF A CLAIM TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S CONDITIONAL APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN EVENTS AND ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE

DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS

REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBTORS WILL RELY ON SECTION 1145(A) OF THE BANKRUPTCY CODE, SECTION 4(A)(2) OF THE SECURITIES ACT, OR OTHER EXEMPTIONS UNDER THE SECURITIES ACT TO EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT THE OFFER, ISSUANCE, AND DISTRIBUTION OF THE SECURITIES DESCRIBED HEREIN AND UNDER THE PLAN.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; *HOWEVER*, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE HEREIN.

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EXHIBITS

- Exhibit A Amended Joint Chapter 11 Plan of U.S. TelePacific Corp. and its Debtor Affiliates
- Exhibit B Corporate Organization Chart
- Exhibit C Liquidation Analysis
- Exhibit D Financial Projections

**ARTICLE I.
QUESTIONS AND ANSWERS REGARDING
THIS DISCLOSURE STATEMENT AND THE PLAN**

A. What is chapter 11?

Chapter 11 is the principal business restructuring chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court’s confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor (regardless of whether such holder votes for or against the plan), and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor’s liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all Holders of Claims whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold and whether you held that Claim or Interest as of the Voting Record Date (*i.e.*, as of June 28, 2026). Each category of Holders of Claims and Interests, pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, is referred to as a “Class.” The voting status of each Class is set forth in Article III of the Plan and Article V of this Disclosure Statement.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors’ or the Reorganized Debtors’ rights, as applicable, regarding any Unimpaired Claim, including, all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. What will I receive from the Debtors if the Plan is consummated?

A summary of the anticipated recovery to Holders of Claims or Interests under the Plan is set forth in Article II.D of this Disclosure Statement. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN ARTICLE II.D HEREIN ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

E. What will I receive from the Debtors if I hold an Allowed Administrative Claim, DIP Claim, Professional Fee Claim, or a Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, Professional Fee 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 of the Plan.

A description of these Claims and their treatment is included in Article II of the Plan and Article V of this Disclosure Statement.

F. Are any regulatory approvals required to consummate the Plan?

The consummation of the Plan is subject to the receipt of certain regulatory and governmental approvals applicable to telecommunications service providers. Because the Debtors operate as regulated carriers and hold numerous federal and state telecommunications licenses and authorizations, the Restructuring Transactions (as defined below) contemplated by the Plan may constitute transfers of control or assignments that require regulatory approval.

a. FCC Approvals.

The Debtors hold licenses and authorizations issued by the Federal Communications Commission (the "FCC") that permit them to provide interstate telecommunications services. Under FCC regulations, any transaction that results in a direct or indirect transfer of control of FCC-regulated entities requires FCC approval. Accordingly, the Debtors will file applications with the FCC seeking approval of the Restructuring Transactions contemplated by the Plan. As a practical matter, the FCC is not expected to grant any such applications until after all time periods required by the FCC rules in connection with such applications have passed. As such, the Restructuring Transactions contemplated by the Plan cannot be consummated until, among other things, all required FCC approvals have been obtained.

The Debtors also are subject to regulations on behalf of their Voice over Internet Protocol ("VoIP") services, including those not subject to a specific license or authorization. The FCC requires interconnected VoIP services to comply with various regulations and requirements, including: 911 emergency service requirements; Communications Assistance for Law Enforcement requirements; obligations to support Universal Service and related activities

including the Universal Service Fund, Telecommunications Relay Services, the North American Numbering Plan Administration, and the Local Number Portability Administration; Customer Proprietary Network Information requirements; disability access obligations; Local Number Portability requirements; service discontinuance notification obligations; outage reporting requirements; and rural call completion reporting and rules related to ring signal integrity. Should the Debtors fail to meet any of the FCC requirements discussed above or fail to make required Universal Service Fund and related contributions in the future, the Company could be subject to revocation of its authority to operate or to fines and/or penalties, which may jeopardize the consummation of the Plan.

b. State Regulatory Approvals.

The Debtors also hold authorizations issued by various state public utility commissions (“PUCs”) or their equivalents that permit them to provide intrastate telecommunications services. Transactions that result in a direct or indirect transfer of control of a state-licensed entity may require PUC approval, depending on the state. Accordingly, the Debtors will file applications with the applicable PUCs seeking approval to consummate the Plan. The level of review undertaken by each state’s PUC, and the length of time until an approval of such application will be granted, will vary by state. Furthermore, certain PUCs may issue their grants of approval contingent upon issuance of approvals by the FCC and/or the Bankruptcy Court.

In certain states where approval of a transfer of control is not required and the Debtors hold authority to provide telecommunications services, the Debtors will file notices with the respective PUC regarding the transfer of control that will occur as a result of the Restructuring Transactions.

The Debtors’ VoIP services are subject to a more limited state regulatory framework due to federal preemption and a broader trend toward state deregulation, although some states purport to have more significant jurisdiction. The Debtors are still required by states to contribute to 911 emergency services and state Universal Service Funds, as well as meet certain other regulatory requirements. While the Debtors believe they are in compliance with all applicable state requirements relating to VoIP services, the Debtors continue to monitor any developments with the regulatory landscape governing VoIP services at the state level.

c. Additional Regulatory Requirements.

Depending on the structure of the Restructuring Transactions ultimately consummated and the identity of any acquirer or new investor, the Restructuring Transactions may also be subject to one or more additional regulatory or governmental approvals, clearances, or notifications beyond those administered directly by the FCC and the applicable PUCs. These may include, among others, premerger notification and the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), and, to the extent any transaction involves a foreign person or foreign investment, a notification to or clearance from the Committee on Foreign Investment in the United States (“CFIUS”) and FCC referral to the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (“Team Telecom”), as well as other applicable federal, state, local, or foreign antitrust, competition, foreign investment, or sector-specific approvals. The applicability of any such requirement will depend on, among other things, the size and structure

of the Reorganization Transaction, and the nature and ownership of the ultimate investor. The Debtors, together with their advisors, are continuing to assess which, if any, of these additional approvals or notifications may be required in connection with the Restructuring Transactions, and the Debtors intend to make any such filings and obtain any such approvals or clearances as may be required prior to consummation of the Plan.

G. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance as to what precisely will happen. It is possible that any alternative may provide Holders of Claims and Interests with less than they would have received pursuant to the Plan. For a more detailed description of potential consequences of extended chapter 11 cases, or of a liquidation scenario under chapter 7 of the Bankruptcy Code, see Article II of this Disclosure Statement, and the Liquidation Analysis to be filed in the Plan Supplement.

H. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by “Confirmation,” “Effective Date,” and “Consummation”?

“Confirmation” of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the “Effective Date”—or as soon as reasonably practicable thereafter, as specified in the Plan. “Consummation” of the Plan refers to the occurrence of the Effective Date. See Article XI of this Disclosure Statement, entitled “Conditions Precedent to the Consummation of the Plan” for a discussion of conditions precedent to the Effective Date.

I. What are the sources of Cash and other consideration required to fund the Plan?

The Debtors or the Reorganized Debtors, as applicable, shall fund distributions under the Plan with the Debtors’ Cash on hand, the 1L Exit Facility, the New Equity Interests, and the Warrants.

J. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan, which objections potentially could give rise to litigation.

In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting Classes. The Bankruptcy Court may confirm the Plan pursuant to the “cramdown” provisions of the Bankruptcy Code, which allows the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code.

K. Does the Plan preserve Causes of Action?

The Plan provides for the retention of all Causes of Action other than those that are expressly waived, relinquished, exculpated, released, compromised, or settled, as described in greater detail in Article VIII of the Plan.

L. Will there be releases, exculpation, and injunction granted to parties in interest as part of the Plan?

Yes, the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The Debtors will also seek findings of fact and conclusions of law with regards to officers' and directors' performance of their duties as officers and directors of the Debtors. The Debtors' releases, third-party releases, exculpation, and injunction provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and were an essential element of the negotiations among the Debtors, the Ad Hoc Group, and the Consenting Investor (each as defined below) in obtaining their support for the Plan.

The Released Parties, the Exculpated Parties, and the Debtors' directors and officers have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize value of the Debtors for the benefit of all parties in interest. Accordingly, each of the Released Parties and the Exculpated Parties warrant the benefit of the release and exculpation provisions.

IMPORTANTLY, THE FOLLOWING PARTIES ARE INCLUDED IN THE DEFINITION OF "RELEASING PARTIES" AND WILL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, INDIVIDUALLY, AND COLLECTIVELY RELEASED AND DISCHARGED ALL CLAIMS AND CAUSES OF ACTION AGAINST THE DEBTORS AND THE RELEASED PARTIES: (A) EACH DEBTOR; (B) THE CONSENTING INVESTOR; (C) TSHL; (D) THE DIP LENDERS AND DIP AGENT; (E) THE AGENTS; (F) ALL HOLDERS OF CLAIMS OR INTERESTS THAT VOTE TO ACCEPT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED BY THE PLAN; (G) ALL HOLDERS OF CLAIMS OR INTERESTS THAT ARE DEEMED TO ACCEPT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED IN THE PLAN BY CHECKING THE BOX ON THE APPLICABLE NOTICE OF NON-VOTING STATUS INDICATING THAT THEY OPT NOT TO GRANT THE RELEASES PROVIDED IN THE PLAN; (H) ALL HOLDERS OF CLAIMS OR INTERESTS THAT VOTE TO REJECT THE PLAN OR ARE DEEMED TO REJECT THE PLAN AND WHO DO NOT AFFIRMATIVELY OPT OUT OF, OR OPT IN TO, AS APPLICABLE, THE RELEASES PROVIDED BY THE PLAN; (I) ALL HOLDERS OF 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 AND DO NOT AFFIRMATIVELY OPT OUT OF THE RELEASES PROVIDED IN THE PLAN; (J) EACH CURRENT AND FORMER AFFILIATE OF EACH ENTITY IN CLAUSE (A) THROUGH CLAUSE (I); AND (K) EACH RELATED PARTY OF EACH ENTITY IN CLAUSE (A) THROUGH CLAUSE (J) FOR WHICH SUCH ENTITY IS LEGALLY ENTITLED TO BIND SUCH RELATED PARTY TO THE RELEASES CONTAINED IN THIS PLAN UNDER APPLICABLE NON BANKRUPTCY LAW; *PROVIDED* THAT, IN EACH CASE, AN ENTITY SHALL NOT BE A RELEASING

PARTY IF IT (X) ELECTS TO OPT OUT OF, OR TO NOT OPT IN TO, AS APPLICABLE, THE THIRD-PARTY RELEASE OR (Y) TIMELY OBJECTS TO THE THIRD-PARTY RELEASE THROUGH A FORMAL OBJECTION FILED ON THE DOCKET OF THE CHAPTER 11 CASES THAT IS NOT RESOLVED BEFORE CONFIRMATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, HOLDERS OF GENERAL UNSECURED CLAIMS SHALL ONLY BE RELEASING PARTIES TO THE EXTENT SUCH HOLDERS RECEIVE OR RETAIN ANY DISTRIBUTION, PROPERTY, OR OTHER VALUE ON ACCOUNT OF SUCH HOLDERS' GENERAL UNSECURED CLAIMS UNDER THIS PLAN.

Based on the foregoing, the Debtors believe that the release, exculpation, and injunction provisions in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Fifth Circuit. Moreover, the Debtors will present evidence at the Combined Hearing to demonstrate the basis for and propriety of the release and exculpation provisions. The release, exculpation, and injunction provisions are contained in Article VIII of the Plan and Article X of this Disclosure Statement.

M. When is the deadline to vote on the Plan?

The Voting Deadline is August 26, 2026, at 4:00 p.m. (prevailing Central Time).

N. How do I vote on the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the ballot distributed to Holders of Claims that are entitled to vote on the Plan (the “Ballot”). For your vote to be counted, the Ballot containing your vote must be properly completed, executed, and delivered as directed so that it is **actually received** by Kroll Restructuring Administration LLC, the Debtors’ Bankruptcy Court-appointed claims and noticing agent (the “Claims and Noticing Agent”), **on or before the Voting Deadline of August 26, 2026, at 4:00 p.m. (prevailing Central Time)**.

The Solicitation Package (as defined herein) may also be obtained free of charge from the Claims and Noticing Agent by: (1) visiting <https://restructuring.ra.kroll.com/TPx>; (2) emailing the Claims and Noticing Agent at TPxInfo@ra.kroll.com; or (3) calling (888) 339-7353 (U.S./Canada, toll-free) or +1 (646) 825-5321 (international, toll).

O. Why is the Bankruptcy Court holding a Combined Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on Confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan. Bankruptcy Local Rule 3016-2 allows a plan proponent to file a motion requesting (i) conditional approval of a disclosure statement; (ii) approval of solicitation procedures and forms of ballots and notices; and (iii) the scheduling of a joint hearing to consider final approval of the adequacy of the disclosure statement and confirmation of a proposed plan. Shortly after the commencement of the Chapter 11 Cases, the Debtors will request that the Bankruptcy Court schedule the Combined Hearing. All parties in interest will be served notice of the time, date, and location of the Combined Hearing once scheduled. The Combined Hearing may be adjourned from time to time without further notice.

P. What is the purpose of the Combined Hearing?

The confirmation of a plan and approval of a disclosure statement by a bankruptcy court binds the debtor, any person acquiring property under a plan, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code.

Q. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Claims and Noticing Agent via one of the following methods:

By regular mail, hand delivery, or overnight mail at:

TPx Ballot Processing Center
c/o Kroll Restructuring Administration LLC
850 3rd Ave, Suite 412
Brooklyn, New York 11232

By electronic mail at:

TPxInfo@ra.kroll.com

By telephone (U.S./Canada, toll-free) at:

(888) 339-7353

By telephone (international, toll) at

+1 (646) 825-5321

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims and Noticing Agent at the address above or by downloading the documents from the Debtors' restructuring website at <https://restructuring.ra.kroll.com/TPx> (free of charge) or via PACER at <https://www.pacer.gov> (for a fee) upon filing.

R. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe that the Plan provides for a larger distribution to the Debtors' stakeholders than would otherwise result from any other available alternative. The Debtors believe that the Plan is in the best interest of the Debtors' stakeholders, and that any alternatives (to the extent they exist) fail to realize or recognize the value inherent under the Plan.

S. Who supports the Plan?

The Plan is supported by the Debtors, an ad hoc group of certain of the Debtors' existing first lien and third lien term loan lenders (the "Ad Hoc Group"), Tango Private Investments, LLC,

Tango Private Holdings I, LLC, and Tango Private Holdings II, LLC, the Company's sole direct equity holders (collectively, the "Consenting Investor"),³ and the Committee (as defined below).

ARTICLE II. OVERVIEW OF THE PLAN

RECOMMENDATION BY THE DEBTORS

It is the Debtors' opinion that confirmation and implementation of the Plan is in the best interests of the Debtors' Estates and their stakeholders. Therefore, the Debtors recommend that all creditors whose votes are being solicited submit a Ballot to accept the Plan.

A. Introduction.

The following is a brief overview of certain material provisions of the Plan. This overview is qualified by reference to the provisions of the Plan, which is attached hereto as Exhibit A, as amended from time to time. In the event that any inconsistency or conflict exists between this Disclosure Statement and the Plan, the terms of the Plan will control. Confirmation of the Plan and the occurrence of the Effective Date are subject to certain conditions, which are summarized in Article IX of the Plan. There is no assurance that these conditions will be satisfied or waived. At the Combined Hearing, the Bankruptcy Court will confirm the Plan only if all of the applicable requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a chapter 11 plan are that the plan: (i) is accepted by the requisite holders of claims or interests in impaired classes under the plan; (ii) is in the "best interests" of each holder of a claim or interest in each impaired class under the plan; (iii) is feasible; and (iv) complies with the applicable provisions of the Bankruptcy Code. In this instance, only Holders of Claims in Classes 3, 4, 5, and 6 are entitled to vote to accept or reject the Plan. Because Classes 8 and 10 will receive no distributions under the Plan, those Classes are deemed to reject the Plan. Because Classes 1 and 2 are Unimpaired, they are deemed to accept the Plan. Because Classes 7 and 9 are deemed to accept or reject the Plan, they are not entitled to vote. *See* Article III.H of the Plan for a discussion of the Bankruptcy Code's requirements for Plan Confirmation.

B. The Plan.

The Debtors filed for chapter 11 bankruptcy protection on June 28, 2026 (the "Petition Date"). Prior to filing, in early December 2025, the Debtors launched a marketing and sale process for all or a portion of the Debtors' assets (the "Marketing and Sale Process"), which received significant interest from both strategic and institutional buyers. The Marketing and Sale Process continued postpetition pursuant to bidding procedures approved by the Bankruptcy Court that include minimum bid requirements (the "Minimum Bid Requirements"), establishing a threshold value that any actionable bid must meet or exceed.⁴

³ The Consenting Investor or an affiliate thereof also holds a minority position in the First Lien Term Loan Facility and the Third Lien Term Loan Facility, and holds 100% of obligations outstanding under the Second Lien Term Loan Facility (each as defined herein).

⁴ *See Order (I)(A) Approving Bid Procedures and Authorizing Sale Transaction; (B) Authorizing Designation of Stalking Horse Bidder; (C) Scheduling Auction and Sale Hearing; (D) Approving Sale Notices; (E) Approving*

The Restructuring Transactions and the Chapter 11 Cases are being pursued pursuant to a Restructuring Support Agreement with the support of the Consenting Investor, approximately 98% of the Debtors' first lien lenders, 100% of the Debtors' second lien lenders, approximately 88% of the Debtors' third lien lenders, and 100% of the Debtors' accounts receivable purchasers (collectively, the "Consenting Stakeholders"). Certain of such Consenting Stakeholders have supported the Debtors' restructuring efforts for over a year.

The Debtors' postpetition Marketing and Sale Process served as a robust market check but, as described in Article IV of this Disclosure Statement, did not yield any actionable bids satisfying the Minimum Bid Requirements. Accordingly, the Debtors are pursuing a recapitalization transaction with certain of the Debtors' existing lenders and the Consenting Investor pursuant to a chapter 11 plan of reorganization (the "Reorganization Transaction"). The Reorganization Transaction will enable the Company to de-lever its balance sheet and continue operating as a going concern without interruption.

A chapter 11 bankruptcy case permits a debtor to resolve its affairs and distribute the proceeds of its estate pursuant to a confirmed chapter 11 plan. To that end, the Debtors have filed the Plan, the terms of which are more fully described herein, contemporaneously with the filing of this Disclosure Statement. The primary objective of the Plan is to maximize the value of recoveries to Holders of Allowed Claims and Interests and to distribute all property of the Debtors' Estates that is or becomes available for distribution in accordance with the Bankruptcy Code and the Plan. The Debtors assert that the Plan accomplishes this objective and is in the best interests of their Estates, and therefore seek to confirm the Plan. The Plan classifies Holders of Claims or Interests according to the type and nature of the Holder's Claim or Interest, as more fully described below.

The Plan designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (1) Impaired or Unimpaired by the Plan; (2) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; or (3) deemed to accept or reject the Plan. Claims against the Debtors and Interests in the Debtors are classified in ten (10) separate Classes, as described herein.

C. The Adequacy of This Disclosure Statement.

Before soliciting acceptances of a proposed chapter 11 plan, section 1125 of the Bankruptcy Code requires a plan proponent to prepare a written disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan. The Debtors are providing this Disclosure Statement in accordance with those requirements. This Disclosure Statement includes, without limitation, information about:

- the Plan, including a summary, the procedures for voting on the Plan and projected recoveries thereunder (Article II hereof);

Assumption and Assignment Procedures; and (II) Granting Related Relief [Docket No. 66] (the "Bid Procedures Order" and the procedures contained therein, the "Bid Procedures" any transaction consummated pursuant thereto, the "Sale Transaction").

- the statutory requirements for confirming the Plan (Article II.F hereof);
- the Debtors' organizational structures, business operations, and financial obligations (Article III hereof);
- the events leading to the filing of the Debtors' Chapter 11 Cases (Article III hereof);
- the major events during the Chapter 11 Cases, including significant pleadings filed in the Debtors' Chapter 11 Cases (Article IV hereof);
- certain risk factors that Holders of Claims should consider before voting to accept or reject the Plan (Article XV hereof);
- the classification and treatment of Claims or Interests under the Plan, including identification of the Holders of Claims entitled to vote on the Plan (Article V hereof);
- the means for implementation of the Plan, the provisions governing distributions to certain Holders of Claims pursuant to the Plan, the procedures for resolving Disputed Claims and other significant aspects of the Plan (Article VI hereof);
- the releases contemplated by the Plan that are integral to the overall settlement of Claims pursuant to the Plan (Article X hereof); and
- certain United States federal income tax consequences of the Plan (Article XVI hereof).

D. Summary of Classes and Treatment of Claims or Interests.

The classification of Claims or Interests, the estimated aggregate amount of Claims in each Class and the amount and nature of distributions to Holders of Claims or Interests in each Class are summarized in the table below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, and Priority Tax Claims have not been classified. For a discussion of certain additional matters related to Administrative Claims and Priority Tax Claims, see Article II of the Plan.

Each amount designated in the table below as "Estimated Percentage Recovery" for each Class is the quotient of the estimated Cash or other assets to be distributed to Holders of Allowed Claims in that Class, divided by the estimated aggregate amount of Allowed Claims in that Class. Each of the estimated Cash or other assets, and the estimated aggregate amount of Allowed Claims, have been made in ranges with both low and high estimates. In determining those amounts, the Debtors have assumed that the Plan is consummated as described herein.

For a discussion of various factors that could materially affect the Estimated Percentage Recovery to be distributed pursuant to the Plan, see Article XV of this Disclosure Statement.

SUMMARY OF ESTIMATED RECOVERIES				
Class	Claim/Interest	Treatment of Claim/Interest	Projected Allowed Amount of Claims	Estimated % Recovery Under Plan
Class 1	Other Secured Claims	Unimpaired; Not Entitled to Vote (Presumed to Accept)	TBD	100%
Class 2	Other Priority Claims	Unimpaired; Not Entitled to Vote (Presumed to Accept)	TBD	100%
Class 3	Pari Funded Debt Secured Claims	Impaired; Entitled to Vote	\$407.8 million	2-7% ⁵
Class 4	Second Lien Secured Claims	Impaired; Entitled to Vote	\$657.7 million	TBD
Class 5	Third Lien Secured Claims	Impaired; Entitled to Vote	\$33.2 million	0%
Class 6	General Unsecured Claims	Impaired; Entitled to Vote	\$27.8 million ⁶	3-11% ⁷
Class 7	Intercompany Claims	Impaired/Unimpaired; Not Entitled to Vote (Deemed to Accept or Reject)	N/A	N/A
Class 8	Subordinated Claims	Impaired; Not Entitled to Vote (Deemed to Reject)	\$0	0%
Class 9	Intercompany Interests	Impaired/Unimpaired; Not Entitled to Vote (Deemed to Accept or Reject)	N/A	N/A

⁵ The estimated recovery shown is illustrative and reflects a recovery on secured claims and no recovery on any deficiency claims; actual recoveries may vary depending on the final transaction consummated through the Plan (i.e., a Reorganization Transaction). The illustrative low end of the range represents the illustrative recovery to a Holder of a Pari Funded Debt Secured Claim pursuant to the Pari Passu Intercreditor Agreement in a Reorganization Transaction. The illustrative high end of the range represents the illustrative recovery to a certain holders of Pari Funded Debt Secured Claims electing to cash-out pursuant to the Pari Passu Intercreditor Agreement in a Reorganization Transaction.

⁶ The estimated amount of General Unsecured Claims shown herein is a preliminary estimate and subject to material change as additional information becomes available, including developments in these Chapter 11 Cases, Claims filed ahead of the Bar Date, and ongoing Claims reconciliation efforts. Accordingly, no assurance can be given that the actual amount of allowed unsecured claims will not differ, potentially materially, from the estimate presented herein.

⁷ The low-end of the recovery range shown herein reflect a \$1.0 million cash consideration to General Unsecured Claimants, while the high-end of the recovery range reflects potential incremental cash considerations, subject to a cap of \$3.0 million pursuant to the Committee Settlement.

SUMMARY OF ESTIMATED RECOVERIES				
Class	Claim/Interest	Treatment of Claim/Interest	Projected Allowed Amount of Claims	Estimated % Recovery Under Plan
Class 10	Existing Equity Interests	Impaired; Not Entitled to Vote (Deemed to Reject)	N/A	N/A

E. Solicitation Package.

The package of materials (the “Solicitation Package”) to be sent to Holders of Claims on the Plan will contain:

- the Disclosure Statement (with all exhibits thereto, including the Plan and any other exhibits thereto);
- the Order conditionally approving the Disclosure Statement (excluding all exhibits other than the Solicitation Procedures);
- the Combined Notice;
- the appropriate Ballot (accompanied by a prepaid business return envelope addressed to the Claims and Noticing Agent); and
- any additional documents that the Bankruptcy Court has ordered to be made available.

The Solicitation Package may also be obtained free of charge from the Claims and Noticing Agent by: (1) visiting <https://restructuring.ra.kroll.com/TPx>; (2) emailing the Claims and Noticing Agent at TPxInfo@ra.kroll.com (with “TPx Solicitation Inquiry” in the subject line); or (3) calling (888) 339-7353 (U.S./Canada, toll-free) or +1 (646) 825-5321 (international, toll).

F. Voting and Confirmation of the Plan.

The Debtors seek entry of an order with respect to the motion to, among other things, conditionally approve this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code and set a hearing and related briefing schedule with respect to confirmation of the Plan.

a. Certain Factors to be Considered Prior to Voting.

There are a variety of factors that all Holders of Claims entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. These factors may impact recoveries under the Plan, including:

- the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement;

- although the Debtors assert that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan; and
- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims or Professional Fee Claims, which would likely reduce the recoveries to the Holders of Claims.

b. Voting Procedures and Requirements.

Pursuant to the Bankruptcy Code, only classes of claims against or interests in a debtor that are “impaired” under the terms of a chapter 11 plan are entitled to vote to accept or reject a plan. A class is “impaired” if the legal, equitable or contractual rights attaching to the claims or interests of that class are modified, other than by curing defaults and reinstating maturity. Classes of Claims or Interests that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes of Claims or Interests that do not receive distributions under the Plan are not entitled to vote on the Plan and are deemed to have rejected the Plan. The classification of Claims or Interests is summarized, together with an indication of whether each Class of Claims or Interests is Impaired or Unimpaired, in Article II of the Disclosure Statement. June 28, 2026 shall serve as the voting record date for administrative convenience (the “Voting Record Date”), *provided that*, as to any creditor who later files a valid Proof of Claim, the Debtors may provide the appropriate Solicitation Package or Non-Voting Status Package, as applicable, on a rolling basis. The Voting Record Date shall be used for the purpose of determining which Holders of Filed or scheduled Claims in Classes 3, 4, 5, and 6 are entitled to receive a Solicitation Package.

Voting on the Plan by each Holder of a Claim in Classes 3, 4, 5, and 6 is important. Please carefully follow all of the instructions contained on the Ballot(s) provided to you. All Ballots must be completed and returned in accordance with the instructions provided. To be counted, your ballot or ballots must be received by August 26, 2026 at 4:00 p.m. (prevailing Central Time) (the “Voting Deadline”) at the address set forth on the preaddressed envelope provided to you.

If you are entitled to vote and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, please call or email the Debtors’ Claims and Noticing Agent, by calling (888) 339-7353 (U.S./Canada, toll-free) or +1 (646) 825-5321 (international, toll) or emailing TPxInfo@ra.kroll.com. This Disclosure Statement, the Plan and all of the related exhibits and schedules are also available, without charge, to any party in interest at <https://restructuring.ra.kroll.com/TPx>.

Ballots cannot be transmitted orally, by email or by facsimile. Accordingly, you are urged to return your signed and completed Ballot, by hand delivery, overnight service, regular U.S. mail, or electronically via the Claims and Noticing Agent’s online balloting portal promptly (in accordance with the instructions set forth in the Ballot), so that it is **actually received** by the Claims and Noticing Agent before the Voting Deadline.

c. Objection Deadline.

The deadline to file objections to the Confirmation of the Plan is August 26, 2026 at 4:00 p.m. (prevailing Central Time) (the “Objection Deadline”). All such objections must (a) be in writing; (b) comply with the Bankruptcy Rules and the Bankruptcy Local Rules; (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest beneficially owned by such entity; (d) state with particularity the legal and factual basis for such objections, and, if practicable, a proposed modification to the Plan that would resolve such objections; and (e) be filed with the Bankruptcy Court with proof of service thereof and served on (i) the Debtors; (ii) counsel to the Ad Hoc Group; (iii) the U.S. Trustee; and (iv) counsel to the Committee (collectively, the “Notice Parties”) so as to be **actually received** on or before the Objection Deadline.

d. Combined Hearing.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. The Debtors will request, on the Petition Date, that the Bankruptcy Court conditionally approve this Disclosure Statement and set a Combined Hearing to approve this Disclosure Statement on a final basis and confirm the Plan. The Combined Hearing may, however, be continued or adjourned from time to time without further notice to parties in interest other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Combined Hearing without further notice to parties in interest.

e. Confirmation.

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of findings concerning the Plan and the Debtors, including that:⁸

- the Plan has classified Claims and Interests in a permissible manner;
- the Plan complies with the applicable provisions of the Bankruptcy Code;
- the Debtors have complied with the applicable provisions of the Bankruptcy Code;
- the Debtors, as proponents of the Plan, have proposed the Plan in good faith and not by any means forbidden by law;
- the disclosure required by section 1125 of the Bankruptcy Code has been made;
- the Plan has been accepted by the requisite votes by Holders of Claims that are entitled to vote, except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code;

⁸ The descriptions contained herein are only a summary of certain confirmation requirements; they are not exhaustive of all confirmation requirements and should not be construed as such.

- the Plan is feasible;
- all Statutory Fees due and owing have been paid or the Plan provides for the payment thereof on the Effective Date; and
- the Plan is in the “best interests” of all Holders of Claims or Interests in an impaired Class by providing to those Holders on account of their Claims or Interests property of a value, as of the Effective Date, that is not less than the amount that each Holder would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim or Interest in that Class has accepted the Plan.

f. Acceptance.

A plan is accepted by (i) an impaired class of claims if holders of at least two-thirds in dollar amount and a majority in number of claims of that class vote to accept the plan. Only those holders of claims who actually vote (and are entitled to vote) to accept or to reject a plan count in this tabulation.

g. Feasibility.

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor (unless liquidation or reorganization is proposed in the Plan). To determine whether the Plan meets this feasibility requirement, the Debtors, with the assistance of the Debtors’ Advisors (as defined below), have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared projections for pro forma operating performance (collectively, the “Financial Projections”). Creditors and other interested parties should review Article XV of this Disclosure Statement, entitled “Risk Factors,” for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors. The Financial Projections, along with the assumptions upon which they are based, are attached hereto as **Exhibit D** and incorporated herein by reference. The Debtors believe that the Plan meets the feasibility requirement, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors or any successor under the Plan.

h. Best Interests Test; Liquidation Analysis.

Notwithstanding acceptance of the Plan by each impaired Class, to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the best interests of each Holder of a Claim or Interest in any impaired Class who has not voted to accept the Plan. Accordingly, if an impaired Class does not unanimously accept the Plan, the “best interests” test requires that the Bankruptcy Court find that the Plan provides to each member of that impaired Class a recovery on account of the Holder’s Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the distribution that the Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

To address the best interests test, the Debtors have prepared and attached the Liquidation Analysis as Exhibit C to this Disclosure Statement.

The Debtors have analyzed factors that will impact recoveries (the “Recoveries”) available to creditors in each scenario. These factors include professional fees and expenses, asset disposition expenses, applicable taxes, potential Claims arising during the pendency of the Plan or chapter 7 cases and trustee fees and expenses. The Liquidation Analysis includes a summary of the Recoveries under the Plan and in a hypothetical chapter 7 liquidation.

In summary, the Debtors have demonstrated in the Liquidation Analysis that a chapter 7 liquidation would result in diminution in the Recoveries to be realized by Holders of Allowed Claims and Interests, as compared to the proposed distributions under the Plan. Consequently, the Debtors have demonstrated in the Liquidation Analysis that the Plan will provide a greater ultimate return to Holders of Allowed Claims and Interests than would a chapter 7 liquidation of the Debtors.

i. Valuation of the Debtors.

This Disclosure Statement does not include a valuation analysis because the Marketing and Sale Process serves as an appropriate valuation mechanism. *See* 11 U.S.C. § 1125(b) (“The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor’s assets.”); *In re Ditech Holding Corp.*, Case No. 19-10412 (JLG) (Bankr. S.D.N.Y. May 10, 2019) (ECF No. 544) (order authorizing delayed filing of valuation, liquidation, and recovery analysis until after the auction); *In re LBI Media, Inc.*, Case No. 18-12655 (CSS) (Bankr. D. Del. Jan. 22, 2019) (ECF No. 360) (same) (order approving disclosure statement without a valuation analysis and approving the filing of a valuation analysis at a later date, if necessary); *In re Gastar Exploration Inc.*, Case No. 18-36057 (MI) (Bankr. S.D. Tex. Dec. 21, 2018) (ECF No. 282) (order approving disclosure statement that conducted valuation analysis through a comprehensive marketing process).

j. Compliance with Applicable Provisions of the Bankruptcy Code.

Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable provisions of the Bankruptcy Code. The Debtors considered each of these issues in the development of the Plan and have determined that the Plan complies with all provisions of the Bankruptcy Code.

k. Alternatives to Confirmation and Consummation of the Plan.

The Debtors evaluated alternatives to the Plan, including alternative structures and terms of the Plan. While the Debtors concluded that the Plan is the best alternative and will maximize recoveries by Holders of Allowed Claims, if the Plan is not confirmed, the Debtors, or (subject to the Debtors’ exclusive periods under the Bankruptcy Code to file and solicit acceptances of a plan or plans) any other party in interest in the Chapter 11 Cases, could attempt to formulate and propose a different plan. Further, if no plan under chapter 11 of the Bankruptcy Code can be confirmed, the Chapter 11 Cases may be converted to chapter 7 cases. In liquidation cases under chapter 7 of the Bankruptcy Code, a trustee would be appointed to liquidate the remaining assets of the Debtors and distribute proceeds to creditors. The proceeds of the liquidation would be distributed to the

respective creditors of the Debtors in accordance with the priorities established by the Bankruptcy Code. For further discussion of the potential impact on the Debtors of the conversion of the Chapter 11 Cases to chapter 7 liquidation, see Article II.F of this Disclosure Statement. The Debtors have determined that confirmation and Consummation of the Plan is preferable to the available alternatives.

G. Releases by the Debtors Set Forth in the Plan.

Article VIII of the Plan provides that each Released Party is deemed released by the Debtors and their Estate from any and all claims and Causes of Action except as set forth therein. The Debtors have determined that applicable law and the facts support those releases and that the Bankruptcy Court can and should approve them.

**ARTICLE III.
THE DEBTORS' CORPORATE HISTORY,
STRUCTURE, AND BUSINESS OVERVIEW**

A. Corporate History.

The Company is a national provider of managed connectivity and networking, unified communications, cybersecurity, and information technology services to business customers across the United States. The Company was founded in 1998 in California as TelePacific Communications, operating primarily as a Competitive Local Exchange Carrier ("CLEC") providing telecommunications connectivity services to small and mid-sized business customers in California. Over time, a combination of organic growth and strategic acquisitions enabled the Company to expand its service offerings and geographic footprint, evolving from a regional telecommunications provider into a nationwide managed services provider delivering a broad set of critical IT and communications services.

The Company first expanded beyond California through its acquisition of NextWeb in 2010, enabling it to provide additional broadband and enterprise connectivity services in Nevada as well as California. In 2011, the Company further expanded geographically through its acquisition of Tel West Communications, which established a presence in Texas and added thousands of small and mid-sized business customers in that market. The Company realized a significant milestone in its evolution in 2016 when it acquired DSCI, a managed services provider headquartered in Massachusetts. The DSCI acquisition expanded the Company's customer base in the northeastern United States and added unified communications and managed IT capabilities that significantly broadened the Company's service offerings. Today, the Company supports customers in a wide range of industries including healthcare, financial services, legal, retail, manufacturing, education, government, and non-profit organizations, providing services to approximately 11,000 customers primarily operating across the fifty states. While the Company maintains historical concentrations of customers in markets where it originally operated—particularly California, Texas, and the Northeast—its managed services platform enables it to support distributed customers across virtually every region of the country.

The Company is headquartered in Austin, Texas and is supported by approximately 575 employees who work either on premises at the Company's office locations or remotely throughout

the United States. In addition, the Company's business operations are supported by hundreds of independent contractors and approximately 50 employees who work for the Company's non-Debtor affiliate in Ireland, providing back office operational support primarily comprised of customer and IT-related support. An illustrative chart of the Company's corporate structure as of the Petition Date is attached hereto as **Exhibit B**.

B. Business and Operations.

The Company operates as a Managed IT Services Provider ("**MSP**") focused on delivering integrated technology solutions that enable businesses to design, deploy, and manage business-critical networking, cybersecurity, unified communications, and IT infrastructure through a single provider. The Company's service offerings are designed to help customers simplify complex technology environments, support distributed and hybrid workforces, and maintain secure and reliable network connectivity.

The Company's business is built around four core service categories: (a) managed connectivity and networking; (b) cybersecurity solutions; (c) unified communications; and (d) managed infrastructure and IT services. Through this model, the Company delivers subscription-based services that are embedded in customers' day-to-day operations, generating recurring revenue streams across multiple service lines and supporting long-term business relationships.

a. Managed Connectivity and Networking.

The Company's largest and most business-critical service portfolio is managed connectivity and networking services, which provide the underlying infrastructure that delivers business internet and networking to customers' offices that support business applications, employee devices, and cloud applications. These services include software-defined wide area networking ("**SD-WAN**"), dedicated internet access, Ethernet transport services, private networking solutions, and other enterprise-grade connectivity offerings. Through these solutions, the Company designs, deploys, and manages networks that link multiple customer locations, support work-from-home employees, and deliver secure access to cloud-based systems and business applications. The Company also provides ongoing monitoring, optimization, and troubleshooting of customer networks to ensure business uptime, consistent performance and reliability. As businesses increasingly rely on cloud computing and distributed workforces, the ability to deliver secure and resilient connectivity across geographically dispersed locations has become essential. Accordingly, managed networking services form a critical backbone of the Company's service platform and frequently serve as the foundational layer upon which the Company delivers its other managed services.

b. Cybersecurity Solutions.

The Company's cybersecurity services are designed to protect customer networks, systems, and data from increasingly sophisticated cyber threats. These services include Secure Access Service Edge ("**SASE**"), managed firewall and network security services, endpoint protection, email and web security solutions, threat monitoring, and incident detection and response capabilities. The Company also provides security awareness training and related compliance

support services to help customers address regulatory and data protection requirements applicable to their industries. These cybersecurity offerings are delivered as services that integrate with the Company's connectivity and IT management platforms, allowing the Company to monitor customer environments continuously and respond to potential threats in real time. As cyber risks become an increasingly critical concern for organizations of all sizes, cybersecurity has emerged as an essential component of the Company's portfolio and a key differentiator in its managed services offerings.

c. Unified Communications.

The Company provides cloud-based unified communications services that integrate voice, messaging, video, conferencing, and collaboration tools into a single platform accessible across devices and locations. These services typically include hosted Voice over Internet Protocol ("VoIP") telephony, video conferencing solutions, team collaboration applications, and cloud-based contact center functionality used by businesses to manage business interactions. The Company's unified communications offerings enable customers to replace traditional on-premises telephone systems with cloud-delivered communications platforms that support hybrid and remote work environments. By integrating multiple communication channels into a single managed service, the Company's service offerings enable customers to streamline internal collaboration and maintain consistent communications with employees, partners, and customers regardless of physical location. The Company also provides business critical call center and contact center capabilities used by its clients to offer multi-modal sales, support, and service via phone, SMS, and chat. Because reliable communications infrastructure is mission-critical for most businesses, unified communications services represent a foundational component of the Company's product portfolio and form a key driver of long-term customer relationships.

d. Managed Infrastructure and IT Services.

The Company also provides a broad range of managed IT services designed to support and maintain customers' core technology environments. These services commonly include monitoring and management of critical internet and network infrastructure, server and endpoint management, device lifecycle management, cloud migration and management services, backup and disaster recovery solutions, and remote help desk support. The Company also assists customers with the deployment and ongoing administration of widely used productivity platforms such as Microsoft 365 and other cloud-based enterprise applications. For many customers—particularly small and mid-sized enterprises that lack the resources to maintain dedicated internal IT staff—the Company functions as an outsourced IT department responsible for managing day-to-day technology operations and keeping critical business functions running. By providing proactive monitoring, technical support, and system administration services, the Company enables customers to focus on their core businesses while ensuring that their IT infrastructure remains secure, reliable, and operational. These managed IT services are central to the Company's strategy of delivering fully integrated technology management solutions rather than standalone communications services.

Together, these four service categories form an integrated platform that enables the Company to provide end-to-end technology management for its customers. By combining networking, cybersecurity, communications, and IT infrastructure management into a unified

managed services model, the Company seeks to simplify complex technology environments for its customers while generating stable, recurring revenue streams across its core product offerings.

C. The Debtors' Prepetition Capital Structure.

As of the Petition Date, the Debtors have approximately \$1.1 billion in total funded debt obligations as set forth below:

Funded Debt	Maturity	Approximate Amount Outstanding⁹ as of June 28, 2026
Superpriority Term Loan Facility	July 2026	\$22 million
First Lien Term Loan Facility	May 2026 ¹⁰	\$421 million
Revolving Credit Facility	Nov 2025 ¹¹	\$5 million
Second Lien Term Loan Facility	Nov 2026	\$658 million
Third Lien Term Loan Facility	May 2027	\$33 million
	Total Funded Debt:	\$1.1 billion

a. Capital Structure Overview.

The Company's existing capital structure developed through a series of financing and restructuring transactions undertaken prior to the commencement of these Chapter 11 Cases. In February 2022, the Company announced the receipt of a \$70 million growth equity investment, led by Siris Capital Group, LLC (the "2022 Transaction"). The 2022 Transaction was intended to support the Company's growth strategy and technology transformation, including investments in technology infrastructure, customer experience, service excellence, digital capabilities, and channel partner capabilities. In connection with the 2022 Transaction, the Company also refinanced its senior debt obligations on more favorable terms, including a multi-year extension of maturities.

Although the 2022 Transaction provided incremental capital and extended the Company's liquidity runway, the Company's business remained subject to significant funded debt obligations. Accordingly, in 2023, the Company and certain of its lenders, including lenders in the Ad Hoc Group, completed a further out-of-court restructuring transaction designed to provide additional runway and operational flexibility by providing new capital and extending certain funded debt maturities to 2026 and 2027 (the "2023 Restructuring Transactions") and, together with the 2022 Transaction, the "Initial Restructuring Transactions"). Prior to the 2023 Restructuring Transactions, the Company's funded debt consisted primarily of a first lien credit agreement whereby the lenders party thereto provided (i) a term loan facility, in an initial aggregate principal amount of approximately \$580 million and (ii) a revolving credit facility, in an initial aggregate

⁹ Amount outstanding includes all principal amounts outstanding plus accrued PIK and unpaid cash interest.

¹⁰ As further described below, the Debtors entered into certain forbearance agreements whereby the lenders thereto agreed to forbear from taking certain actions related to certain events of default, including the maturity of such facilities.

¹¹ Notwithstanding the November 2025 maturity, amounts owed under the Revolving Credit Facility remain outstanding as of the date hereof.

principal amount of approximately \$25 million (the “Prior First Lien Credit Facility”). Pursuant to the 2023 Restructuring Transactions, the Company refinanced the Prior First Lien Credit Facility through an offering to participating lenders to up-tier 50% of current first lien holdings into a new, super-senior first lien facility (the now-operative First Lien Term Loan Facility (as further described and defined below)). The remaining 50% of existing first lien holdings were purchased by the Consenting Investor at a discount, which holdings were then subordinated to the participating lenders, resulting in the now-current Second Lien Term Loan Facility (as further described and defined below). The Second Lien Term Loan Facility also included an approximately \$65 million new capital infusion from the Consenting Investor upon the close of the 2023 Restructuring Transactions. Participating lenders also received additional consideration through the now-current Third Lien Term Loan Facility (as further described and defined below), which amounts equaled approximately 5.0% of such lenders’ holdings under the Prior First Lien Credit Facility. As described below, one lender did not participate in the 2023 Restructuring Transactions, and such lender’s holdings remain outstanding in a stub position under a stub Revolving Credit Facility (as defined below).

In addition to the above-referenced facilities, in connection with the Marketing and Sale Process and broader discussions regarding the Restructuring Transactions throughout 2025 and 2026, the Company and its Advisors engaged in negotiations with the Ad Hoc Group and the Consenting Investor regarding the terms of an additional bridge financing transaction. These discussions resulted in the Superpriority Term Loan Facility (as described and defined below), without which the Company would not have had sufficient funds to meet certain operational expenses or complete the Marketing and Sale Process.

b. Superpriority Term Loan Facility.

Certain of the Debtors are party to that certain *Superpriority Credit Agreement*, dated as of March 18, 2026 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Superpriority Credit Agreement”), by and among U.S. TelePacific Corp., as borrower, U.S. TelePacific Holdings Corp. (“TPx Holdings”), as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, which provides for, subject to the terms and conditions set forth therein, an initial commitment of up to a \$20 million delayed draw term loan facility (the “Superpriority Term Loan Facility”). The Superpriority Term Loan Facility is secured by liens on substantially all of the assets of the Debtors. As of the Petition Date, approximately \$22 million is outstanding under the Superpriority Term Loan Facility.¹²

c. First Lien Term Loan Facility.

Certain of the Debtors are party to that certain *First Lien Senior Secured Credit Agreement*, dated as of June 1, 2023 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “First Lien Senior Secured Credit Agreement”), by and among U.S. TelePacific Corp., as borrower, TPx Holdings, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as

¹² The Superpriority Term Loan Facility includes a 1.75x multiple on invested capital (“MOIC”), which is not included in the estimated balance as of the Petition Date as shown herein.

administrative agent and collateral agent, which provides for, subject to the terms and conditions set forth therein, an initial commitment of up to an approximately \$332 million delayed draw term loan facility (the “First Lien Term Loan Facility”). The First Lien Term Loan Facility is secured by liens on substantially all of the assets of the Debtors. As of the Petition Date, approximately \$421 million is outstanding under the First Lien Term Loan Facility.

d. Revolving Credit Facility.

Certain of the Debtors are party to that certain *Credit Agreement* dated as of February 15, 2022, as amended by that certain *Amendment No. 1 to Credit Agreement* dated as of June 1, 2024 (as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Revolving Credit Agreement”), by and among U.S. TelePacific Corp., as borrower, TPx Holdings, as parent guarantor, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, which, as a consequence of the 2023 Restructuring Transactions, provides for, subject to the terms and conditions set forth therein, up to a \$5 million revolving credit facility (the “Revolving Credit Facility”). Prior to the 2023 Restructuring Transactions, the Company’s capital structure consisted primarily of the Prior First Lien Credit Facility. As described above, the lenders who did not participate in the 2023 Restructuring Transactions, and consequently did not convert their existing term loan holdings to debt under the First Lien Term Loan Facility, retained the remaining outstanding portion of revolving loans issued in connection with the Prior First Lien Credit Facility pursuant to the Revolving Credit Agreement. The Revolving Credit Facility is secured by liens on substantially all of the assets of the Debtors. As of the Petition Date, notwithstanding the Revolver Maturity (as defined below), approximately \$5 million is outstanding under the Revolving Credit Facility.

e. Second Lien Term Loan Facility.

Certain of the Debtors are party to that certain *Second Lien Senior Secured Credit Agreement* dated as of June 1, 2023 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Second Lien Credit Agreement”), by and among U.S. TelePacific Corp., as borrower, TPx Holdings, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, which provides for, subject to the terms and conditions set forth therein, an initial commitment of up to an approximately \$397 million delayed draw term loan facility (the “Second Lien Term Loan Facility”). The Second Lien Term Loan Facility is secured by liens on substantially all of the assets of the Debtors. As of the Petition Date, approximately \$658 million is outstanding under the Second Lien Term Loan Facility.

f. Third Lien Term Loan Facility.

Certain of the Debtors are party to that certain *Third Lien Senior Secured Credit Agreement* dated as of June 1, 2023 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Third Lien Credit Agreement”), by and among U.S. TelePacific Corp., as borrower, TPx Holdings, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, which provides for, subject to the terms and conditions set forth therein, an initial commitment of up to an approximately \$33 million delayed draw term loan facility (the “Third

Lien Term Loan Facility”). The Third Lien Term Loan Facility is secured by liens on substantially all of the assets of the Debtors. As of the Petition Date, approximately \$33 million is outstanding under the Third Lien Term Loan Facility.¹³

D. Circumstances Leading to Commencement of These Chapter 11 Cases.

a. Post-Initial Restructuring Transactions and Operating Profile.

As described above, pursuant to the Initial Restructuring Transactions, the Company gained additional runway and operational flexibility through the acquisition of new capital and the extension of certain funded debt maturities to 2026 and 2027. Since the Initial Restructuring Transactions, the Company has continued to operate as a going concern and has generated positive adjusted EBITDA; however, notwithstanding positive operational performance, the Company’s revenue growth and overall scale have not increased to a level sufficient to service its funded debt obligations while simultaneously maintaining the minimum liquidity required to fund working capital, capital expenditures, lease obligations, and other ordinary course operating expenses.

b. Proactive Evaluation of Capital Structure Needs.

Entering 2025, the Company undertook a forward-looking review of its projected cash flows in light of its debt service requirements and minimum liquidity covenants, recognizing that the Company faced approximately \$300 million of funded debt maturities in 2026, as well as ongoing cash interest obligations and other fixed payment commitments. The Company ultimately determined that, absent a material improvement in operating performance or a capital structure adjustment, the Company would be unable to both (i) meet its scheduled debt service obligations, and (ii) maintain sufficient minimum liquidity to operate safely and in compliance with the requirements imposed by its debt documents.

Accordingly, these challenges were not a consequence of operational deficiencies, but rather an imbalance in the Company’s capital structure given its operating revenue. As such, the Company began exploring potential strategic alternatives to identify the best path forward to address its capital structure and to complement the Company’s growth potential.

c. Prepetition Restructuring Efforts.

i. Exploration of Strategic Alternatives.

The Company engaged Sidley Austin LLP (“Sidley”), PJT Partners LP (“PJT”), and Triple P TRS, LLC (“Portage Point”) and, together with Sidley and PJT, the “Advisors”) in early 2025 and initiated discussions with the Ad Hoc Group and the Consenting Investor regarding potential

¹³ In addition, the Company has also funded ordinary course operations through the sale of certain accounts receivable pursuant to that certain (a) *Restated Receivables Purchase Agreement* dated as of February 11, 2020, by and among Parent and Tango Stockholder Holdings, LLC and (b) *Amended and Restated Receivables Purchase Agreement*, dated June 1, 2023 by and among Parent and Tango Private Investments, LLC (each as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the “Receivables Purchase Agreements,” the purchasers thereunder, the “RPA Purchasers,” and the Company’s obligations thereunder, the “RPA Obligations”).

transactions to align the Company's capital structure with its operating profile. Management and the Advisors evaluated a range of alternatives, including refinancing transactions, consensual equitization or liability management transactions, incremental capital raises, and a potential sale of the business. In parallel, the Company assessed several significant upcoming liquidity events—including the November 2025 maturity of the Revolving Credit Facility (the “Revolver Maturity”), a material fourth-quarter payment obligation pertaining to certain fiber leases no longer utilized by the Company (the “Fiber Lease”), and a substantial December 2025 cash interest payment under the First Lien Term Loan Facility (the “December Interest Payment”). The Company, in consultation with its Advisors and through negotiations with the Ad Hoc Group and Consenting Investor, determined that satisfying all such obligations in the ordinary course would significantly impair operating liquidity, risk credit agreement covenant breaches, and impact the Company's ongoing evaluation of strategic alternatives. Contemporaneously with this assessment, the Company determined that the Marketing and Sale Process would provide the greatest opportunity to canvass the market to evaluate actionable transactions that could maximize the value of the Company's assets.

As such, to preserve liquidity and create a stable environment for negotiations regarding the terms of the Marketing and Sale Process, the Company negotiated a series of forbearance agreements with the Ad Hoc Group and the Consenting Investor—comprising lender supermajorities under the First Lien Term Loan Facility, the Second Lien Term Loan Facility, and the Third Lien Term Loan Facility. On October 31, 2025 the Company entered into forbearance agreements with the requisite lenders under each of the First Lien Senior Secured Credit Agreement, Second Lien Credit Agreement, and Third Lien Credit Agreement (collectively, the “Initial Forbearance Agreements”). Pursuant to the Initial Forbearance Agreements, the lenders party thereto agreed to forbear from exercising default-related rights and remedies arising from certain anticipated or existing events of default under applicable debt documents, primarily relating to the Company's failure or anticipated failure to make certain payments pursuant to the Revolver Maturity¹⁴ and satisfy obligations in connection with the Fiber Lease, which in turn would trigger cross-default provisions under the Company's other secured credit facilities. The Initial Forbearance Agreements were intended to provide short-term relief sufficient for the Company and its lenders to agree on the terms of more fulsome forbearance agreements while negotiating additional parameters regarding the Marketing and Sale Process. During the course of these negotiations, the Company, the Ad Hoc Group, and the Consenting Investor subsequently amended the Initial Forbearance Agreements to include a forbearance of default-related rights and remedies arising from certain additional anticipated defaults relating to the December Interest Payment, resulting in the PIK Bridge. As described herein, the PIK Bridge was necessary to fund the Company's ongoing review of strategic alternatives and to pursue the Marketing and Sale Process.

Following continued negotiations with the Ad Hoc Group and Consenting Investor, the Company subsequently entered into amended and restated forbearance agreements on January 6,

¹⁴ Although the lenders under the Revolving Credit Facility are not party to the Initial Forbearance Agreements, such lenders are prohibited from exercising remedies pursuant to that certain *Pari Passu Intercreditor Agreement* dated as of June 1, 2023 (as amended, restated, amended and restated, or otherwise modified from time to time), among U.S. TelePacific Corp., the other grantors party thereto, Wilmington Savings Fund Society, FSB, as initial collateral agent and administrative agent, and each additional agent from time to time party thereto, absent the consent of the Required Lenders thereunder (as such term is used therein).

2026 (the “Amended Forbearance Agreements” and, together with the Initial Forbearance Agreements, the “Forbearance Agreements”). Among other things, the Amended Forbearance Agreements extended the lenders’ agreement to forbear from exercising remedies with respect to the above specified events of default through the maturity of the First Lien Term Loan Facility.¹⁵ Taken together, the Forbearance Agreements provided additional runway for the Company and its stakeholders to pursue the Marketing and Sale Process in connection with a broader restructuring transaction. The Amended Forbearance Agreements also contemplated a Restructuring Support Agreement by and among the Company, the Consenting Investor, and the Ad Hoc Group, which established a framework for a comprehensive restructuring process and was entered into by the parties thereto on January 6, 2026 (the “Initial Restructuring Support Agreement”).

Accordingly, consistent with these lender negotiations, the Company formally launched the Marketing and Sale Process in early December 2025.

ii. The Special Committee and Transaction Committee.

In connection with the Company’s restructuring efforts, on September 30, 2025, TPx Holdings appointed James Gillis and Anthony Horton as independent directors (the “Initial Independent Directors”) of its board of directors (the “Board”). On October 27, 2025, TPx Holdings established a special committee comprised of the Initial Independent Directors (the “Special Committee”) to investigate whether the Company holds potentially valuable and viable claims or causes of action against related parties (the “Independent Investigation”) and evaluate strategic alternatives. As of February 19, 2026, TPx Holdings, at the sole direction of the Special Committee, engaged Katten Muchin Rosenman LLP (“Katten”) as independent counsel to assist in, among other things, conducting the Independent Investigation.

On January 6, 2026, TPx Holdings (a) appointed David Aloise and Lloyd Sprung (the “Subsequent Independent Directors”) to the Board and (b) established a transaction committee comprised of the Initial Independent Directors and Subsequent Independent Directors (collectively, the “Independent Directors”) to oversee the Marketing and Sale Process (the “Transaction Committee”). On April 24, 2026, TPx Holdings appointed the Subsequent Independent Directors as additional members of the Special Committee.

The Independent Investigation has been ongoing since February 2026 and remains ongoing as of the Petition Date. The Special Committee anticipates concluding the Independent Investigation during the Chapter 11 Cases.

iii. The Sale Process.

On December 4, 2025, the Company, with the assistance of PJT, launched the Marketing and Sale Process. Throughout the Marketing and Sale Process, PJT contacted 65 potential buyers, comprised of both strategic partners and financial sponsors, of which 33 signed non-disclosure

¹⁵ The Amended Forbearance Agreements also included an agreement from the lenders party thereto to forbear from exercising remedies in connection with the nonpayment of March 2026 cash interest under the First Lien Term Loan Facility (the “March Interest Payment”). The amounts that would otherwise be due and owing on account of the December Interest Payment and the March Interest Payment, inclusive of any Default Interest owing on such amounts, comprise the Rolled PIK Bridge (as defined below).

agreements and received access to a virtual data room and reviewed due diligence. The management team, along with PJT, engaged in 26 diligence sessions and other transaction-related conversations, including 9 management presentations with potential buyers.

The Company, with the assistance of its Advisors, determined that the Marketing and Sale Process should be extended to further develop the potential bids and interest from potential bidders. Accordingly, as further described below, the Ad Hoc Group and the Consenting Investor provided the Superpriority Term Loan Facility to fund the continuation of the Marketing and Sale Process, as well as other operational expenses.

Following multiple rounds of engagement, the Company received 9 bids; however, the Company and its Advisors determined that none of such bids reflected terms that were sufficiently developed to proceed on an actionable basis at that time. In consultation with its Advisors and key stakeholders, the Company determined that continuing the prepetition Marketing and Sale Process in a court-supervised environment would maximize value and provide additional time and flexibility to solicit higher or otherwise better bids. Accordingly, the Company will continue its Marketing and Sale Process postpetition pursuant to bidding procedures to be approved by the Court, which will include the Minimum Bid Requirements. The Company believes that the postpetition Marketing and Sale Process will provide the best opportunity to consummate a value-maximizing Sale Transaction for the benefit of all stakeholders, or, alternatively, if no actionable bids are received, serve as a robust market test to inform the terms of any potential pivot to a Reorganization Transaction.

d. Superpriority Term Loan Facility and Further Amendments to Forbearance Agreements.

As described above, the Company and its Advisors began negotiating with the Ad Hoc Group and the Consenting Investor in early 2026 regarding the terms of a \$20 million bridge financing transaction (before accounting for applicable fees and interest) pursuant to the Superpriority Credit Agreement, which was consummated on March 18, 2026.¹⁶ This Superpriority Term Loan Facility provided incremental liquidity and runway to conduct the Marketing and Sale Process and negotiate the Restructuring Transactions. As part of the same broader effort to provide runway for evaluation of strategic alternatives, the Company and the lenders party to the Forbearance Agreements, agreed to further amend the Forbearance Agreements to cover certain additional events of default relating to the maturity of the First Lien Term Loan Facility.

Together, the Forbearance Agreements and the Superpriority Term Loan Facility were intended to alleviate near-term liquidity constraints, defer imminent maturity pressures, and facilitate continued, constructive negotiations among the Company, the Ad Hoc Group, and the Consenting Investor regarding the Restructuring Transactions. These actions provided the Company with critical additional time and flexibility to advance the Marketing and Sale Process,

¹⁶ The Company and certain of the Consenting Stakeholders also amended the Initial Restructuring Support Agreement on March 18, 2026 to reflect the terms of the bridge transaction pursuant to the Superpriority Credit Agreement (the “March 2026 Restructuring Support Agreement”).

evaluate potential transactions, and negotiate the Restructuring Transactions, including both a potential Sale Transaction and, if necessary, a Reorganization Transaction.

e. The Restructuring Support Agreement, the Restructuring Transactions, and Commencement of the Chapter 11 Cases.

As described above, over the past year-plus the Company and its Advisors have worked to evaluate all strategic options available and have built considerable consensus with the Ad Hoc Group and the Consenting Investor. These efforts culminated in (a) a commitment from certain of the Company's lenders to provide the DIP Facility; (b) alignment on a dual-track restructuring strategy designed to maximize value through either the Sale Transaction or the Reorganization Transaction; and (c) support from the Consenting Stakeholders for the Restructuring Transactions, the Plan, and the commencement of these Chapter 11 Cases. Such support was memorialized pursuant to a further amendment of the March 2026 Restructuring Support Agreement dated June 28, 2026 (the "Restructuring Support Agreement").

Pursuant to the Restructuring Support Agreement, the Consenting Stakeholders have agreed to, among other things (as applicable): (a) vote to accept the Plan (subject to the terms and conditions set forth therein); (b) support and provide releases as set forth in the Plan; (c) refrain from taking any action that would delay or impede consummation of the Restructuring Transactions or Plan; and (d) support and effectuate the Restructuring Transactions, including entry into the DIP Facility, contemplated by the Restructuring Support Agreement.

The Restructuring Support Agreement contemplates consummation of the Restructuring Transactions in accordance with the following key terms.

First, the Consenting Stakeholders support the Company's entry into the DIP Facility, that includes (a) the \$20 million New Money DIP Facility and (b) the \$53.5 million Roll-Up Facility, which is comprised of a roll-up of (i) \$34.7 million of loans payable under the Superpriority Term Loan Facility (after accounting for the 1.75x MOIC) (the "Rolled Bridge Facility"); (ii) \$13.8 million of unpaid cash interest under the First Lien Term Loan Facility (such amounts, the "Rolled PIK Bridge"); and (iii) \$5 million of loans outstanding under the First Lien Term Loan Facility (such amounts in this clause (iii), the "Pari Rolled Debt").

Second, the Debtors' capital structure will be reorganized in accordance with the following key terms, all as set forth in greater detail in the Plan:

- all outstanding obligations under the New Money DIP Facility will be converted on a dollar-for-dollar basis into obligations under a new 1L Exit Facility;
- all outstanding obligations under the Rolled Bridge Facility will either be (a) converted on a dollar-for-dollar basis into obligations under the 1L Exit Facility (if the holders thereof fund their pro rata portion of the New Money DIP Facility) or (b) paid in full in cash with proceeds derived from the Preferred Equity New Money Commitments;

- all outstanding obligations on account of the Rolled PIK Bridge will be either converted (a) on a dollar-for-dollar basis into obligations under the 1L Exit Facility or (b) into Tranche A Preferred Equity Interests (as applicable);
- all outstanding obligations on account of the Pari Rolled Debt will be converted on a dollar-for-dollar basis into obligations under the 1L Exit Facility;
- all remaining obligations on account of the First Lien Term Loan Facility and Revolving Credit Facility shall either (a) be converted into equity of a reorganized Company (subject to dilution as set forth in the Plan) or (b) receive a pro rata cash payment with proceeds derived from the Preferred Equity New Money Commitments;
- all outstanding obligations under the Second Lien Term Loan Facility will be converted into certain warrants exercisable for equity of the reorganized Company subject to the exercise limitations set forth in the Plan; and
- certain of the Consenting Stakeholders will enter into and provide the Preferred Equity New Money Commitments.¹⁷

The resulting capital structure will substantially de-lever the Company's balance sheet by approximately \$1 billion, as set forth below:

Current Capital Structure (Approximate Amounts Outstanding)		Reorganized Capital Structure	
Superpriority Term Loan Facility	\$22 million	Exit 1L Term Loan	\$54 million
First Lien Term Loan Facility	\$421 million	Tranche A Preferred Equity Interests	\$65 million
Revolving Credit Facility	\$5 million	Tranche B Preferred Equity Interests	\$10 million
Second Lien Term Loan Facility	\$658 million		
Third Lien Term Loan Facility	\$33 million		
Total	\$1.1 billion	Total	\$129 million

The Debtors are committed to pursuing the Restructuring Transactions embodied in the Restructuring Support Agreement and the Plan and emerging from these Chapter 11 Cases with a deleveraged balance sheet and the financial flexibility to continue providing their customers with reliable and uninterrupted services on a go-forward basis. Although the Debtors continued their comprehensive Marketing and Sale Process on a postpetition basis, such process did not receive

¹⁷ As set forth in the Plan, the Preferred Equity New Money Commitments are comprised of (a) a \$51.6 million new-money commitment by certain of the Consenting Stakeholders (b) a \$3.7 million commitment fee; (c) \$9.3 million of obligations from the Rolled PIK Bridge (collectively, "Tranche A"); and (d) a contribution by the RPA Purchasers of \$9.8 million of RPA Obligations back to the Company ("Tranche B").

any actionable bids. Accordingly, the Debtors, with the consent of the Ad Hoc Group, determined to pursue the Reorganization Transaction, which provides a clear and executable path to deleveraging the Debtors' balance sheet. These Restructuring Transactions will preserve and strengthen the going-concern value of the business, and maximize creditor recoveries, all while minimizing disruption to day-to-day operations. In short, the Debtors believe the Restructuring Transactions contemplated in the Restructuring Support Agreement and the Plan represent the best available path to a value-maximizing transaction for the Debtors and their estates.

ARTICLE IV. EVENTS DURING CHAPTER 11 CASE

A. Commencement of the Chapter 11 Cases and the Debtors' Professionals.

On the Petition Date, the Debtors filed petitions for relief under chapter 11 of the Bankruptcy Code.

The Debtors are seeking retention of Kroll Restructuring Administration LLC as their Claims and Noticing Agent, effective as of the Petition Date. The Debtors intend to additionally seek the retention of (a) Sidley, as counsel to the Debtors, (b) Katten, as special counsel to the Debtors, (c) Portage Point, as financial advisor to the Debtors, and (d) PJT, as investment banker to the Debtors.

B. First Day Relief.

On or soon after the Petition Date, the Debtors filed a number of motions and other pleadings (collectively the "First Day Motions") to ensure an orderly transition into chapter 11, including the following:

Administrative and Procedural Motions

- "Automatic Stay Motion": Debtors' Emergency Motion for Entry of an Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipso Facto Protections of the Bankruptcy Code; (II) Approving the Form and Manner of Notice; and (III) Granting Related Relief
- "Bar Date Motion":¹⁸ Debtors' Motion for Entry of an Order (I) Setting Bar Dates for Filing Proofs of Claim; (II) Approving the Form and Manner for Filing Proofs of Claim; (III) Approving the Notice of Bar Dates; and (IV) Granting Related Relief
- "Claims Agent Retention Application": Emergency Ex Parte Application for Entry of an Order Authorizing the Retention and Employment of Kroll Restructuring Administration LLC as Claims, Noticing, and Solicitation Agent
- "Creditor Matrix Motion": Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated Creditor Matrix, (B) File a Consolidated List of 30 Largest Unsecured Creditors, (C) Redact Certain

¹⁸ The Bar Date Motion, while filed on the Petition Date, will not be heard at the First Day Hearing.

Personally Identifiable Information; (II) Approving the Form and Manner of Notifying Creditors of Commencement of Chapter 11 Cases and Other Information; and (III) Granting Related Relief

- *“Joint Administration Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Directing Joint Administration of the Debtors’ Chapter 11 Cases and (II) Granting Related Relief*
- *“Notice of Designation as Complex Case”: Notice of Designation as Complex Chapter 11 Bankruptcy Case*
- *“Request for Emergency Consideration”: Debtors’ Request for Emergency Consideration of Certain “First Day” Matters*
- *“Schedules and Statements Extension Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Extending Time for the Debtors to File (A) Schedules of Assets and Liabilities and Statements of Financial Affairs and (B) 2015.3 Reports; (II) Modifying the Requirements of Bankruptcy Local Rule 2015-3; and (III) Granting Related Relief*

Operational Motions

- *“Cash Management Motion”: Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions, and (C) Maintain Existing Business Forms and Books and Records; (II) Granting Administrative Expense Status to Postpetition Intercompany Transactions; and (III) Granting Related Relief*
- *“Critical Vendors Motion”: Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Claims of Critical Vendors; and (II) Granting Related Relief*
- *“Customer Programs Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief*
- *“DIP Motion”: Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (II) Grant Senior Secured Liens and Provide Claims With Superpriority Administrative Expense Status, and (III) Grant Adequate Protection to the Prepetition Secured Parties; (II) Modifying the Automatic Stay; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief*
- *“Employee Wages Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, and Employee Benefits and (B) Continue the Postpetition Maintenance of Employee Benefit Programs, Policies, and Procedures in the Ordinary Course; and (II) Granting Related Relief*

- “Insurance Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Continue Their Prepetition Insurance Coverage and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Continue to Pay Brokerage Fees, and (D) Maintain the Surety Bond Program; and (II) Granting Related Relief
- “Lease Rejection Motion”: ¹⁹ Debtors’ First Omnibus Motion for Entry of an Order (I) Authorizing Debtors to (A) Reject Certain Executory Contracts and Unexpired Leases, and (B) Abandon Certain Personal Property in Connection Therewith; and (II) Granting Related Relief
- “NOL Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Approving Notification and Hearing Procedures for Certain Transfers of, and Declarations of Worthlessness With Respect to, Instruments Treated as Stock; and (II) Granting Related Relief
- “Taxes Motion”: Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Taxes and Fees; and (II) Granting Related Relief
- “Utilities Motion”: Debtors’ Emergency Motion for Entry of an Order (I)(A) Approving Debtors’ Proposed Form of Adequate Assurance of Payment to Utility Providers; (B) Establishing Procedures for Determining Adequate Assurance of Payment for Future Utility Services; (C) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service; and (II) Granting Related Relief

As of the date hereof, the Debtors have received Bankruptcy Court approval of all relief requested in the First Day Motions.

C. The Postpetition Marketing Process.²⁰

Prior to the Petition Date, the Debtors, with the assistance of their investment banker PJT, commenced a broad marketing process for a sale of all or a portion of the Debtors’ assets. On June 28, 2026, the Bankruptcy Court entered the Bid Procedures Order approving the Bid Procedures contained therein, which established the framework, requirements, and deadlines governing the postpetition continuation of the Marketing and Sale Process, including the Minimum Bid Requirements. No stalking horse bidder was designated.

Pursuant to the Bid Procedures, PJT continued and expanded the Marketing and Sale Process following the Petition Date. In the aggregate, PJT contacted approximately 72 potential counterparties, comprising financial sponsors, managed service providers, and strategic telecommunications companies. Of the parties contacted, 20 executed nondisclosure agreements

¹⁹ The Lease Rejection Motion, while filed on the Petition Date, will not be heard at the First Day Hearing.

²⁰ Capitalized terms used but not otherwise defined in this Article IV.C shall have the meaning ascribed to such terms in the Bid Procedures.

and were granted access to a virtual data room, 11 advanced to first-round diligence and 6 advanced to second-round diligence, with 27 parties declining to participate further.

Notwithstanding this comprehensive outreach, as of August 7, 2026 at 4:00 p.m. (prevailing Central Time) (the “Bid Deadline”), the Debtors did not receive any Qualified Bid or other actionable bid that satisfied the Minimum Bid Requirements established under the Bid Procedures. Accordingly, no Auction will be held, and the Debtors have filed a notice of cancellation of the Auction with the Bankruptcy Court.²¹

Because the postpetition Marketing and Sale Process did not yield any actionable bid, and consistent with the Bid Procedures and the Restructuring Support Agreement, the Debtors, with the consent of the Ad Hoc Group, have determined to pursue the Reorganization Transaction. The Debtors believe that the Reorganization Transaction represents the best available value-maximizing transaction for the Debtors and their estates and provides a clear and executable path to deleveraging the Debtors’ balance sheet while preserving the going-concern value of the Debtors’ business and minimizing interruptions to ongoing business activities.

D. Appointment of Committee and Global Settlement.

On July 9, 2026, the U.S. Trustee appointed an official committee of unsecured creditors in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code [Docket No. 122] (the “Committee”).

Following its formation, the Committee, the Debtors, and the Ad Hoc Group (collectively, the “Settlement Parties”) worked cooperatively to resolve certain issues raised by the Committee, including with respect to approval of the DIP Motion on a final basis, the Plan, and the Marketing and Sale Process. Ahead of the hearing to approve the DIP Motion on a final basis, which was set for August 3, 2026, the Settlement Parties reached a global settlement resolving those issues, which is memorialized in a settlement term sheet filed with the Bankruptcy Court on July 31, 2026 [Docket No. 230] (the “Settlement Term Sheet”).

The Settlement Term Sheet provides that the terms of the settlement will be incorporated into (a) the Plan pursuant to section 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019, including the release provisions of the Plan, and (b) the Final DIP Order and the DIP Documents, including the Approved Budget.

With respect to the Plan, the Committee Settlement (defined below) provides that (a) Holders of Allowed General Unsecured Claims in Class 6 will receive, in full and final satisfaction of such Claims, their Pro Rata share of the Total GUC Consideration; (b) the definition of “General Unsecured Claims” in the Plan excludes all Pari Funded Debt Deficiency Claims, Second Lien Deficiency Claims, and Third Lien Deficiency Claims, and such Claims are waived as of the Effective Date; (c) the Debtors will reasonably consult with the Committee regarding the Rejected Executory Contracts and Unexpired Leases Schedule, with consultation with counsel to

²¹ See Notice of Cancellation of Auction and Proceeding with Reorganization Transaction [Docket No. 267].

the Committee constituting consultation with the Committee; and (d) the Settlement Parties support the discharge, releases, and exculpations set forth in the Plan.

With respect to the DIP Motion, the Committee Settlement provides that (a) the aggregate amount payable by the Debtors on account of Allowed Professional Fee Claims of the Committee's professionals arising between the Petition Date and the Effective Date shall not exceed \$1.95 million (the "Committee Fee Budget"), and the Committee's professionals shall not seek payment in excess of the Committee Fee Budget; (b) the Approved Budget will be revised to reflect the Committee Fee Budget; (c) the Committee's investigation budget is increased to \$75,000; (d) the Carve Out amount for the Committee's professionals is increased to \$150,000; and (e) the Final DIP Order includes agreed "soft marshaling" language providing that, in the event the Prepetition Secured Parties are entitled to exercise remedies following expiration of the DIP Agent Remedies Notice Period, prior to seeking recovery from any Avoidance Proceeds the Prepetition Secured Parties will use commercially reasonable efforts to first look to the applicable Collateral other than Avoidance Proceeds to satisfy the Adequate Protection Claims.

In exchange, the Committee agreed to support the Debtors' restructuring, including by (a) forgoing objections to any motions, applications, or requested relief of the Debtors or the Ad Hoc Group that is substantially consistent with the Settlement Term Sheet, including the motions seeking approval of the DIP Order and the Confirmation Order; (b) forgoing, not pursuing, and not seeking standing to pursue any Challenges (as defined in the DIP Order); (c) affirmatively supporting, and upon the Debtors' reasonable request filing a supportive pleading or distributing materials to general unsecured creditors in support of, the Debtors' sale process and Confirmation of the Plan; (d) recommending to all general unsecured creditors that they vote to accept the Plan, including the releases embodied therein, and upon the Debtors' reasonable request, distributing a letter to that effect; (e) not disparaging, challenging, or objecting to, directly or indirectly, any aspect of the DIP Order, the Plan (including any releases contained therein), the Restructuring Transactions, or the Marketing and Sale Process, or the Settlement Parties and the Consenting Investor regarding the topics covered by the Settlement Term Sheet; and (f) taking any other actions in support of the Restructuring Transactions and the Committee Settlement reasonably requested by the Debtors.

E. Bar Dates.

The Debtors have filed a Bar Date Motion to set a general bar date (the "General Bar Date"), a governmental bar date (the "Governmental Bar Date"), an amended schedules bar date (the "Amended Schedules Bar Date"), and a rejection damages bar date (the "Rejection Damages Bar Date") in advance of the Combined Hearing.

All creditors of the Debtors who wish to assert a claim against the Debtors must file a proof of claim by the General Bar Date, the Governmental Bar Date, the Amended Schedules Bar Date, or the Rejection Damages Bar Date (collectively, the "Bar Dates"), as applicable. Such proof of claim must be filed so as to be **actually received** by the Debtors' Claims and Noticing Agent on or before the applicable Bar Date, unless such entity's claim falls within one of the exceptions set forth in the Bar Date Order. The Claims and Noticing Agent will supplement the initial solicitation mailing and serve Solicitation Packages with Ballots and/or Non-Voting Status Packages, as

applicable, on a rolling and expedited basis, to Holders of Claims that validly file a Proof of Claim after the Voting Record Date but on or before the General Bar Date.

a. The General Bar Date

The Debtors have requested that the Court establish August 17, 2026, at 11:59 p.m. (prevailing Central Time) as the General Bar Date for all entities, other than governmental units, holding prepetition claims against the Debtors to file Proofs of Claim. The General Bar Date shall apply to all types of claims against the Debtors that arose prior to the Petition Date, including secured claims, unsecured priority claims (including, without limitation, claims entitled to priority under sections 507(a)(4) and (5), or 503(b)(9) of the Bankruptcy Code), and unsecured nonpriority claims. The General Bar Date would be the last date and time by which all entities, other than governmental units holding prepetition claims, must file Proofs of Claim so that such Proofs of Claim are **actually received** by the Debtors' Claims and Noticing Agent on or before the General Bar Date, unless such entity's claim falls within one of the exceptions set forth in the Bar Date Order.

b. The Governmental Bar Date

Section 502(b)(9) of the Bankruptcy Code provides, in relevant part, that "[a] claim of a governmental unit shall be timely filed if it is filed before 180 days after the date of the order for relief or such later time as the [Bankruptcy Rules] may provide" 11 U.S.C. § 502(b)(9). The Debtors have therefore requested that the Court establish December 28, 2026, at 11:59 p.m. (prevailing Central Time) in these Chapter 11 Cases. The Governmental Bar Date will apply to all governmental units holding claims against the Debtors (whether secured, unsecured priority, or unsecured non-priority) that arose prior to the Petition Date, including governmental units with claims against the Debtors for unpaid taxes, if any, whether such claims arose from prepetition tax years or periods, or prepetition transactions to which the Debtors were a party. All governmental units holding such claims against the Debtors will be required to file Proofs of Claim so that such Proofs of Claim are **actually received** by the Debtors' Claims and Noticing Agent, on or before the Governmental Bar Date.

c. The Amended Schedules Bar Date

In accordance with Bankruptcy Local Rule 1009-1, in the event that the Debtors amend or supplement their Schedules after having given notice of the Bar Dates, the Debtors have proposed that with respect to holders of claims affected thereby, the Court establish the later of: (a) the General Bar Date or the Governmental Bar Date, as applicable to such claims; and (b) 11:59 p.m. (prevailing Central Time) on the date that is twenty-one (21) days from the date on which the Debtors mail notice of the amendment or supplement to the Schedules, as the Amended Schedules Bar Date. Notice of the Amended Schedules Bar Date shall be sent to each claimant holding a claim affected by any such amendment or supplement and shall describe the listing and treatment of such claim on the Schedules, including how such treatment has changed, if applicable, and indicate the Amended Schedules Bar Date for such claim.

d. Rejection Damages Bar Date

The Debtors request that the Court establish the later of (a) the General Bar Date and (b) 11:59 p.m. (prevailing Central Time), on the date that is thirty (30) days after the later of (i) entry of an order approving the rejection of any executory contract or unexpired lease of the Debtors and (ii) the effective date of a rejection of any executory contract or unexpired lease of the Debtors pursuant to operation of any Court order, as the Rejection Damages Bar Date for all entities asserting a claim arising from the Debtors' rejection of any executory contract or unexpired lease. All entities holding such claims against the Debtors must file Proofs of Claim so that such Proofs of Claim are **actually received** by the Debtors' Claims and Noticing Agent by the applicable Rejection Damages Bar Date.

e. Failure to Timely File

Pursuant to Bankruptcy Rule 3003(c)(2), the Debtors have proposed that any person or entity who is required, but fails, to file a Proof of Claim in accordance with the terms of the Bar Date Order on or before the applicable Bar Date (absent the consent of the Debtors, with the consent of the Ad Hoc Group) shall be forever barred, estopped, and enjoined from asserting such claim against the Debtors (or filing a Proof of Claim) and the Debtors and their property shall be forever discharged from any and all indebtedness or liability with respect to or arising from such claim; *provided* that late-filed Proofs of Claim shall be treated in accordance with section 726(a)(3) of the Bankruptcy Code. Moreover, such creditor shall be prohibited from voting to accept or reject any plan filed in these chapter 11 cases, participating in any distribution in these Chapter 11 Cases on account of such claim, or receiving further notices regarding such claim.

F. Confirmation Schedule.

Pursuant to the Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing; (II) Conditionally Approving the Disclosure Statement; (III) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures; (IV) Approving the Solicitation Procedures; (V) Approving the Combined Notice; (VI) Establishing Procedures for the Assumption and Rejection of Executory Contracts and Unexpired Leases; and (VII) Granting Related Relief [Docket No. 115], the Bankruptcy Court has approved the following schedule of proposed dates and deadlines:

Date and Time (all in prevailing Central Time)	Event or Deadline
June 28, 2026 at 4:00 p.m.	Voting Record Date
Within five (5) business days following entry of the Solicitation Procedures Order or as soon as reasonably practicable thereafter	Solicitation Deadline / Publication Deadline / Combined Notice Mailing / Cure Notice Mailing and Filing
July 21, 2026 at 4:00 p.m.	Cure Objection Deadline
August 17, 2026	Plan Supplement Filing Deadline
August 24, 2026	Voting Resolution Event Deadline
August 26, 2026 at 4:00 p.m.	Voting Deadline
August 26, 2026 at 4:00 p.m.	Third-Party Release Deadline
August 26, 2026 at 4:00 p.m.	Objection Deadline

Date and Time (all in prevailing Central Time)	Event or Deadline
August 31, 2026 at 4:00 p.m.	Confirmation Brief Deadline and Voting Report Deadline
September 2, 2026 at 11:00 a.m. (prevailing Central Time)	Combined Hearing

ARTICLE V.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Administrative Claims, Priority Tax Claims, and Statutory Fees.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP 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 of the Plan.

a. Administrative Claims.

Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, or otherwise provided for under the Plan, and unless such Holder has been paid by the Debtors or the Reorganized Debtors, as applicable, on account of such Allowed Administrative Claim prior to the Effective Date, each Holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code or otherwise be paid in full in Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (1) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which an order allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable, and, in each case, with the consent of the Ad Hoc Group; or (5) at such time and upon such terms as set forth in an order of the Bankruptcy Court. Nothing in the foregoing or otherwise in the Plan shall prejudice the Debtors' or the Reorganized Debtors rights and defenses regarding any asserted Administrative Claim. For the avoidance of doubt, Holders of Administrative Claims that are Professional Fee Claims or Independent Director Fee Claims need not file requests for payment of Administrative Claims with the Bankruptcy Court.

b. DIP Claims.

On the Effective Date, in full and final satisfaction of all Allowed DIP Claims, the DIP Obligations, including, for the avoidance of doubt, all Claims in respect of the outstanding principal amount of all DIP Loans and any accrued but unpaid interest thereon, including any outstanding fees, premiums, costs, or expenses, shall be satisfied as follows: (i) holders of Allowed DIP Claims on account of DIP New Money Term Loan Advances and DIP Rolled-Up First Lien Principal Term Loan Advances shall receive 1L Exit Term Loans in accordance with the terms of the DIP Loan Documents; (ii) holders of Allowed DIP Claims on account of DIP Rolled-Up Bridge Term Loan Advances shall (x) be paid in full in Cash or, (y) if such holders are Funding Consenting Lenders, receive 1L Exit Term Loans in accordance with the terms of the DIP Loan Documents; and (iii) holders of Allowed DIP Claims on account of DIP Rolled-Up First Lien Interest Term Loan Advances shall (x) be paid in full in Cash or, (y) if such holders are Funding Consenting Lenders, receive Preferred Equity Tranche A Interests (including in respect of the Preferred Equity Exchange Premium) in accordance with the terms of the DIP Loan Documents, the Governance Term Sheet and the other Definitive Documents.

c. Professional Fee Claims.

i. *Final Fee Applications and Payment of Professional Fee Claims.*

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than forty-five (45) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Debtors or the Reorganized Debtors, as applicable, shall pay Professional Fee Claims in Cash in the amount the Bankruptcy Court Allows, including from the Professional Fee Account, which the Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date.

ii. *Professional Fee Account.*

On the Effective Date, the Debtors shall establish and fund the Professional Fee Account with Cash equal to the Professional Fee Amount, which shall be funded by the Debtors. The Professional Fee Account shall be maintained solely for the Professionals. The amount of Allowed Professional Fee Claims shall be paid in Cash to the Professionals by the Debtors or the Reorganized Debtors, as applicable, from the Professional Fee Account as soon as reasonably practicable after such Professional Fee Claims are Allowed. Any amount remaining in the Professional Fee Account, after payment of (a) all Allowed Professional Fee Claims and (b) the portion of the Savings Consideration actually distributed to Holders of General Unsecured Claims as part of the Total GUC Consideration, shall promptly be paid to the Debtors or the Reorganized Debtors, as applicable, without any further action or order of the Bankruptcy Court. If the Professional Fee Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, the remaining unpaid Allowed Professional Fee Claims shall be paid by the Reorganized Debtors as Allowed Administrative Claims. For the avoidance of doubt, the Professional Fee

Account cannot be used to pay any Secured, Priority, or Administrative Claims until all Professional Fee Claims are satisfied or otherwise reserved for.

iii. Professional Fee Amount.

Professionals shall reasonably estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date, and shall deliver such estimate to the Debtors no later than two (2) Business days before the Effective Date; *provided* that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of each Professional's final request for payment in the Chapter 11 Cases. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

d. Post-Confirmation Date Fees and Expenses.

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors. Upon the Confirmation Date, any requirement that 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 Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that any payments to Professionals from and after the Confirmation Date shall be subject to the DIP Orders, including the Approved Budget, and the other DIP Documents (as defined in the DIP Orders).

e. 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 section 1129(a)(9)(C) of the Bankruptcy Code or otherwise be paid in full in Cash.

f. Payment of Transaction Expenses.

The Transaction Expenses incurred, or estimated to be incurred, up to and including the Effective Date (or, with respect to necessary post-Effective Date activities, after the Effective Date), shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, and without any requirement for Bankruptcy Court review or approval. All Transaction Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least two (2) Business Days before the anticipated Effective Date; *provided* that such estimates shall not be considered an admission or limitation with respect to such Transaction Expenses. On or as soon as practicable after the Effective Date, final invoices for all Transaction Expenses incurred prior to and unpaid as of the Effective Date shall be submitted to the Debtors

or the Reorganized Debtors, as applicable, and shall be paid, or caused to be paid, by the Debtors or the Reorganized Debtors, as applicable, within ten (10) Business Days of receipt of the applicable final invoice. Any Transaction Expenses that constitute Adequate Protection Obligations (as defined in the DIP Order) are entitled to all rights and protections of other Adequate Protection Obligations (as defined in the DIP Order). In addition, the Debtors or the Reorganized Debtors, as applicable, shall continue to pay, when due, pre- and post-Effective Date Transaction Expenses related to implementation, consummation, and defense of the Plan, whether incurred before, on, or after the Effective Date, without any requirement for Bankruptcy Court review or approval.

Notwithstanding anything to the contrary contained in the Plan, any unpaid Claim payable on account of the Transaction Expenses that the Debtors are obligated to pay under the Plan or under any of the DIP Loan Documents and for which the Debtors have received an invoice, shall constitute an Allowed Administrative Claim and shall be paid on a current basis in full in Cash on the Effective Date or as reasonably practicable thereafter, or to the extent accrued after the Effective Date, on a current basis in full in Cash as invoiced. Nothing in the Plan shall require the Ad Hoc Group, DIP Lenders, or DIP Agent, as applicable, to file applications, a Proof of Claim or otherwise seek approval of the Bankruptcy Court as a condition to payment of such Allowed Administrative Claims.

B. Classification of Claims and Interests.

The Plan constitutes a separate Plan proposed by each Debtor. Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest, or any portion thereof, is classified in a particular Class only to the extent that any portion of such Claim or Interest fits within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest fits within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against the Debtors pursuant to the Plan is as follows:

<u>Class</u>	<u>Type of Claim or Interest</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 1	Other Secured Claims	Unimpaired	No (Presumed to accept)
Class 2	Other Priority Claims	Unimpaired	No (Presumed to accept)
Class 3	Pari Funded Debt Secured Claims	Impaired	Yes
Class 4	Second Lien Secured Claims	Impaired	Yes
Class 5	Third Lien Secured Claims	Impaired	Yes
Class 6	General Unsecured Claims	Impaired	Yes
Class 7	Intercompany Claims	Impaired / Unimpaired	No (Deemed to reject / presumed to accept)
Class 8	Subordinated Claims	Impaired	No (Deemed to reject)

<u>Class</u>	<u>Type of Claim or Interest</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 9	Intercompany Interests	Impaired / Unimpaired	No (Deemed to reject / presumed to accept)
Class 10	Existing Equity Interests	Impaired	No (Deemed to reject)

C. Treatment of Claims and Interests.

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors or the Reorganized Debtors, as applicable, with the consent of the Ad Hoc Group, and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

a. Class 1 – Other Secured Claims

- i. Classification:* Class 1 consists of all Other Secured Claims.
- ii. Treatment:* The legal, equitable, and contractual rights of the Holders of Allowed Other Secured Claims are unaltered by the Plan. Each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor with the consent of the Ad Hoc Group:
 - (a) payment in full in Cash of its Allowed Other Secured Claim;
 - (b) the collateral securing its Allowed Other Secured Claim;
 - (c) Reinstatement of its Allowed Other Secured Claim; or
 - (d) such other treatment that renders its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- iii. Voting:* Class 1 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

b. Class 2 – Other Priority Claims

- i. Classification:* Class 2 consists of all Other Priority Claims.
- ii. Treatment:* The legal, equitable, and contractual rights of the Holders of Allowed Other Priority Claims are unaltered by the Plan. Each Holder

of an Allowed Other Priority Claim shall receive treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code.

- iii. *Voting:* Class 2 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

c. Class 3 – Pari Funded Debt Secured Claims

- i. *Classification:* Class 3 consists of all Pari Funded Debt Secured Claims.
- ii. *Treatment:* Each Holder of an Allowed Pari Funded Debt Secured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the Reorganization Consideration; *provided* that each Holder of an Allowed Pari Funded Debt Secured Claim shall have the option to elect to exercise the Cash-Out Option in lieu of receiving its Pro Rata share of the Reorganization Consideration; *provided, further* that all distributions to Holders of Allowed Pari Funded Debt Secured Claims shall be in accordance with the Pari Passu Intercreditor Agreement.
- iii. *Voting:* Class 3 is Impaired under the Plan. Holders of Pari Funded Debt Secured Claims are entitled to vote to accept or reject the Plan.

d. Class 4 – Second Lien Secured Claims

- i. *Classification:* Class 4 consists of all Second Lien Secured Claims.
- ii. *Treatment:* Each Holder of an Allowed Second Lien Secured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the Warrants.
- iii. *Voting:* Class 4 is Impaired under the Plan. Holders of Second Lien Secured Claims are entitled to vote to accept or reject the Plan.

e. Class 5 – Third Lien Secured Claims

- i. *Classification:* Class 5 consists of all Third Lien Secured Claims.
- ii. *Treatment:* Each Holder of an Allowed Third Lien Secured Claim will be discharged and released and each Holder of such Allowed Third Lien Secured Claim shall not receive or retain any distribution, property, or other value on account of its Allowed Third Lien Secured Claim.
- iii. *Voting:* Class 5 is Impaired under the Plan. Holders of Third Lien Secured Claims are entitled to vote to accept or reject the Plan.

f. Class 6 – General Unsecured Claims

- i. *Classification:* Class 6 consists of all General Unsecured Claims.
- ii. *Treatment:* Except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim will receive, in full and final satisfaction of such Claim, its Pro Rata share of the Total GUC Consideration.
- iii. *Voting:* Class 6 is Impaired under the Plan. Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan.

g. Class 7 – Intercompany Claims

- i. *Classification:* Class 7 consists of all Intercompany Claims.
- ii. *Treatment:* Each Allowed Intercompany Claim shall be, at the option of the applicable Debtor, with the consent of the Ad Hoc Group, either:
 - (a) Reinstated;
 - (b) canceled, released, and extinguished, and will be of no further force or effect; or
 - (c) otherwise addressed at the option of each applicable Debtor such that Holders of Intercompany Claims will not receive any distribution on account of such Intercompany Claims.
- iii. *Voting:* Class 7 is either conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code or conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

h. Class 8 – Subordinated Claims

- i. *Classification:* Class 8 consists of all Subordinated Claims.
- ii. *Treatment:* Each Allowed Subordinated Claim will be discharged and released and each Holder of such Allowed Subordinated Claim shall not receive or retain any distribution, property, or other value on account of its Allowed Subordinated Claim.
- iii. *Voting:* Class 8 is Impaired under the Plan and Holders of Subordinated Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

i. Class 9 – Intercompany Interests

- i. *Classification:* Class 9 consists of all Intercompany Interests.
- ii. *Treatment:* Each Allowed Intercompany Interest shall be, at the option of the applicable Debtor, with the consent of the Ad Hoc Group, either:
 - (a) Reinstated;
 - (b) canceled, released, and extinguished, and will be of no further force or effect; or
 - (c) otherwise addressed at the option of each applicable Debtor such that Holders of Intercompany Interests will not receive any distribution on account of such Intercompany Interests.
- iii. *Voting:* Class 9 is either conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code or conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

j. Class 10 – Existing Equity Interests

- i. *Classification:* Class 10 consists of all Existing Equity Interests.
- ii. *Treatment:* All Existing Equity Interests shall be discharged, canceled, released, and extinguished and will be of no further force or effect.
- iii. *Voting:* Class 10 is Impaired and is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

D. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including, all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

E. Elimination of Vacant Classes.

Any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court in an amount greater than zero 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. Voting Classes, Presumed Acceptance by Non-Voting Classes.

If a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

G. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

H. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed 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. Any such contractual, legal, or equitable subordination rights shall be settled, compromised, and released pursuant to the Plan.

I. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Debtors may seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right, subject to the prior consent of the Ad Hoc Group, to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

J. Insurance.

Notwithstanding anything to the contrary in the Plan, if any Claim is subject to coverage under an Insurance Policy, payments on account of such Claim will first be made from proceeds of such Insurance Policy in accordance with the terms thereof, with the balance of such Claim, if any, treated in accordance with the provisions of the Plan governing the Class applicable to such Claim.

ARTICLE VI. MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests.

As discussed in detail herein and as otherwise provided in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, whether under any provision of chapter 5 of the Bankruptcy Code, on any equitable theory (including equitable subordination, equitable disallowance, or unjust enrichment) or otherwise.

In addition, the Plan incorporates and gives effect to a global settlement among the Debtors, the Ad Hoc Group, and the Committee (the “Committee Settlement”). Pursuant to the Committee Settlement, and as reflected in the treatment of Class 6 herein and in that certain *Notice of Settlement Term Sheet Regarding the Global Settlement Among the Debtors, Ad Hoc Group, and Committee* [Docket No. 230], Holders of Allowed General Unsecured Claims will receive their Pro Rata share of the Total GUC Consideration, consisting of (i) the Fixed GUC Consideration (i.e., \$1.0 million in Cash), (ii) the Savings Consideration,²² and (iii) the First Day Consideration,²³ subject to an aggregate cap of \$3.0 million and a proportionate reduction if the aggregate amount of Allowed Claims in Class 6 is less than \$27.8 million. In consideration of the foregoing, among other things, the Pari Funded Debt Deficiency Claims, Second Lien Deficiency Claims, and Third Lien Deficiency Claims are waived as of the Effective Date and will not receive any distribution under the Plan, and the Committee supports Confirmation of 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 Bankruptcy Court’s approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be final.

Certain Claims and Causes of Action may exist between one or more of the Debtors and one or more of its Affiliates, which Claims and Causes of Action may have been settled, and such

²² The Savings Consideration is, to the extent positive, the amount budgeted in the Updated DIP Budget for the payment of Allowed Professional Fees and the fees and expenses of the Ad Hoc Group Advisors and professionals for the DIP Agent and the Agent, less the amounts actually paid and estimated to be accrued for such fees and expenses on or before the Effective Date.

²³ The First Day Consideration is an amount equal to \$15.5 million less the aggregate amount of First Day Payments as of the Effective Date, and shall not be less than \$0.

settlement, if applicable, is reflected in the treatment of the Intercompany Claims and Intercompany Interests.

B. Restructuring Transactions.

On or before the Effective Date, the applicable Debtors (and their respective officers, directors, members, or managers (as applicable)) shall enter into and shall take any actions as may be necessary or appropriate to effect the Restructuring Transactions and may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan that are consistent with and pursuant to the terms and conditions of the Plan (and without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan) and the Restructuring Transactions Memorandum. These actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable 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 and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial Law; (4) the issuance and distribution of the New Equity Interests and Warrants, (5) such other transactions that are required to effectuate the Restructuring Transactions, including any transactions set forth in the Restructuring Transactions Memorandum, and (6) all other actions that the applicable Entities determine to be necessary, including making filings or recordings that may be required by applicable Law in connection with the Plan. All Holders of Claims and Interests receiving distributions pursuant to the Plan and all other necessary parties in interest, including any and all agents thereof, shall prepare, execute, and deliver any agreements or documents, and take any other actions as the Debtors may determine are necessary or advisable, including by voting and/or exercising any powers or rights available to such Holder, including at any board, or creditors', or shareholders' meeting (including any special meeting), to effectuate the provisions and intent of the Plan.

The Confirmation Order shall, and shall be deemed to, pursuant to sections 363 and 1123 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, contemplated by, or necessary to effectuate the Plan.

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring Transactions. The Reorganization Transaction may be subject to regulatory approvals prior to consummation.

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt their New Organizational Documents. The Reorganized Debtors shall be authorized

to adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary to consummate the Plan. Cash payments to be made pursuant to the Plan will be made by the Debtors or the Reorganized Debtors, as applicable. The Debtors and the Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Debtors or the Reorganized Debtors, as applicable, to satisfy their obligations under the Plan. Except as set forth in the Plan, 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.

From and after the Effective Date, the Reorganized Debtors, subject to any applicable limitations set forth in any post-Effective Date agreement, shall have the right and authority, without further order of the Bankruptcy Court, to raise additional capital and obtain additional financing, subject to the New Organizational Documents, as the Governing Bodies of the applicable Reorganized Debtors deem appropriate.

C. Purchased Receivables.

Prior to the Effective Date, no Cash received by the Debtors on account of receivables sold pursuant to the Receivables Purchase Agreements shall be transferred to the applicable purchaser thereunder.

On the Effective Date, in full and final satisfaction, settlement, discharge, and release of the RPA Obligations, (a) the purchasers of the accounts receivable pursuant to the Receivables Purchase Agreements shall transfer, assign, and contribute to the Reorganized Debtors all of their right, title, and interest in and to such accounts receivable free and clear of all Liens, Claims, and encumbrances, and (b) in exchange therefor, such purchasers shall receive their Pro Rata share of the Preferred Equity Tranche B Interests, upon the terms as provided for in Article IV, the Governance Term Sheet and New Organizational Documents.

D. Vesting of Assets.

Except as otherwise provided in the Confirmation Order, the Plan, or any agreement, instrument, or other document incorporated in, or entered into in connection with or pursuant to, the Plan or Plan Supplement, on the Effective Date, all property in each Estate, all Executory Contracts assumed, but not assigned, by any of the Debtors, the Retained Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan, including any Interests held by the Debtors in non-Debtor subsidiaries, shall vest in the Reorganized Debtors free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and each Reorganized Debtor may compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order.

E. Cancellation of Existing Securities and Agreements.

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing or creating indebtedness or obligations of (or ownership interest in) the Debtors that are Reinstated pursuant to the Plan) shall be deemed canceled, discharged and of no force or effect, without further action or approval of the Court.

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 the Debtors (except such agreements, indentures, certificates, notes, or other instruments or documents evidencing or creating indebtedness or obligations of the Debtors that are Reinstated pursuant to the Plan) shall be released and discharged; provided that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim or Interest shall also continue in effect to allow such Holder to appear and be heard in the Chapter 11 Cases or in any proceeding in the Court or any other court, including, without limitation, to enforce the respective obligations owed to such parties under the Plan.

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, the Debtors as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in the Plan shall be deemed null and void and shall be of no force and effect solely in connection with such cancellations, terminations, satisfactions, releases or discharges. Nothing contained in the Plan shall be deemed to cancel, terminate, release, or discharge the obligation of the Debtors or any of their counterparties under (i) any Executory Contract or Unexpired Lease to the extent such Executory Contract or Unexpired Lease has been assumed by the Debtors pursuant to a Final Order of the Court or under the Plan or (ii) any Claims or Interests that are Reinstated pursuant to the terms of the Plan.

F. Cancellation of Certain Existing Security Interests.

Upon the payment or other satisfaction of an Allowed Secured Claim (including Allowed DIP Claims) pursuant to the Plan, or promptly thereafter, except as expressly provided in the Plan, all mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests against any property of the Estates (wherever recorded, filed, or otherwise noticed under applicable Law (whether domestic or foreign)) shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed (and is hereby directed), at the sole cost and expense of the Debtors, to release any collateral or other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may

be reasonably requested by the Debtors to evidence the release of such Liens and/or security interests, including the execution, delivery, and filing or recording of such releases or other applicable instruments and documentation. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

To the extent that any Holder of an Allowed Secured Claim (including Allowed DIP Claims) that has been satisfied or discharged in full pursuant to the Plan, or any agent for any such Holder, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Allowed Secured Claim, then 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 or the Reorganized Debtors that are necessary or desirable to record, evidence or effectuate the cancellation, release, and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

G. Sources of Consideration for Plan Distributions.

The Debtors or the Reorganized Debtors, as applicable, shall fund distributions under the Plan with (i) the Debtors' Cash on hand, (ii) the Total GUC Consideration (including the Fixed GUC Consideration, the Savings Consideration (if any), and the First Day Consideration), and (iii) the 1L Exit Facility, the New Equity Interests, and the Warrants.

Each distribution and issuance referred to in Article VI of 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 or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the New Equity Interests, will be exempt from SEC registration to the fullest extent permitted by law, as described more fully in the Plan.

H. Certain Securities Law Matters.

The offering, issuance (or entry into), and distribution of the New Equity Interests, the Warrants, and all other Securities entered into and/or issued in connection with the Plan (collectively, the "Plan Securities"), shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable Law requiring registration prior to the offering, issuance, distribution, or sale of Securities to the maximum extent permitted by Law, in accordance with, and pursuant to, section 1145 of the Bankruptcy Code to the maximum extent permitted by law; or to the extent that section 1145 of the Bankruptcy Code is not available, section 4(a)(2) of the Securities Act and/or Regulation D thereunder or Regulation S under the Securities Act; and/or any other available exemption from registration, as applicable.

New Equity Interests issued in connection with the Plan under section 1145 of the Bankruptcy Code and the Warrants (1) will not be "restricted securities" as defined in rule 144(a)(3) under the Securities Act and (2) will, subject to any limitations set forth in the New

Organizational Documents and the Warrants Agreements, be freely tradeable and transferable in the United States by a holder thereof that (i) is an entity that is not an “underwriter” as defined in section 1145(b)(1) of the Bankruptcy Code; (ii) is not an “affiliate” of the Debtors as defined in rule 144(a)(1) under the Securities Act; (iii) has not been such an “affiliate” within 90 days of the time of the transfer; and (iv) has not acquired such securities from an “affiliate” within one year of the time of transfer.

The issuance of the Plan Securities in connection with the Plan shall not constitute an invitation or offer to sell, or the solicitation of an invitation or offer to buy, any securities in contravention of any applicable Law in any jurisdiction. No action has been taken, nor will be taken, in connection with the Plan in any jurisdiction that would permit a public offering of any of the Plan Securities in any jurisdiction where such action for that purpose is required.

To the extent issuance under section 1145(a) of the Bankruptcy Code is unavailable, the New Equity Interests and the Warrants will be issued without registration under the Securities Act in reliance upon section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder or Regulation S promulgated thereunder. To the extent issued in reliance on section 4(a)(2) of the Securities Act or Regulation D thereunder or Regulation S promulgated thereunder, such securities will be “restricted securities” subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration under the Securities Act and other applicable law and subject to any limitations set forth in the New Organizational Documents and the Warrants Agreements.

The Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Plan Securities under applicable securities Laws in connection with the Plan. Notwithstanding anything to the contrary in the Plan, no Entity (including DTC) shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Plan Securities are exempt from registration, and any transfer agent, or other similarly situated agent, trustee, or other non-governmental Entity (including DTC) shall accept and rely upon the Plan and the Confirmation Order in lieu of a legal opinion for purposes of determining whether the initial offer and sale of the Plan Securities were exempt from registration under section 1145(a) of the Bankruptcy Code and/or eligible for DTC book-entry delivery, settlement, and depository services (to the extent applicable) and whether the Plan Securities were, under the Plan, validly issued, fully paid, and non-assessable.

I. New Equity Interests.

The offering, issuance, and distribution of the New Equity Interests by the Reorganized Debtors contemplated by the Plan is thereby authorized without the need for any further corporate action or without any further action by the Holders of Claims or Interests. The Reorganized Debtors shall be authorized to issue a certain number of shares, units or equity interests (as the case may be based on how the New Equity Interests are denominated and the identity of the Reorganized Debtor issuing such shares, units, or equity interests) of New Equity Interests required to be issued under the Plan and pursuant to their New Organizational Documents. On the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall issue or enter into all Securities, notes, instruments, certificates, and other documents required to be issued or entered into pursuant

to the Plan. The New Organizational Documents shall be effective as of the Effective Date and, as of such date, shall be deemed to be valid, binding, and enforceable in accordance with their terms. All Holders of Allowed Claims entitled to distribution of New Equity Interests under the Plan shall be deemed to be a party to, and bound by, the New Organizational Documents, regardless of whether such Holder has executed a signature page thereto.

All of the shares, units, or equity interests (as the case may be based on how the New Equity Interests are denominated) of New Equity Interests issued or authorized to be issued by the Reorganized Debtors pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI of the Plan, and each other issuance of New Equity Interests contemplated by 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, agreements, and other documents (including the New Organizational Documents), as applicable, evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. For the avoidance of doubt, the acceptance of New Equity Interests by any Holder of any Claim or Interest shall be deemed as such Holder's agreement to the applicable New Organizational Documents, as may be amended or modified from time to time following the Effective Date in accordance with the terms thereof.

J. Cash-Out Option.

In lieu of receiving New Equity Interests under the Plan, each holder of an Allowed Pari Funded Debt Secured Claim shall be entitled to irrevocably elect to receive all or a portion of (i) its distribution of New Equity Interests on account of its Allowed Pari Funded Debt Secured Claims in Cash, consistent with the terms and conditions of the Cash-Out Option, the Plan, and the Election Procedures. The consummation of the Cash-Out Option is conditioned on the consummation of the Plan and satisfaction of the applicable conditions specified in the Election Procedures.

To receive the Cash-Out Amount in exchange for its Cashed-Out Interests, a holder of an Allowed Pari Funded Debt Secured Claim must validly and timely submit an election to receive Cash in lieu of receiving New Equity Interests under the Plan, in accordance with the instructions set forth in the Election Procedures provided to such holder. Each Entity entitled to participate in the Cash-Out Option pursuant to the Plan that validly and timely submits such an election shall receive the Cash-Out Amount in exchange for its Cashed-Out Interests.

The aggregate Cash-Out Amount shall be funded by the proceeds of the 1L Exit Facility and the Preferred Equity New Money Commitments.

K. Warrants.

On or after the Effective Date, the Reorganized Debtors shall issue or cause to be issued the Warrants to the Holders of Allowed Second Lien Secured Claims in accordance with the terms of the Warrants Agreements, the Plan, and the Confirmation Order, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule, or vote, consent, authorization, or approval of any Person. Upon exercise of the Warrants, the

Common Equity Interests shall be issued and distributed free and clear of all Liens, Claims, and other Interests to the Holders of the applicable Allowed Second Lien Term Loan Claims pursuant to the Plan. All of the Warrants issued pursuant to the Plan, and all Common Equity Interests issued upon exercise of the Warrants, shall be duly authorized and validly issued.

The terms of the Warrants shall be as set forth in the Warrants Agreements, *provided* that the Warrants shall have the following terms: (1) the Warrants shall be convertible into Common Equity Interests representing in the aggregate up to 5.94% of New Equity Interests on a fully diluted basis; (2) the Warrants shall have a four (4) year term; and (3) the Warrants will have an exercise price for each underlying share of Common Equity Interests equal to the implied price per share of one share of Common Equity Interests calculated using a total equity value of approximately \$326,000,000 as of the Effective Date (total equity value solely for purposes of this calculation to be an amount equal to the product of (x) four (4) and (y) the sum of (a) the DIP New Money Term Loan Advances and (b) the Preferred Equity New Money Commitment Amount), the terms of which will be set forth in the Warrants Term Sheet and Warrants Agreements.

To receive any of the Warrants, a Holder of an Allowed Second Lien Term Loan Claim must meet the terms and conditions set forth in the Warrants Agreements, including that such Holder is able to represent and certify that it is an “accredited investor” as defined in the Securities Rules as well as provide certain information about the Allowed Second Lien Term Loan Claims held by the Holder.

Confirmation of the Plan shall be deemed approval of the Warrants Agreements and the Warrants, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, and authorization for the Reorganized Debtors to enter into and execute the Warrants Agreements as may be required to effectuate the treatment afforded by the Warrants. All Warrants issued pursuant to the Plan shall be duly authorized, validly issued, and non-assessable.

L. 1L Exit Facility.

On the Effective Date, the Reorganized Debtors will enter into the applicable 1L Exit Facility Documents, and the 1L Exit Facility will be made available to the Reorganized Debtors, pursuant to the terms and conditions set forth in the 1L Exit Facility Documents. The Reorganized Debtors shall, as of the Effective Date, have obtained the necessary authorization to enter into, execute, and deliver the 1L Exit Facility Documents on the terms consistent with this Plan (including the consent rights hereunder) and incur the obligations under the 1L Exit Facility. Confirmation of the Plan shall be deemed approval of the 1L Exit Facility and the 1L Exit Facility Documents, all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, and authorization of the Reorganized Debtors to enter into, execute, and deliver the 1L Exit Facility Documents and such other documents as may be required to effectuate the treatment afforded by the 1L Exit Facility. The 1L Exit Facility shall constitute a legal, valid, binding, and authorized obligation of the applicable Reorganized Debtors enforceable in accordance with its terms. Upon execution of the 1L Exit Facility Documents, all Liens and security interests granted pursuant to, or in connection with the 1L Exit Facility shall be valid, binding, perfected, enforceable Liens and security interests in the property subject to a security interest granted by the applicable

Reorganized Debtors pursuant to the 1L Exit Facility, with the priorities established in respect thereof under applicable non-bankruptcy law.

M. Preferred Equity Interests.

The Preferred Equity Tranche A Interests shall (i) accrue at an annual rate of 14.0%, which shall be payable in kind, (ii) be junior to the Exit 1L Facility and senior to all other equity of the Reorganized Debtors, (iii) be mandatorily convertible into New Equity Interests upon a sale or similar transaction, at a conversion ratio to be set at emergence such that the conversion ratio represents the pro forma ownership on an as converted basis as if the Preferred Equity Tranche A Commitment Amount were invested at a 25% discount to the equity value implied by a \$175 million total enterprise value subject only to customary adjustments (e.g., for share splits, stock dividends, etc.), (iv) vote on governance matters on an as-converted basis, and (v) have such other terms as provided for in the Governance Term Sheet and New Organizational Documents. As of the Petition Date the Debtors estimate the aggregate Preferred Equity Tranche A Interests represent 75.10% of the Common Equity Interests on an as-converted basis at emergence.

The Preferred Equity Tranche B Interests shall (i) accrue at an annual rate of 14.0%, which shall be payable in kind, (ii) be junior to the Exit 1L Facility and senior to all other equity of the Reorganized Debtors, (iii) be mandatorily convertible into Common Equity Interests upon a sale or similar transaction, at a conversion ratio to be set at emergence such that the conversion ratio represents the pro forma ownership on an as converted basis as if the Preferred Equity Tranche B Commitment Amount were invested at the equity value implied by a \$250 million total enterprise value, subject only to customary adjustments (e.g., for share splits, stock dividends, etc.), (iv) vote on governance matters on an as-converted basis, and (v) have such other terms as provided for in the Governance Term Sheet and New Organizational Documents. The Debtors Estimate that as of the Petition Date, the aggregate Preferred Equity Tranche B Interests represent 5.16% of the Common Equity Interests on an as-converted basis at emergence.

N. Corporate Action.

Upon the Effective Date, all of the actions contemplated under the Plan shall be deemed authorized and approved in all respects, without the need for further Bankruptcy Court approval or any board or equity holders approval or other corporate action, including: (i) the implementation of the Restructuring Transactions; (ii) the offering, issuance, and distribution of the New Equity Interests; (iii) the issuance of the Warrants; (iv) the adoption of the New Organizational Documents; (v) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases (as applicable); and (vi) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate, partnership, limited liability company, or other governance action required by the Debtors or the Reorganized Debtors, as applicable, in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Security holders, members, directors, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized

and (as applicable) directed to issue, execute, and deliver the agreements, documents, Securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Reorganized Debtors, as applicable, including the Definitive Documents and any and all other agreements, documents, Securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by Article IV.N of the Plan shall be effective notwithstanding any requirements under non-bankruptcy Law.

O. Continued Corporate Existence.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable Law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan or otherwise, in each case, consistent with the Plan, and to the extent such documents are amended in accordance therewith, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any filings required under applicable state, provincial, or federal Law). After the Effective Date, the respective certificate(s) of incorporation and any bylaws (or other formation documents) of one or more of the Reorganized Debtors may be amended or modified on the terms therein without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules. After the Effective Date, one or more of the Reorganized Debtors may be disposed of, dissolved, wound down, or liquidated without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The authorizations and approvals contemplated by Article IV.O of the Plan shall be effective notwithstanding any requirements under non-bankruptcy Law.

P. New Organizational Documents.

On or immediately prior to the Effective Date, the New Organizational Documents shall be automatically adopted by the applicable Reorganized Debtors and become effective. To the extent required under the Plan or applicable non-bankruptcy Law, each of the Reorganized Debtors will file its New Organizational Documents with the applicable secretaries of state and/or other applicable authorities in its respective state, province, or country of organization. The New Organizational Documents will prohibit the issuance of non-voting equity Securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

Any Entity's acceptance of Preferred Equity Interests shall be deemed as its agreement to the New Organizational Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms, and each such Entity will be bound thereby in all respects. For the avoidance of doubt, all Holders of Allowed Claims entitled to distribution of Preferred Equity Interests under the Plan shall be deemed to be a party

to, and bound by, the New Organizational Documents, regardless of whether such Holder has executed a signature page thereto.

After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents in accordance with the terms thereof, and the Reorganized Debtors may file such amended certificates, articles of incorporation, or such other applicable formation documents and other constituent documents as permitted by the Laws of the respective states, provinces, or countries of incorporation or formation and the New Organizational Documents.

Q. New Board.

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire and the existing officers of the Debtors shall be automatically removed as officers and the New Board and new officers of each of the Reorganized Debtors shall be appointed. For subsequent terms following the Effective Date, members of the New Board and new officers of each of the Reorganized Debtors shall be appointed in accordance with the New Organizational Documents and other constituent documents of each Reorganized Debtor, as applicable.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, to the extent known, the identity and affiliation of any Person proposed to serve on the New Board as well as those Persons that will serve as officers of the Reorganized Debtors will be disclosed in the Plan Supplement or prior to the Confirmation Hearing. Provisions regarding the removal, appointment, and replacement of members of the New Board, to the extent applicable, will be disclosed in the New Organizational Documents.

R. Effectuating Documents, Further Transactions.

On and after the Effective Date, the Debtors or the Reorganized Debtors (as applicable) are authorized to and may issue, execute, deliver, File, or record such contracts, instruments, releases, consents, certificates, resolutions, programs, and other agreements or documents, and take such acts and actions as may be reasonable, necessary, or appropriate to effectuate, implement, consummate, and/or further evidence the terms and conditions of the Plan and any transactions described in or contemplated by the Plan. The Debtors and the Reorganized Debtors shall, at their sole expense, and all Holders of Claims receiving distributions pursuant to the Plan and all other parties in interest are thereby authorized, but not directed, to, 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. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate actions required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors,

managers, authorized Persons, or officers of the Debtors or the Reorganized Debtors or any approvals, authorizations, or consents except for those expressly required under the Plan.

S. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII of the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII of the Plan, which shall be deemed released and waived by the Debtors and the Reorganized Debtors as of the Effective Date.

No Entity (other than the Released Parties) 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 any indication that the Reorganized Debtors will not pursue any and all available Causes of Action of the Debtors against it. The Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including Article VIII of the Plan. Unless otherwise agreed upon in writing by the parties to the applicable Cause of Action, all objections to the Schedule of Retained Causes of Action must be Filed with the Bankruptcy Court on or before Confirmation Hearing. Any such objection that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion against the Reorganized Debtors without the need for any objection or responsive pleading by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. The Debtors may settle any such objection without any further notice to or action, order, or approval of the Bankruptcy Court. If there is any dispute regarding the inclusion of any Cause of Action on the Schedule of Retained Causes of Action that remains unresolved by the Debtors, such objection shall be resolved by the Bankruptcy Court at the Confirmation Hearing. Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors 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.

The Reorganized Debtors reserve and shall retain such Causes of Action of the Debtors notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors, except as otherwise expressly provided in the Plan, including Article VIII of the Plan. The Reorganized Debtors, 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 Bankruptcy Court.

T. 1146 Exemption.

To the fullest extent permitted by 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, in contemplation of, or in connection with the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity Security, or other interest in the Debtors or the Reorganized Debtors; (2) the Restructuring Transactions; (3) 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; (4) the making, assignment, or recording of any lease or sublease; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, 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, personal property transfer tax, sales or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, sales tax, use tax or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate federal, state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

U. Indemnification Obligations.

Consistent with applicable Law, all indemnification provisions in place as of the Effective Date (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, D&O Liability Insurance Policies, or otherwise) for current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors, as applicable (collectively, the “Indemnification Obligations”), shall (1) not be discharged, impaired, or otherwise affected in any way, including by this Plan, the Plan Supplement, or the Confirmation Order, (2) not be limited, reduced, or terminated after the Effective Date, and (3) be reinstated and remain intact and shall survive the effectiveness of the Plan on terms no less favorable to such current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors than the indemnification provisions in place prior to the Effective Date.

V. Cooperation of the Independent Directors.

The Independent Directors shall produce to the Reorganized Debtors, on or shortly after the Effective Date, all documents produced to the Independent Directors by the Debtors and/or any third parties. The Independent Directors' agreement to produce these materials does not constitute a waiver of any Privileges or work product protections that might exist and may not be used by any Person or Entity to argue that such a waiver has occurred. The Independent Directors will discuss in good faith whether to produce any additional factual documentation or information related to their independent investigation, which shall not include any legal analysis, privileged communications, legal memoranda, or research.

ARTICLE VII.

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 in the Plan, all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected pursuant to the Plan will be deemed assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code other than those Executory Contracts or Unexpired Leases that (i) are the subject of a motion to reject that is pending on the Confirmation Date or that were previously rejected by an order of the Bankruptcy Court; (ii) identified in the *Debtors' First Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to (A) Reject Certain Executory Contracts and Unexpired Leases, and (B) Abandon Certain Personal Property in Connection Therewith; and (II) Granting Related Relief* [Docket No. 16]; (iii) are set forth on the Rejected Executory Contracts and Unexpired Leases Schedule; (iv) previously expired or terminated pursuant to their own terms; or (v) have an ordered or requested effective date of rejection that is after the Effective Date; *provided* the Debtors or the Reorganized Debtors, as applicable, retain the right to alter, amend, modify or supplement the Rejected Executory Contracts and Unexpired Leases Schedule, including by way of adding or removing a particular Executory Contract or Unexpired Lease from the Rejected Executory Contracts and Unexpired Leases Schedule, subject to Article V.A.3 of the Plan (which updated list(s) shall be Filed as part of an amended Plan Supplement, with counterparties to any Executory Contracts or Unexpired Leases added to the Rejected Executory Contracts and Unexpired Leases Schedule having until 30 days after the Effective Date to File any Proofs of Claim with respect to Claims arising from such rejection, and counterparties to any Executory Contracts or Unexpired Leases removed from the Rejected Executory Contracts and Unexpired Leases Schedule having until fourteen (14) days after service of the amended list to object to the proposed assumption or Cure Amount); *provided, further*, that the Rejected Executory Contracts and Unexpired Leases Schedule shall at all times be acceptable to the Ad Hoc Group, and the Debtors or the Reorganized Debtors, as applicable, shall not seek to assume or reject Executory Contracts and Unexpired Leases, except in reasonable consultation with the Committee (consultation with counsel being sufficient) and with the prior written consent (which may be provided through electronic mail) of the Ad Hoc Group.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions, assumptions and assignments, or rejections of the Executory Contracts

and Unexpired Leases set forth in the Plan or the Rejected Executory Contracts and Unexpired Leases Schedule, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth in the Plan, 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 or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting 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 Bankruptcy Court authorizing and providing for its assumption. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by a Final Order on or after the Effective Date but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or any other order of the Bankruptcy Court, and payment of any cure amounts relating thereto, shall, upon satisfaction of the applicable requirements of section 365 of the Bankruptcy Code, result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults or provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

To the maximum extent permitted by Law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any “change of control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contracts and Unexpired Leases Schedule at any time up to forty-five (45) days after the Effective Date, in each case with the prior written consent (which may be provided through electronic mail) of the Ad Hoc Group.

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

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and Confirmation Order results in a Claim, then, unless otherwise ordered by the Court, such Claim shall be forever barred and shall not be enforceable against the Debtors, the Estates, the Reorganized Debtors, or any of their respective assets and properties unless a Proof of Claim is Filed with the Claims and Noticing Agent and served upon counsel to the Reorganized Debtors within thirty (30) days of the Effective Date.

The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease under the Plan and Confirmation Order; any other Claims held by a party to a

rejected Executory Contract or Unexpired Lease shall have been evidenced by a Proof of Claim Filed by the applicable Bar Date or shall be barred and unenforceable. Claims arising from the rejection of Executory Contracts or Unexpired Leases under the Plan and Confirmation Order shall be classified as General Unsecured Claims and shall, if Allowed, be treated in accordance with the provisions of the Plan.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and Confirmation Order that are not timely Filed within thirty (30) days of the Effective Date will be disallowed automatically, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Estates, the Reorganized Debtors, or any of their respective assets and properties.

C. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract and/or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts and/or Unexpired Leases. In particular, notwithstanding any non-bankruptcy Law to the contrary, the Debtors and the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations with respect to goods previously purchased by the Debtors pursuant to rejected Executory Contracts and/or Unexpired Leases.

D. Insurance Policies.

Each D&O Liability Insurance Policy (including, without limitation, any “tail policy” and all agreements, documents, or instruments related thereto) shall be treated as an Executory Contract under the Plan and shall be assumed, in its entirety, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date, pursuant to sections 105, 365, and 1123 of the Bankruptcy Code. For the avoidance of doubt, coverage for defense and indemnity under the D&O Liability Insurance Policies shall remain available to all individuals within the definition of “Insured” in the D&O Liability Insurance Policies. In addition, after the Effective Date, all officers, directors, agents, or employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of the D&O Liability Insurance Policies (including any “tail” policy) in effect or purchased as of the Effective Date for the full term of such policy regardless of whether such officers, directors, agents, and/or employees remain in such positions after the Effective Date, in each case, to the extent set forth in the D&O Liability Insurance Policies.

The Debtors shall not terminate or otherwise reduce the coverage under any D&O Liability Insurance Policy (including, without limitation, any “tail policy” and all agreements, documents, or instruments related thereto) in effect prior to the Effective Date and shall continue such policies and satisfy their obligations thereunder in full in the ordinary course of business. Notwithstanding anything herein to the contrary, the Debtors shall retain the ability to supplement the D&O Liability Insurance Policies as the Debtors deem necessary, including purchasing tail coverage; *provided*

that any such purchases from and after the Confirmation Date shall be subject to the DIP Orders, including the Approved Budget, and the other DIP Documents (as defined in the DIP Orders).

The Debtors shall maintain tail coverage under any D&O Liability Insurance Policies for the six-year period following the Effective Date on terms no less favorable than under, and with an aggregate limit of liability no less than the aggregate limit of liability under, the D&O Liability Insurance Policies.

For the avoidance of doubt, the Reorganized Debtors are authorized, but not required, to pay any deductible, retention, or any other cost or expense under, arising from, or related to, the D&O Liability Insurance Policies in connection with any such policy or claim made thereunder.

E. Reservation of Rights.

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors, the Reorganized Debtors, or their respective affiliates has any liability thereunder. Except as explicitly provided in the Plan, nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease. 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 the Reorganized Debtors, as applicable, shall have forty-five (45) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease pursuant to the Plan.

F. Employee Compensation and Benefits.

All employment policies, and all compensation and benefits plans, policies, and programs of the Debtors applicable to their respective employees, retirees, and nonemployee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life and accidental death and dismemberment insurance plans, are deemed to be, and shall be treated as, Executory Contracts under the Plan and, on the Effective Date, shall be rejected pursuant to sections 365 and 1123 of the Bankruptcy Code.

G. Postpetition Modifications, Amendments, or Other Alterations.

Modifications, amendments, supplements, and restatements to a prepetition Executory Contract and/or Unexpired Lease 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.

H. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy 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.

**ARTICLE VIII.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Distributions on Account of Claims Allowed as of the Effective Date.

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims as maintained by the Debtors and/or the Reorganized Debtors, or their respective agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims. The Disbursing Agent shall have no obligation to recognize any ownership transfer of the Claims occurring on or after the Distribution Record Date. The Disbursing Agent shall be entitled to recognize and deal for all purposes under the Plan only with those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

On the Effective Date, except as otherwise provided in the Plan, the Disbursing Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided*, that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided, further*, that to the extent a Proof of Claim has been Filed, the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

B. Disbursing Agent.

All distributions under the Plan shall be made by the Disbursing Agent. The 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 Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Debtors.

C. Rights and Powers of Disbursing Agent.

a. Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated thereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions thereof.

b. Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes), and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses), made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions.**a. Record Date for Distribution.**

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim is transferred twenty (20) or fewer days before the Distribution Record Date, the Disbursing Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

b. Delivery of Distributions in General.

Except as otherwise provided in the Plan, on or after the Effective Date the Disbursing Agent shall make distributions to holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; *provided, further*, that the Disbursing Agent shall have the authority to make distributions to holders of Allowed Claims as of the Distribution Record Date of proceeds (of Retained Causes of Action or otherwise) which come into the estates post-Effective Date.

c. Minimum Distribution.

No payment of Cash in an amount of less than one hundred U.S. dollars (\$100.00) shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be used in accordance with the Plan. If the Cash available for the final distribution is less than the cost to distribute such funds, the Reorganized Debtors may donate such funds to the unaffiliated charity of their choice.

d. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder of an Allowed Claim is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time all currently-due, missed distributions shall be made to such Holder without interest. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtors or is canceled pursuant to Article VI of the Plan, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

Any distribution under the Plan that is an unclaimed distribution or remains undeliverable (as reasonably deemed unclaimed or undeliverable by the Reorganized Debtors or the Disbursing Agent) for a period of ninety (90) days after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such unclaimed distribution or undeliverable distribution shall revert in the Reorganized Debtors automatically (and without need for a further order by the Bankruptcy Court, notwithstanding any applicable federal, provincial, or estate escheat, abandoned, or unclaimed property Laws to the contrary). Upon such reversion, the Claim

of the Holder or its successors with respect to such property shall be canceled, released, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property Laws, or any provisions in any document governing the distribution that is an unclaimed distribution, to the contrary, and the Claim of any Holder of Claims and Interests to such property or Interest in property shall be discharged and forever barred.

e. Surrender of Canceled Instruments or Securities.

On the Effective Date or as soon as reasonably practicable thereafter, each holder of a certificate or instrument evidencing a Claim or an Interest that has been canceled in accordance with Article IV.D of the Plan shall be deemed to have surrendered such certificate or instrument to the Disbursing Agent. Such surrendered certificate or instrument shall be canceled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such certificate or instrument, including with respect to any indenture or agreement that governs the rights of the Holder of a Claim or Interest, which shall continue in effect for purposes of allowing holders to receive distributions under the Plan, charging liens, priority of payment, and indemnification rights. Notwithstanding anything to the contrary in the Plan, this paragraph shall not apply to certificates or instruments evidencing Claims that are Unimpaired or Reinstated under the Plan.

E. Manner of Payment.

All distributions of Cash to the Holders of the applicable Allowed Claims under the Plan shall be made by the Disbursing Agent on behalf of the applicable Debtor. At the option of the Disbursing Agent, any Cash payment to be made pursuant to the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

F. Compliance with Tax Requirements.

In connection with the Plan, to the extent required by applicable Law, the Debtors, the Reorganized Debtors, the Disbursing Agent, and any applicable withholding agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, such parties 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, Disbursing Agent or other applicable withholding agent may require, as a condition to receipt of a distribution, that the Holder of an Allowed Claim provide any information reasonably necessary to allow the distributing party to comply with any such withholding and reporting requirements imposed by any Governmental Unit (including, for the avoidance of doubt, an IRS Form W-9 or, if the Holder is a non-U.S. Person, an appropriate IRS Form W-8, unless such Person is exempt from information reporting requirements under the U.S. Internal Revenue Code of 1986, as amended, and so notifies the Debtors, Disbursing Agent or other applicable withholding agent, as applicable, and/or any other

forms or documents requested by the Debtors, Disbursing Agent or other applicable withholding agent to reduce or eliminate any required withholding).

Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding, and other tax obligations on account of such distribution.

The Debtors and the Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and similar spousal awards, Liens, and encumbrances.

G. Allocations.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims, as determined for United States federal (and applicable state and local) income tax purposes, and then, to the extent the consideration exceeds the principal amount of the Claims, to any allowable portion of such Claims for accrued but unpaid interest.

H. Foreign Currency Exchange Rate.

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal (National Edition)*, on the Effective Date.

I. Setoffs and Recoupment.

Except as expressly provided in the Plan, the Reorganized Debtors may, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or non-bankruptcy Law, or as may be agreed to by the Holder of an Allowed Claim, set off and/or recoup against any Plan Distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Debtor(s) and the Holder of the Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided* that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim under the Plan shall constitute a waiver or release by a Debtor or its successor of any and all claims, rights, and Causes of Action that such Debtor or its successor may possess against the applicable Holder. In no event shall any Holder of a Claim be entitled to recoup such Claim 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 in accordance with Article XII.G of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

J. Claims Paid or Payable by Third Parties.**a. Claims Paid by Third Parties.**

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy 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 or a Reorganized Debtor. 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 receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the Reorganized Debtors, 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 date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

b. Claims Payable by Third Parties.

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 may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

c. 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 other Entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

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

A. Allowance of Claims.

After the Effective Date, except as otherwise expressly set forth in the Plan, the Reorganized Debtors shall have and retain any and all rights and defenses each Debtor had with respect to any Claim or Interest immediately prior to the Effective Date. The Reorganized Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims

would be allowed under applicable non-bankruptcy Law, without further notice or order from the Bankruptcy Court. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

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 by the applicable Bar Date, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order or approval of the Bankruptcy Court.

Without limiting the foregoing, and subject to the Debtors' or the Reorganized Debtors' right to object to any Proof of Claim or Lien on any basis, to the extent any further action is required with respect to any Proof of Claim (including with respect to the assertion of a Lien with respect thereto) by any order of the Court, such Proof of Claim shall not be considered Allowed unless in compliance with such order.

B. Claims Administration Responsibilities.

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the exclusive authority: (1) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to 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 Bankruptcy Court. For the avoidance of doubt, except as otherwise provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall have and retain any and all rights and defenses each Debtor had immediately prior to the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.S of the Plan.

Any objections to Proofs of Claims (other than Administrative Claims) shall be served and Filed (a) on or before the date that is one hundred and eighty (180) days following the later of (i) the Effective Date and (ii) the date that a Proof of Claim is Filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a Holder of a Claim or (b) such later date as ordered by the Bankruptcy Court.

C. Estimation of Claims and Interests.

Before, on, or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party in interest previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars (\$0.00), unless otherwise

ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Reorganized Debtors (as applicable) may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Adjustment to Claims or Interests without Objection.

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

E. Disallowance of Claims or Interests.

Except as otherwise expressly set forth in the Plan, all Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

F. No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan, if any portion of a Claim or Interest is a Disputed Claim or Interest, as applicable, no payment or distribution provided under the Plan shall be made on account of such Claim or Interest unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest; *provided* that if only the Allowed amount of an otherwise valid Claim or Interest is Disputed, such Claim or Interest shall be deemed Allowed in the amount not Disputed and payment or distribution shall be made on account of such undisputed amount.

G. Distributions After Allowance.

To the extent that a Disputed Claim or Interest ultimately becomes an Allowed Claim or Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Interest in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim or Interest.

H. No Postpetition Interest on Claims.

Unless otherwise specifically provided for in the Plan or by order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

ARTICLE X. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Definitive Documents, the Plan, or in any contract, instrument, or other agreement or document created or entered into pursuant to the Plan, 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 liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, 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: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims (other than the Reinstated Claims) and Interests (other than the Intercompany Interests that are Reinstated) subject to the occurrence of the Effective Date.

B. Release of Liens.

Except as otherwise provided in the Plan, the Confirmation Order, or in any contract, instrument, release, or other agreement or document amended or created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests against any property of the Estates (wherever recorded, filed, or otherwise noticed under applicable Law (whether domestic or foreign)) shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns.

Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed (and is hereby directed), at the sole cost and expense of the Debtors, to release any collateral or other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Debtors to evidence the release of such Liens and/or security interests, including the execution, delivery, and filing or recording of such releases or other applicable instruments and documentation. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

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, then 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 or the Reorganized Debtors that are necessary or desirable to record, evidence or effectuate the cancellation, release and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Debtors or the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's (or the applicable agents for such Holder's) behalf.

C. Releases by the Debtors.

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, to the fullest extent allowed by applicable law, each Released Party is hereby deemed conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged by each and all of the Debtors, their Estates, the Reorganized Debtors, each of their respective current and former Affiliates (other than the Consenting Investor, TSHL and their Related Parties that are not Debtors), in each case on behalf of themselves and their Related Parties (other than the Consenting Investor, TSHL and their Related Parties that are not Debtors) who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, and Causes of Action, and liabilities whatsoever, including any derivative claims, asserted by or assertable on behalf of any of the Debtors, their Estates, or the Reorganized Debtors, as applicable, whether known or unknown, foreseen or unforeseen, asserted or unasserted, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or requirement), equity, contract, tort, or otherwise, 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 against, or Interest in, a Debtor or other Entity, or that any Holder of any Claim against, or Interest in, a Debtor or other Entity could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Company-Related Matters. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any obligations arising on or after the Effective Date of any party or Entity under the Definitive

Documents, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (b) any Causes of Action included in the Schedule of Retained Causes of Action; or (c) any Claim or Causes of Action arising from any act or omission determined by a court of competent jurisdiction to have resulted from fraud.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan and, further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the Claims or Causes of Action released by the Debtor Release; (c) in the best interests of the Debtors, their Estates, and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after reasonable investigation by the Debtors and after due notice and opportunity for a hearing; and (f) a bar to any of the Debtors, their Estates, or the Reorganized Debtors asserting any Claim or Cause of Action released pursuant to the Debtor Release.

D. Releases by Third Parties.

Effective as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, to the fullest extent allowed by applicable law, each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released, waived, and discharged each of the Released Parties from any and all Claims, Causes of Action, and liabilities whatsoever, including any derivative claims asserted by or assertable on behalf of any Releasing Party, whether known or unknown, foreseen or unforeseen, asserted or unasserted, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or requirement), equity, contract, tort, or otherwise, that such Releasing Party would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Released Party, or that any Holder of any Claim against, or Interest in, a Released Party could have asserted on behalf of the Releasing Party, or otherwise based on or relating to, or in any manner arising from, in whole or in part, the Company-Related Matters; provided that, with respect to Claims against the Debtors, Article VIII.D of the Plan shall only apply to Claims arising from any act or omission, transaction, agreement, event, or other occurrence taking place from and including the Petition Date through the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any obligations arising on or after the Effective Date of any party or Entity under the Definitive Documents, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (b) any Causes of Action included in the Schedule of Retained Causes of Action; (c) any Claim or Causes of Action arising from any act or omission determined by a court of competent jurisdiction to have resulted from fraud; or (d) any Indemnification Obligation of the Company to the Consenting Investor, TSHL

and their Related Parties in connection with any unpaid RPA Obligations and/or the Debtors' governance documents.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the restructuring and implementing the Plan; (d) a good faith settlement and compromise of the Claims or Causes of Action released by the Third-Party Release; (e) in the best interests of the Debtors and their Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for a hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action pursuant to the Third-Party Release.

E. Exculpation.

Effective as of the Effective Date, to the fullest extent permissible under applicable Law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan or the Confirmation Order, no Exculpated Party shall have or incur liability for, and each Exculpated Party hereby is exculpated from any Claim or Cause of Action arising during the period from the Petition Date to the Effective Date, whether direct or derivative, related to, any act or omission in connection with, relating to, or arising out of the negotiation, solicitation, confirmation, execution, or implementation (to the extent on or prior to the Effective Date) of, as applicable, the Company-Related Matters except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted fraud, but in all respects such Entities shall be entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities pursuant to the Definitive Documents. Notwithstanding anything to the contrary in the foregoing, an Exculpated Party shall be entitled to exculpation solely for actions taken from the Petition Date through the Effective Date, and the exculpation set forth above does not exculpate (a) any obligations arising pursuant to or after the Effective Date of any party or Entity under the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; or (b) any Causes of Action included in the Schedule of Retained Causes of Action.

F. 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 and Causes of Action, and liabilities whatsoever, including any derivative claims, whether known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or

requirement), equity, contract, tort, or otherwise, asserted or assertable on behalf of any of the Debtors, their Estates, or the Reorganized Debtors, as applicable, that have been released, settled, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Exculpated Parties, or the Released Parties: (1) 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 interest; (2) 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; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities, such property, 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; (4) asserting any right of setoff, subrogation, or recoupment of any kind, except to the extent such assertions are used as a defense to Claims or Causes of Action by the Debtors arising prior to the Effective Date, 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 unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) 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.

No Person or Entity may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Exculpated Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article VIII.C, Article VIII.D, Article VIII.E, and Article VIII.F of the Plan, without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable, represents a colorable Claim of any kind, and (ii) specifically authorizing such Person or Entity to bring such Claim or Cause of Action, as applicable, against any such Debtor, Exculpated Party, or Released Party, as applicable.

The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Allowed Claim or Allowed Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth therein.

G. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with the Debtors standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors; *provided* that, notwithstanding the consummation of the Restructuring Transactions described in the Plan, any privilege applicable to documents maintained in accordance with such policy shall be retained.

H. Reimbursement or Contribution.

If the Bankruptcy 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 allowance or 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 XI.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN**

A. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B of the Plan:

- a. the Bankruptcy Court shall have entered the Confirmation Order, which shall be a Final Order;
- b. no default or event of default shall have occurred under the DIP Facility, and the DIP Orders shall remain in full force and effect;
- c. the final version of each of the Plan, the Definitive Documents, and all documents contained in any supplement to the Plan, including the Plan Supplement and any exhibits, schedules, amendments, modifications, or supplements thereto or other documents contained therein shall have been executed or Filed, as applicable in form and substance consistent in all respects with the Plan and the Restructuring Support Agreement, and comply with the applicable consent rights set forth in the Plan, and/or any such documents shall not have been modified in a manner inconsistent with this Plan absent the Ad Hoc Group's (and, solely to the extent required in the Restructuring Support Agreement, the Consenting Investor's) (and, solely with respect to any modification to the treatment of the RPA Obligations, TSHL's) prior written consent (email being sufficient);
- d. each of the Definitive Documents shall have been executed by the applicable parties thereto (or Filed), in each case, as applicable, consistent in all respects

with the Plan and in accordance with the consent rights set forth in the Restructuring Support Agreement, and the conditions to effectiveness of each of the foregoing shall have been satisfied or waived in accordance with their respective terms;

- e. the Restructuring Transactions shall have been consummated in accordance with the Plan;
- f. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan and the Restructuring Transactions;
- g. the Professional Fee Amount shall have been funded into the Professional Fee Account pending the approval of such fees and expenses by the Bankruptcy Court;
- h. all Transaction Expenses shall have been paid in full in Cash;
- i. no court of competent jurisdiction or other competent governmental or regulatory authority shall have issued a final and non-appealable order making illegal or otherwise restricting, preventing or prohibiting the consummation of the Plan or the Restructuring Transactions;
- j. the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated in the Plan in a manner reasonably acceptable to (i) the Ad Hoc Group, and (ii) solely to the extent required in the Restructuring Support Agreement, the Consenting Investor and TSHL;
- k. the DIP Orders shall have been entered by the Bankruptcy Court and shall remain in full force and effect and become Final Orders; and
- l. the Restructuring Support Agreement shall be in full force and effect, no termination event or event that would give rise to a termination event under the Restructuring Support Agreement upon the expiration of the applicable grace period shall have occurred, and the Restructuring Support Agreement shall not have been validly terminated prior to the Effective Date.

B. Waiver of Conditions.

Any one or more of the conditions to Consummation (or component thereof) set forth in Article IX of the Plan may be waived by the Debtors solely with the prior written consent of the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders (and, solely if required by the consent rights contained in the Restructuring Support Agreement, the Consenting Investor and/or TSHL), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

C. Effect of Failure of Conditions.

If Consummation does not occur as to any Debtor, the Plan shall be null and void in all respects as to all Debtors, unless the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders otherwise consent to Consummation of the Plan as to the remaining Debtors, in which case Consummation as to such remaining Debtors may proceed. As it relates to the Debtors with respect to which Consummation does not occur, nothing contained in the Plan, the Disclosure Statement: (1) constitute a waiver or release of any Claims by such Debtors, Claims, or Interests; (2) prejudice in any manner the rights of such Debtors, any Holders of Claims or Interests, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by such Debtors, any Holders of Claims or Interests, or any other Entity.

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.

ARTICLE XII.

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments.

Except as otherwise specifically provided in the Plan, the Debtors reserve the right to modify the Plan, with the consent of the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders (and, solely to the extent required in connection with such modification as set forth in the Restructuring Support Agreement, the Consenting Investor and/or TSHL), whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan; *provided*, that such modifications are consistent with and implemented in accordance with the terms of the Restructuring Support Agreement. Subject to those restrictions on modifications set forth in the Plan and the requirements of section 1127 of the Bankruptcy Code, Rule 3019 of the Federal Rules of Bankruptcy Procedure, and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or to alter, amend, or modify the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary may initiate proceedings in the Bankruptcy 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 matters as may be necessary to carry out the purposes and intent of the Plan; *provided*, that such alterations, amendments, or modifications are consistent with and implemented in accordance with the terms of the Restructuring Support Agreement.

B. Effect of Confirmation on Modifications.

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan since 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 Plan.

To the extent permitted by the Restructuring Support Agreement and with the consent of the Ad Hoc Group, the Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to File subsequent plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does 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 under 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: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity.

ARTICLE XIII. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or relating to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- a. 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 to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
- b. 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 authorized pursuant to the Bankruptcy Code or the Plan;
- c. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cures pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;
- d. to resolve any disputes concerning Disputed Claims and consider the allowance, classification, priority, compromise, estimation, secured or

unsecured status, amount of payment of any Claim, including any Administrative Claims, including any dispute over the application to any Claim of any limitation on its allowance set forth in sections 502 or 503 of the Bankruptcy Code or asserted under non-bankruptcy Law pursuant to section 502(b)(1) of the Bankruptcy Code;

- e. ensure that distributions to Holders of Allowed Claims and Allowed Interests (as applicable) are accomplished pursuant to the provisions of the Plan;
- f. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
- g. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- h. enter and implement such orders as may be necessary to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created or entered into in connection with the Plan or the Disclosure Statement;
- i. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- j. 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;
- k. issue injunctions, enter and implement other orders, or take such other actions as may be necessary to restrain interference by any Entity with Consummation or enforcement of the Plan;
- l. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, exculpations, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
- m. 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.D of the Plan;
- n. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- o. determine any other matters that may arise in connection with or relate to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order,

or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

- p. enter an order concluding or closing the Chapter 11 Cases;
- q. adjudicate any and all disputes arising from or relating to distributions under the Plan;
- r. consider any modifications of the Plan in accordance with section 1127 of the Bankruptcy Code, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
- s. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
- t. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
- u. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- v. to recover all assets of the Debtors and property of the Debtors' Estates, wherever located;
- w. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in the Plan, including under Article VIII of the Plan;
- x. enforce all orders previously entered by the Bankruptcy Court; and
- y. hear any other matter not inconsistent with the Bankruptcy Code.

As of the Effective Date, notwithstanding anything in Article XI of the Plan to the contrary, the New Organizational Documents, the New Equity Interests, and any documents related thereto shall be governed by the jurisdictional provisions therein and the Bankruptcy Court shall not retain jurisdiction with respect thereto.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect.

Subject to Article IX.A of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan (including, for the avoidance of doubt, the documents and instruments contained in the Plan

Supplement) shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, and any and all Holders of Claims or Interests (irrespective of whether such Holders of Claims or Interests have, or are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and Interests shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or Interest has voted on the Plan.

B. Additional Documents.

Subject to and in accordance with the Restructuring Support Agreement, on or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, 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. Closure of Cases and Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, prior to the Effective Date shall be paid on the Effective Date or as soon as reasonably practicable thereafter. On the Effective Date, the cases of the Debtors other than U.S. TelePacific Corp. shall be closed (and the Confirmation Order shall serve as the final decree for such cases) without the need for further motion or order. Following the Effective Date, all fees payable pursuant to section 1930(a) of the Judicial Code shall be paid by U.S. TelePacific Corp. for each quarter (including any fraction thereof) until the earlier of entry of a final decree closing the Chapter 11 Case for U.S. TelePacific Corp. or an order of dismissal or conversion, whichever comes first. The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the remaining Chapter 11 Case of U.S. TelePacific Corp. Furthermore, the Claims and Noticing Agent is authorized to destroy all paper or hardcopy records related to the Chapter 11 Cases one (1) year after the Effective Date has occurred.

D. Statutory Committee and Cessation of Fee and Expense Payment.

On the Confirmation Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Debtors or Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Confirmation Date.

E. Reservation of Rights.

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no

force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, 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 prior to the Effective Date.

F. Successors and Assigns.

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, manager, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Notices.

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

Debtors	Counsel to the Debtors
U.S. TelePacific Corp. Plaza 7000 North Mopac Expressway Suite 2080 Austin, TX 78731 Attention: General Counsel	Sidley Austin LLP 787 Seventh Avenue New York, New York 10019 Attention: Anthony Grossi, Jason Hufendick, Weiru Fang, and Ryan Fink
Counsel to the Ad Hoc Group	Counsel to the Committee
Davis Polk & Wardwell LLP 450 Lexington Avenue New York, NY 10017 Attention: Damian S. Schaible; Natasha Tsiouris; Michael Pera; David Kratzer; Kyle Kreider	DLA Piper LLP (US) 1251 Avenue of the Americas New York, NY 10021 Attention: Dennis C. O'Donnell, James Muenker, Roxanne Eastes

After the Effective Date, the Reorganized Debtors have the authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. 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 Bankruptcy Court, and extant 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.

I. Entire Agreement.

Except as otherwise indicated, the Plan (including, for the avoidance of doubt, the documents and instruments in the Plan Supplement) supersedes 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.

J. Plan Supplement.

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://restructuring.ra.kroll.com/TPx> or the Bankruptcy Court's website at www.txs.uscourts.gov/bankruptcy. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

K. Severability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy 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 term or provision shall then be applicable as altered or interpreted; *provided* that any such alteration or interpretation shall be acceptable to the Debtors. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' or the Reorganized Debtors', consent, as applicable; and (3) nonseverable and mutually dependent.

L. 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 section 1125(g) of the Bankruptcy Code and any applicable securities Laws, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors 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 and any applicable securities Laws 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 or 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.

M. Waiver or Estoppel.

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 was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

**ARTICLE XV.
RISK FACTORS**

Prior to voting on the Plan, Holders of Claims in Classes 3, 4, 5, and 6 as well as entities in non-voting Classes, should consider carefully the risk factors described below, as well as all of the information contained in this Disclosure Statement, including the Exhibits hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. See Article XVI of this Disclosure Statement for a discussion of U.S. federal income tax law considerations.

A. Bankruptcy Law Considerations.

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims and Interests under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

a. The Amounts of Allowed Claims May Adversely Affect the Recovery of Some Holders of Allowed Claims.

If the Restructuring Transactions are not implemented, the Debtors will consider all available restructuring alternatives, including filing an alternative chapter 11 plan, converting to a chapter 7 plan, and any other transaction that would maximize the value of the Debtors' Estates. The terms of any alternative restructuring proposal may be less favorable to Holders of Claims against and Interests in the Debtors than the terms of the Plan as described in this Disclosure Statement.

Any material delay in the Confirmation of the Plan, the Chapter 11 Cases, or the threat of rejection of the Plan by the Bankruptcy Court would add substantial expense and uncertainty to the process.

The uncertainty surrounding a prolonged restructuring would have other adverse effects on the Debtors. For example, it would adversely affect:

- The Debtors' ability to raise additional capital;
- The Debtors' liquidity;
- How the Debtors' businesses are viewed by regulators, investors, lenders, and credit ratings agencies;
- The Debtors' enterprise value; and
- The Debtors' business relationships with customers and vendors.

b. Parties in Interest May Object to the Plan's Classification of Claims and Interests.

There is no guarantee that the Bankruptcy Court will agree with the classification of Claims and Interests as proposed by the Plan. Section 1122 of the Bankruptcy Code provides that a chapter 11 plan may place a claim or an equity interest in a particular class only if that claim or interest is substantially similar to the other claims or interests in that class. As is described herein, the Debtors believe that the Plan's classification of Claims and Interests complies with the requirements under the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

c. The Bankruptcy Court May Not Approve the Debtors' Use of Cash Collateral or the DIP Facility.

Upon commencing the Chapter 11 Cases, the Debtors will ask the Bankruptcy Court to authorize the Debtors to enter into postpetition financing arrangements and use cash collateral to fund the Chapter 11 Cases and to provide customary adequate protection in accordance with the terms of the DIP Motion. Such access to postpetition financing and cash collateral will provide liquidity during the pendency of the Chapter 11 Cases. There can be no assurance that the Bankruptcy Court will approve the debtor-in-possession financing and/or such use of cash collateral on the terms requested.

Moreover, if the Chapter 11 Cases take longer than expected to conclude, the Debtors may exhaust their available cash collateral and postpetition financing. There is no assurance that the Debtors will be able to obtain an extension of the right to obtain further postpetition financing and/or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' businesses may be impaired materially.

d. The Restructuring Support Agreement May Be Terminated.

As more fully described in the Restructuring Support Agreement, the Restructuring Support Agreement may be terminated upon the occurrence of certain events, including, among others, the Debtors' failure to meet specified milestones, and breaches by the Debtors, the Ad Hoc Group, and/or the Consenting Investor of their respective obligations under the Restructuring Support Agreement. Any such termination could result in the loss of the use of cash collateral and/or the DIP Financing by the Debtors under certain circumstances. In the event that the

Restructuring Support Agreement is terminated, the Debtors may seek a non-consensual restructuring alternative.

e. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the confirmation and Effective Date of the Plan are subject to a number of conditions precedent. If such conditions precedent are not waived or not met, the confirmation and Effective Date of the Plan will not take place. In the event that the Effective Date does not occur, the Debtors may seek confirmation of a new plan or be forced to pivot to a chapter 7 liquidation.

f. The Debtors May Fail to Satisfy the Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may need to seek to confirm an alternative chapter 11 plan or transaction, subject to the terms of the Restructuring Support Agreement. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Allowed Claims and Interests as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

g. The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan “does not unfairly discriminate” and is “fair and equitable” with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim or Interest may object to Confirmation and assert that the Plan does not satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. The Bankruptcy Court could decline to confirm the Plan if it finds statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Such a

less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

h. The Debtors May Not Be Able to Secure Nonconsensual Confirmation Over Certain Impaired Non-Accepting Classes.

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

i. The Chapter 11 Cases May Be Converted to Cases Under Chapter 7 of the Bankruptcy Code.

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (b) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation.

j. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

k. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan.

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

1. Releases, Injunctions, and Exculpation Provisions May Not Be Approved.

The Debtors understand that certain parties may believe that they have valid objections to the release and exculpation provisions in the Plan. The Debtors believe that any such objection is without merit; however, in the event that such objection is sustained by the Bankruptcy Court and such release and/or exculpation provisions are modified or stricken from the Plan, the Ad Hoc Group or the Consenting Investor may withdraw their support for the Plan, which may result in the Debtors being unable to confirm the Plan or any other chapter 11 plan.

B. Allowance of Claims.

This Disclosure Statement has been prepared based on preliminary information concerning the Debtors' books and records. The actual amount of Allowed Claims may differ from the Debtors' current estimates.

C. Risks Related to Recoveries Under the Plan.

a. The Amounts of Allowed Claims May Adversely Affect the Recovery of Some Holders of Allowed Claims.

The distributions available to Holders of Allowed Claims in Classes 3, 4, 5, and 6 under the Plan can be affected by a variety of contingencies, including, without limitation, the amount of Allowed Administrative Claims, Priority Tax Claims, Other Secured Claims, and Other Priority Claims, thereby reducing the amount of distributions available for other Holders of Allowed Claims. The Debtors cannot determine with any certainty at this time the number or amount of such Claims that will ultimately be Allowed. Thus, the projected recoveries for Holders of Allowed Claims in Classes 3, 4, 5, and 6 disclosed in this Disclosure Statement are highly speculative.

b. Any Valuation of Any Assets to be Distributed Under the Plan Is Speculative.

Any valuation of any of the assets to be distributed under the Plan is necessarily speculative. Accordingly, the ultimate value, if any, of these assets could materially affect, among other things, recoveries to the Holders of Allowed Claims in Classes 3, 4, 5, and 6.

c. The Debtors Cannot Guarantee the Timing of Distributions.

The timing of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, the Debtors cannot guarantee the timing of any recovery on an Allowed Claim.

d. Certain Tax Implications of the Debtors' Bankruptcy.

Holders of Allowed Claims should carefully review Article XVI of this Disclosure Statement, "Certain U.S. Federal Income Tax Consequences of Consummation of the Plan," for a description of certain U.S. federal income tax implications of the Plan and the Debtors' Chapter 11 Cases.

e. The Reorganized Debtors May Not Be Able to Achieve Their Projected Financial Results.

The Financial Projections (as defined herein) set forth in this Disclosure Statement represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations, as well as the United States and world economies in general, and the industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized. If the Debtors do not achieve their projected financial results, the value of the Reorganized Debtors may be negatively affected and the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

D. Risks Related to Securities to be Issued Under the Plan.

a. Certain Holders of New Equity Interests May Be Restricted in Their Ability to Transfer or Sell Their Securities.

To the extent that shares of the New Equity Interests issued under the Plan are issued pursuant to section 1145(a)(1) of the Bankruptcy Code, such securities may be resold by the holders thereof without registration under the Securities Act unless such holder is an "underwriter" (as defined in section 1145(b) of the Bankruptcy Code) with respect to such securities; *provided, however*, such rights or shares of such New Equity Interests will not be freely tradeable if, at the time of transfer, the holder is an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) under the Securities Act, or had been such an "affiliate" within 90 days of such transfer. Such affiliate holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Resales by holders of Claims who receive New Equity Interests pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. Such holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Resales by

holders who receive New Equity Interests pursuant to the Plan that are issued in reliance upon section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder or Regulation S promulgated thereunder will receive “restricted securities.” Such holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. The New Equity Interests will not be registered under the Securities Act or any state securities laws, and the Debtors make no representations regarding the right of any holder of New Equity Interests to freely resell the New Equity Interests.

b. The Estimated Valuation of the Reorganized Debtors and the New Equity Interests and the Estimated Recoveries to Holders Are Not Necessarily Representative of the Private or Public Sale Values of the New Equity Interests.

The Debtors’ estimated recoveries to Holders of Allowed Claims are not intended to represent the private or public sales of the Reorganized Debtors’ securities. The estimated recoveries are based on numerous assumptions (the realization of many of which are beyond the control of the Reorganized Debtors), including, among other things (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors’ ability to achieve the operating and financial results included in the Financial Projections; and (d) the Debtors’ ability to maintain adequate liquidity to fund operations.

c. Potential Dilution.

The ownership percentage represented by the New Equity Interests distributed on the Effective Date under the Plan will be subject to dilution from any other equity that may be issued post-emergence, including the conversion of any options, warrants, convertible securities, exercisable securities, or other securities that may be issued post emergence.

In the future, similar to all companies, additional equity financings or other equity issuances by the Reorganized Debtors could adversely affect the value of the New Equity Interests issuable upon such conversion. The amount and dilutive effect of any of the foregoing could be material.

d. A Small Number of Holders or Voting Blocks May Control the Reorganized Debtor.

Consummation of the Plan may result in a small number of holders each owning a significant percentage of the New Equity Interests. These holders may be in a position to control the outcome of all actions requiring equity holder approval, including the election of directors, without the approval of other equity holders. This concentration of ownership could also facilitate or hinder a negotiated change of control of the Reorganized Debtors and, consequently, have an impact upon the value of the New Equity Interests.

e. New Equity Interests Would be Subordinated to the Reorganized Debtors’ Indebtedness.

In any subsequent liquidation, dissolution, or winding up of the Reorganized Debtors, the New Equity Interests would rank below all debt claims against the Reorganized Debtors. As a

result, holders of the New Equity Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all the Reorganized Debtors' debt obligations have been satisfied.

f. The Reorganized Debtors Do Not Intend to Pay Dividends on the New Equity Interests.

The Reorganized Debtors do not anticipate paying any dividends on the New Equity Interests as it expects to retain any future cash flows for debt reduction and to support its operations. In addition, covenants in the documents governing the Reorganized Debtors' indebtedness may restrict their ability to pay cash dividends and may prohibit the payment of dividends and certain other payments. As a result, the success of an investment in the New Equity Interests will depend entirely upon any future appreciation in the value of the New Equity Interests. There is, however, no guarantee that the New Equity Interests will appreciate in value or even maintain their initial value.

E. Risks Related to the Debtors' and Reorganized Debtors' Businesses.

a. The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Debtors' ability to consummate the Restructuring Transactions will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the Restructuring Transaction specified in the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions Filed in the Chapter 11 Cases from time to time; (c) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (d) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' Restructuring Transactions. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

b. Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' Businesses.

A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' Restructuring Transactions and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant

amount of time and effort dealing with the restructuring instead of focusing exclusively on maximizing the value of the assets through a sale. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success of the Debtors' Restructuring process.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The chapter 11 proceedings also require the Debtors to seek debtor-in-possession financing to fund operations. If the Debtors are unable to obtain approval of such financing on favorable terms or at all, or if the Debtors are unable to fully draw on the availability under the DIP Facility, the chances of conversion to a chapter 7 proceeding may be increased, and, as a result, creditor recoveries may be significantly impaired.

c. The Debtors' Business is Subject to Various Laws and Regulations That Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business.

The Debtors' operations are subject to various federal, state, and local laws and regulations. The Debtors may be required to make large expenditures to comply with such regulations. Failure to comply with these laws and regulations may result in the suspension or termination of operations and subject the Debtors to administrative, civil and criminal penalties, which could have a material adverse effect on the recoveries set forth in the Plan. The following non-exhaustive list of factors, risks, or uncertainties may affect the Debtors and their business.

i. *The Debtors are subject to extensive and evolving telecommunications regulation.*

The Debtors are subject to various federal, state, and local regulations, including by the FCC and state PUCs. Failure to comply with applicable regulatory requirements may result in fines, penalties, or revocation of authority to operate, which could adversely impact the Debtors' operations and financial condition.

ii. *New or expanded regulation of telecommunications, cloud, and VoIP services could adversely affect the Debtors.*

The adoption of new regulations or the application of existing laws and regulations to the Debtors' business may increase compliance costs, impose operational restrictions, or otherwise hinder the Debtors' performance and growth.

iii. *The Debtors' ability to consummate the Plan depends on obtaining required regulatory approvals.*

The Restructuring Transactions contemplated by the Plan may require approvals from the FCC and certain state PUCs. There can be no assurance that such approvals will be obtained on a timely basis. Any delay in obtaining, or failure to obtain, such approvals could delay or prevent consummation of the Plan.

d. The Loss of Personnel Could Adversely Affect the Debtors' Operations.

The Debtors' operations are dependent on a relatively small group of key management personnel and a highly-skilled employee base. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and all employees. As a result, the Debtors have experienced and may continue to experience increased levels of employee attrition. Because competition for experienced highly-skilled personnel can be significant in the jurisdictions where Debtors operate, the Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such employees such key management personnel could adversely affect the Debtors' ability to operate their businesses for the benefit of maximizing value during the Chapter 11 Cases.

F. Disclosure Statement Disclaimer.

a. The Financial Information Contained in This Disclosure Statement Has Not Been Audited.

In preparing this Disclosure Statement, the Debtors and their advisors relied on financial data derived from the Debtors' books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information, and any conclusions or estimates drawn from that financial information, provided in this Disclosure Statement, and although the Debtors believe that the financial information herein fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant that the financial information contained herein, or any conclusions or estimates drawn therefrom, is without inaccuracies.

b. Information Contained in This Disclosure Statement is For Soliciting Votes.

The information contained in this Disclosure Statement is for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purpose.

c. This Disclosure Statement Was Not Reviewed or Approved by the SEC.

This Disclosure Statement was not filed with the SEC under the Securities Act or applicable state securities laws. Neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement or the exhibits or the statements contained in this Disclosure Statement.

d. This Disclosure Statement May Contain Forward-Looking Statements.

This Disclosure Statement may contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements and may include, without limitations, information regarding the Debtors' expectations with respect to future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those risks described in this Article. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and the Debtors undertake no obligations to update any such Statements.

Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions that might ultimately prove to be incorrect and projections that may be materially different from actual future experiences. Many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtors, including the timing, confirmation, and consummation of the Plan, inflation, and other unanticipated market and economic conditions. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be allowed. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the projections may be inaccurate in material respects. In addition, unanticipated events and circumstances occurring after the approval of this Disclosure Statement by the Bankruptcy Court may affect the actual financial results achieved by the Debtors. Such results may vary significantly from the forecasts and such variations may be material.

e. No Legal or Tax Advice Is Provided to You by This Disclosure Statement.

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or an Interest should consult his or her own legal counsel, accountant or other applicable advisor with regard to any legal, tax and other matters concerning his, her or its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

f. No Admissions Made.

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, Holders of Allowed Claims or Interests, or any other parties in interest.

g. Failure to Identify Potential Objections.

No reliance should be placed on the fact that a particular Cause of Action or potential objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Reorganized Debtors may, pursuant to the Plan, object to applicable Claims or Interests after the Effective Date of the Plan irrespective of whether this Disclosure Statement identifies a particular Cause of Action or objection to a Claim.

h. No Waiver of Right to Object or Right to Recover Transfers and Assets.

The vote by a Holder of a Claim for or against the Plan does not constitute a waiver or release of any claims, causes of action or rights of the Debtors (or any entity, as the case may be) to object to that Holder's Claim, or recover any preferential, fraudulent or other voidable transfer of assets, regardless of whether any claims or causes of action of the Debtors or their Estates are specifically or generally identified in this Disclosure Statement.

i. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors.

The Debtors' advisors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although the Debtors' advisors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement.

j. Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update.

The statements contained in this Disclosure Statement are made by the Debtors as of the date of this Disclosure Statement, unless otherwise specified in this Disclosure Statement, and the delivery of this Disclosure Statement after the date of this Disclosure Statement does not imply that there has not been a change in the information set forth in this Disclosure Statement since that date. While the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

k. No Representations Outside This Disclosure Statement are Authorized.

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to counsel to the Debtors and the U.S. Trustee.

**ARTICLE XVI.
CERTAIN U.S. FEDERAL INCOME TAX
CONSEQUENCES OF CONSUMMATION OF THE PLAN**

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and certain Holders of Allowed Claims. The following summary is based on the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial decisions, administrative rules and pronouncements as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax consequences described herein. This summary addresses certain U.S. federal income tax consequences only to Holders of Claims that are entitled to vote (i.e., Holders of Claims in Classes 3, 4, 5, and 6) and it does not address the U.S. federal income tax consequences to Holders of Claims or Interests that are not entitled to vote on the Plan. The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder of an Allowed Claim in light of such Holder's particular facts and

circumstances (such as the effects of Section 451(b) of the IRC conforming the timing of certain income accruals to financial statements). In addition, this summary addresses only U.S. federal income taxes. Thus, the following discussion does not address foreign, state, or local tax consequences, or any estate, gift, or other non-income tax consequences, of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to Holders of Allowed Claims that are subject to special treatment under the IRC (such as Persons who are related to the Debtors within the meaning of the IRC, Holders liable for the alternative minimum tax, Holders whose functional currency is not the U.S. dollar, Holders that received their Claims as compensation, broker dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, governmental entities, pass-through entities such as partnerships or S corporations and investors therein, and Holders of Claims who are themselves in bankruptcy). Accordingly, this summary should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular Holder of a Claim.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds an Allowed Claim, the tax treatment of a partner or other investor in such partnership will generally depend upon the status of the partner or investor and the activities of the partnership. If you are a partner or other investor in a partnership holding an Allowed Claim or Interest, you should consult your tax advisors.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of an Allowed Claim in Class 3, 4, 5, or 6 that is: (A) an individual citizen or resident of the United States for U.S. federal income tax purposes; (B) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (C) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (D) a trust (1) if a court within the United States is able to exercise primary jurisdiction over the trust’s administration and one or more United States persons have authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (as defined in the IRC), and a “Non-U.S. Holder” is a beneficial owner of an Allowed Claim in Class 3, 4, 5, or 6 (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

The following discussion assumes that the Plan will be implemented as described herein and does not address the tax consequences if the Plan is not carried out. Furthermore, this discussion assumes that Holders of Allowed Claims only hold the Claims in a single Class. For purposes of this discussion, it is assumed that the Claims in Class 3 and Class 6 are treated as debt for U.S. federal income tax purposes and the Claims in Class 4 and Class 5 are treated as equity for U.S. federal income tax purposes. In addition, a substantial amount of time may elapse between the confirmation date and the receipt of a final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as additional tax legislation, court decisions or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder.

This summary of the U.S. federal income tax consequences of the Plan is not binding on the Internal Revenue Service (“IRS”), and no ruling will be sought or has been sought from the

IRS with respect to any of the tax aspects of the Plan, no opinion of counsel has been obtained or will be obtained by the Debtors with respect thereto, and no tax opinion is given by this Disclosure Statement. The U.S. federal income tax consequences of certain aspects of the Plan may therefore be uncertain due to the lack of applicable legal authority and may be subject to administrative or judicial interpretations that differ from the discussion below.

The following discussion is not exhaustive and the U.S. federal income tax consequences to each Holder of an Allowed Claim will differ and will depend on factors specific to each such Holder, including (A) whether the Holder's Allowed Claim (or portion thereof) constitutes a claim for principal or interest; (B) the origin of the Holder's Allowed Claim; (C) whether the Holder reports income using the accrual or cash basis method; (D) whether the Holder receives distributions under the Plan in more than one taxable year; (E) whether the Holder has previously included in income any accrued but unpaid interest with respect to an Allowed Claim; and (F) whether the Holder has previously taken a bad debt deduction with respect to an Allowed Claim or otherwise recognized a loss with respect to the Allowed Claim. The discussion is not a substitute for careful tax planning and professional tax advice based upon the individual circumstances of each Holder of an Allowed Claim. Accordingly, each Holder of an Allowed Claim is strongly urged to consult with its own tax advisor regarding the U.S. federal, state, local, and foreign income and other tax consequences of the Plan.

Because the postpetition Marketing and Sale Process did not yield any actionable bid, the Debtors (with the consent of the Ad Hoc Group) have determined to pursue the Reorganization Transaction. Accordingly, this section provides a summary discussion of the potential consequences to the Debtors and the Holders of Claims in the event of the Reorganization Transaction.

A. Certain U.S. Federal Income Tax Consequences to the Debtors and the Reorganized Debtors.

a. Cancellation of Debt and Reduction of Tax Attributes.

In general, absent an exception, a taxpayer will realize and recognize cancellation of indebtedness income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. Under section 108 of the IRC, a taxpayer will not, however, be required to include COD Income in gross income if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding (the "Bankruptcy Exception").

As a consequence of such COD Income exclusion under the Bankruptcy Exception, a taxpayer-debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. In general, tax attributes will be reduced in the following order: (a) NOL carryforwards; (b) general business tax credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a debtor with COD Income may elect first to reduce the basis of its depreciable assets prior to reducing any other tax attributes, pursuant to section 108(b)(5) of

the IRC. Any excess COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

In the event that the Plan provides for certain Holders of Claims to receive non-Cash consideration, the amount of COD Income, and accordingly the amount of tax attributes required to be reduced, will depend, in part, on the fair market value of the non-Cash consideration received, which cannot be known with certainty at this time. As a result, the exact amount of any COD Income that will be realized by the Debtors, if any, will not be determinable until the consummation of the Plan.

b. Limitation of NOL Carryforwards and Other Tax Attributes.

The Debtors estimate that, as of December 31, 2025, they had approximately \$459 million of federal NOLs, \$552 million of state NOLs, and \$418 million of section 163(j) carryforwards. Importantly, the Debtors' asset basis is also a valuable tax attribute. The Debtors believe they may have a "net unrealized built-in loss" with respect to certain assets because they estimate that the aggregate adjusted tax basis of those assets exceeds their aggregate fair market value. Further, the Debtors believe they may generate additional tax attributes in the 2026 tax year. In general, the tax attributes can be carried forward to future taxable years to reduce the Debtors' taxable income, thereby reducing future aggregate tax obligations. However, the amount of any tax attributes, as well as the application of any limitations, remain subject to review and adjustment by the IRS. Therefore, the Debtors are currently unable to determine the amount of NOLs or other tax attributes that may be available following implementation of the Plan.

A corporation's use of its NOL carryforwards is subject to various limitations in the IRC. For example, NOLs generated after December 31, 2017 generally can only be utilized to offset 80% of a corporation's taxable income in a subsequent taxable year. In this regard, \$232 million of the Debtor's NOL carryforwards were generated after December 31, 2017 and thus are subject to the 80% limitation. Approximately \$226 million of the Debtor's NOL carryforwards were generated before December 31, 2017 and are generally available to be used prior to the restricted NOLs.

Another potential limitation on use of NOLs is section 382 of the IRC. If a corporation is treated as undergoing an ownership change under section 382 of the IRC, its annual use of its pre-ownership change NOLs is limited to a specified amount (the "Section 382 Limitation"), generally the product of (1) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (2) the "long term tax exempt rate" applicable to the month in which the ownership change occurs. Any unused portion of the Section 382 Limitation generally is available for use in subsequent years. The Section 382 Limitation is increased in the case of a corporation that has net unrealized built-in gains ("NUBIGs"), i.e., gains economically accrued but unrecognized at the time of the ownership change, in excess of a threshold amount (generally, fair market value of assets in excess of tax basis). Such a corporation

can use NOLs in excess of its Section 382 Limitation to the extent that it realizes those NUBIGs for U.S. federal income tax purposes in the five years following the ownership change.

Pursuant to the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of, and Declarations of Worthlessness with Respect to, Instruments Treated as Stock; and (II) Granting Related Relief* [Docket No. 72] (the “NOL Order”), the Bankruptcy Court approved the relief requested in the NOL Motion to protect the Debtors against the possible loss or limitation of the Debtors’ tax attributes.

Following the Effective Date, unless either the Section 382(l)(5) Exception or the Section 382(l)(6) Exception (each as defined below) apply, the Debtors anticipate that any NOL carryforwards, tax credits, and certain other tax attributes (such as losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Reorganized Debtors that are not reduced according to the COD Income rules described above and that are allocable to periods before the Effective Date (collectively, “Pre-Change Tax Attributes”) may be subject to limitation under sections 382 and 383 of the IRC as a result of an “ownership change” of the Reorganized Debtors by reason of the Restructuring Transactions.

Under sections 382 and 383 of the IRC, if a corporation undergoes an “ownership change,” the amount of its Pre-Change Tax Attributes that may be utilized to offset future taxable income generally is subject to an annual limitation. The rules of section 382 and 383 of the IRC are complex, but as a general matter, the Debtors anticipate that, if the Reorganization Transaction is consummated, such transaction could result in an “ownership change” of the Debtors for these purposes, and that the Reorganized Debtors’ use of the Pre-Change Tax Attributes will be subject to limitation unless an exception to the general rules of section 382 of the IRC applies.

i. General Section 382 Annual Limitation.

As discussed above, the Section 382 Limitation on the use of Pre-Change Tax Attributes in any “post-change year” will generally be equal to the product of (1) the fair market value of the stock of the corporation immediately before the “ownership change” (with certain adjustments) multiplied by (2) the “long term tax exempt rate” applicable to the month in which the ownership change occurs. The Section 382 Limitation may be increased during the five-year period following the ownership change to the extent that the Debtors have a NUBIG as of the Effective Date. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year.

However, if a corporation that has undergone an ownership change does not continue its historic business or use a significant portion of its historic assets in a new business for at least two years after the ownership change, the Section 382 Limitation is generally reduced to zero, thereby precluding any utilization of the corporation’s Pre-Change Tax-Attributes (absent any increases due to net unrealized built-in gain discussed above). As discussed below, however, special rules may apply in the case of a corporation which experiences an ownership change as the result of a bankruptcy proceeding.

ii. *Special Bankruptcy Exemptions.*

Certain exceptions to the foregoing annual limitation rules may apply in the case of a corporation that experiences an “ownership change” as a result of a chapter 11 bankruptcy proceeding. These exceptions are contained in Sections 382(l)(5) and 382(l)(6) of the IRC (referred to herein as the “Section 382(l)(5) Exception” and “Section 382(l)(6) Exception,” respectively). The Section 382(l)(5) Exception applies when shareholders and/or “qualified creditors” of a debtor corporation in a chapter 11 proceeding receive, in respect of their claims or interests, at least 50 percent of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in a chapter 11 proceeding) pursuant to a confirmed chapter 11 plan. A qualified creditor is any beneficial owner of qualified indebtedness of the debtor corporation prior to the ownership change. Qualified indebtedness is debt held by a qualified creditor for at least eighteen months prior to the petition date or who has held “ordinary course indebtedness” that has been owned at all times by such qualified creditor. A creditor who does not become a direct or indirect “5-percent shareholder” (within the meaning of section 382(k) of the IRC) of a reorganized debtor may generally be treated as having continuously held its debt from the time it was originally acquired through the ownership change.

Under the Section 382(l)(5) Exception, a debtor’s Pre-Change Tax Attributes are not limited on an annual basis, but, instead, the Debtors’ NOL carryforwards are reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the ownership change, and during the part of the taxable year prior to and including the effective date of the ownership change, in respect of all debt converted into stock in the reorganization. If the Section 382(l)(5) Exception applies and the Reorganized Debtors undergo another “ownership change” within two years after the effective date of the Plan, the Pre-Change Tax Attributes effectively would be eliminated in their entirety.

Where the Section 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the Section 382(l)(5) Exception), the Section 382(l)(6) Exception may apply. Under the Section 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of the value of the debtor corporation’s new stock (with certain adjustments) immediately after the ownership change and the value of such debtor corporation’s assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an “ownership change” to be determined before the events giving rise to the change. The Section 382(l)(6) Exception also differs from the Section 382(l)(5) Exception in that the debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo an ownership change within two years without triggering the elimination of its Pre-Change Tax Attributes. The resulting limitation from a subsequent ownership change would be determined under the regular rules for ownership changes.

It is not possible to say at this time whether either the Section 382(l)(5) Exception or the Section 382(l)(6) Exception may apply and no assurances can be provided in this regard. As a result, the application of either the Section 382(l)(5) Exception or the Section 382(l)(6) Exception will not be determinable until the consummation of the Plan.

B. Certain U.S. Federal Income Tax Consequences to U.S. Holders of Certain Claims Entitled to Vote.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions as currently contemplated by the Plan. It is unclear whether a Holder that holds Claims in multiple Classes that are deemed exchanged will be considered to engage in separate exchanges with respect to each such Class of Claims. The following discussion assumes that a Holder of Claims in multiple Classes will be treated as separately engaging in the Restructuring Transactions with respect to each Class of Claims held.

The following discussion also assumes that the Claims that are treated as debt for U.S. federal income tax purposes do not constitute “securities” for U.S. federal income tax purposes. The term “security” is not defined in the IRC or in the Treasury Regulations and has not been clearly defined by judicial decisions. The determination of whether a particular debt obligation constitutes a “security” depends on an overall evaluation of the nature of the debt, including whether the Holder of such debt obligation is subject to a material level of entrepreneurial risk and whether a continuing proprietary interest is intended or not. One of the most significant factors considered in determining whether a particular debt obligation is a security is its original term. In general, debt obligations issued with a weighted-average maturity at issuance of less than five (5) years do not constitute securities, whereas debt obligations with a weighted-average maturity at issuance of ten (10) years or more generally constitute securities. Generally, if a Claim does not constitute a security, the receipt of consideration in satisfaction for such Claim may be treated as a fully taxable transaction.

Holders of the Claims are urged to consult their own tax advisors regarding the tax consequences of the Restructuring Transactions to them, including with respect to the holding period of the Claims, the treatment of the Warrants and whether their Claim constitutes a security, in light of their own personal circumstances.

a. U.S. Federal Income Tax Consequences to U.S. Holders of Claims in Class 3 and Class 6.

The Restructuring Transactions may be treated as a fully taxable transaction for each U.S. Holder of a Claim in Class 3 and Class 6, which the Debtors have treated as debt for U.S. federal income tax purposes. If the Restructuring Transaction is treated as a taxable exchange, each such Holder will generally recognize gain or loss under the Plan equal to the difference between the “amount realized” by such Holder and such Holder’s adjusted tax basis in its Claim (other than any amounts attributable to accrued but unpaid interest and possibly accrued original issue discount (“OID”)). The amount realized will include the amount of any Cash received from the Debtor, the issue price of the Holder’s interest (if any) in the loans under the 1L Exit Facility (generally expected to be their face amount), the fair market value of the New Equity Interests received (if any), less the amount (if any) allocable to accrued but unpaid interest, as discussed below under the heading “Accrued Interest and OID.” If new debt is received by the Holder, the amount realized will be the issue price of the debt as determined under the applicable tax rules. If the New Equity Interests are received by the Holder, the amount realized will be the fair market value of such consideration.

To the extent a U.S. Holder of a Claim recognizes gain or loss as described above, the character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands, whether a Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to a Claim. In general, any such gain or loss realized by a U.S. Holder should constitute capital gain or loss to such U.S. Holder, unless such Claim is not a capital asset in the hands of such U.S. Holder. If a Claim is a capital asset and it has been held for more than one year, the U.S. Holder will realize long-term capital gain or loss. The deductibility of capital losses is subject to limitations, as discussed below. To the extent that a portion of the consideration received in exchange for any loan under the 1L Exit Facility is allocable to accrued but unpaid interest, the U.S. Holder may recognize ordinary income. A U.S. Holder's holding period for the loans under the 1L Exit Facility or the New Equity Interests received on the Effective Date should begin on the day following the Effective Date.

U.S. Holders of Claims are urged to consult their own tax advisors regarding the tax consequences of holding loans under the 1L Exit Facility.

b. U.S. Federal Income Tax Consequences to U.S. Holders of Claims in Class 4 and Class 5.

It is possible that the Restructuring Transactions may be treated as a "recapitalization" for U.S. federal income tax purposes for each U.S. Holder of a Claim in Class 4 and Class 5, which the Debtors have treated as equity for U.S. federal income tax purposes. In such event, a U.S. Holder of a Claim generally will not recognize loss but may recognize gain if any "boot" (i.e., any consideration other than stock or "securities") is received. If boot is received, gain will be recognized to the extent of the lesser of either the gain "realized" on the overall exchange or the value of the boot received. If the transaction is treated as a recapitalization, a Holder's aggregate tax basis will equal such holder's aggregate adjusted tax basis in its Claim exchanged therefor, increased by any gain or interest income recognized in the exchange and decreased by the amount of boot received in the exchange. The Holder's holding period in the New Equity Interests will include its holding period in the Claim exchanged therefor.

Additionally, certain Holders of Claims in Class 4 may be eligible to receive Warrants, which are exercisable on a cashless basis. The tax consequences of a cashless exercise of Warrants are not clear under current U.S. tax law. A cashless exercise may be treated as a recapitalization for U.S. federal income tax purposes, as described above. If the exercise is treated as a recapitalization, a U.S. Holder's basis in the New Equity Interests received in connection with the exercise would equal the U.S. Holder's basis in the Warrants and the holding period of the New Equity Interests would include the holding period of the Warrants.

It is also possible that a cashless exercise could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the exercise price for the Warrants and the U.S. Holder's tax basis in the Warrants surrendered to pay the exercise price. A U.S. Holder's tax basis in the New Equity Interests received would equal the sum of the U.S. Holder's tax basis in the exercised Warrants and the exercise price for the Warrants. It is unclear whether a U.S.

Holder's holding period for the New Equity Interests would commence on the date of exercise of the Warrants or the day following the date of exercise of the Warrants.

Any U.S. Holder that elects not to exercise its Warrants is expected to recognize a loss in connection with the lapse of such U.S. Holder's Warrants.

There can be no assurance which, if any, of the alternative approaches described above would be adopted by the IRS or a court of law. Accordingly, U.S. holders should consult their own tax advisors regarding the tax consequences of an exercise of the Warrants.

c. Certain U.S. Federal Income Tax Consequences of Ownership and Disposition of New Equity Interests and Warrants to U.S. Holders.

i. *Sale, Redemption, or Other Taxable Disposition of New Equity Interests and Warrants.*

Unless a non-recognition provision of the IRC applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Equity Interests or the Warrants. Such capital gain will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder held the New Equity Interests or the Warrants for more than one year. Long-term capital gains of a non-corporate taxpayer generally are taxed at preferential rates. The deductibility of capital losses may be subject to certain limitations as described below.

d. Limitation on Use of Capital Losses.

A U.S. Holder of a Claim who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset capital gains (without regard to holding periods) to the extent of such capital gains and ordinary income to the extent of the lesser of (a) \$3,000 (\$1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them against future capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry forward unused capital losses for the five years following the capital loss year.

e. Accrued Interest and OID.

To the extent that any amount received by a U.S. Holder of an exchanged Claim in Class 3 or Class 6 is attributable to accrued but unpaid interest (or OID) on the debt instruments constituting the exchanged Claim, the receipt of such amount should be recognized by the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). Conversely, a U.S. Holder of a Claim in Class 3 or Class 6 may be able to recognize a deductible loss to the extent that any accrued interest previously was recognized by the U.S. Holder but was not paid in full by the Debtors. The character of this loss is uncertain. The tax basis of any non-Cash consideration treated as received in satisfaction of accrued but unpaid interest or

OID should equal the amount of such accrued but unpaid interest or OID. The holding period for such non-Cash consideration should begin on the day following the receipt of such consideration.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on a Claim in Class 3 or Class 6, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. While certain Treasury Regulations governing the payment ordering rules generally treat payments as allocated first to any accrued but unpaid interest and then to principal payments, 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. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Claims in each Class will be allocated first to the principal amount of such Claims (as determined for U.S. federal income tax purposes), with any excess allocated to the remaining portion of such Claims, if any. However, the IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan.

U.S. Holders are urged to consult their own tax advisors regarding the allocation of consideration received under the Plan, as well as the deductibility of accrued but unpaid interest and the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income for U.S. federal income tax purposes.

f. Market Discount.

In general, a debt instrument is considered to have been acquired with “market discount” if it is acquired other than on original issue and if the U.S. Holder’s adjusted tax basis in the debt instrument is less than (a) in the case of a debt instrument issued without OID, the sum of all remaining payments to be made on the debt instrument, excluding “qualified stated interest” or (b) in the case of a debt instrument issued with OID, its “revised issue price,” in each of the cases of clauses (a)-(b), by at least a *de minimis* amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim in Class 3 or Class 6 pursuant to the Plan that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued).

U.S. Holders of Claims in Class 3 and Class 6 who acquired the debt instrument underlying their Claims with market discount are urged to consult with their own tax advisors as to the appropriate treatment of any such market discount and the timing of the recognition thereof.

C. Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Certain Claims.

The following discussion assumes that the Debtors will structure the Restructuring Transactions as currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Restructuring Transactions to Non-U.S. Holders. The discussion does not

include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex, and each Non-U.S. Holder should consult its tax advisor regarding the U.S. federal, state, and local and the non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holder.

a. Gain Recognition.

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

Any gain recognized by a Non-U.S. Holder of Claims in Classes 3, 4, 5, or 6 will not be subject to U.S. federal income tax, unless (a) such Non-U.S. Holder is engaged in a trade or business in the United States to which such gain is “effectively connected” for U.S. federal income tax purposes (and, if required, by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment or fixed base in the United States to which gain is attributable); or (b) if such Non-U.S. Holder is an individual, such Holder is present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first situation above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30 percent (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second situation above will be subject to U.S. federal income tax at a rate of 30 percent (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

b. Interest on Claims.

Payments to a Non-U.S. Holder that are attributable to accrued but untaxed interest on its Claim in Class 3 or Class 6 generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person, unless:

- (a) the Non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of the applicable Debtor’s stock entitled to vote (after application of certain attribution rules);
- (b) the Non-U.S. Holder is a “controlled foreign corporation” that is a “related person” with respect to the Debtors as described in Section 881(c)(3)(C) of the IRC;

- (c) the Non-U.S. Holder is a bank receiving interest described in Section 881(c)(3)(A) of the IRC; or
- (d) such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base of the Non-U.S. Holder (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for exemption from withholding tax pursuant to clauses (a)–(d) above generally will be subject to withholding of U.S. federal income tax on such interest or imputed interest at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty). To claim such treaty exemption, the Non-U.S. Holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and the country in which the Non-U.S. Holder resides or is established. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

c. Sale, Redemption, or Other Taxable Disposition of New Equity Interests and Warrants.

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of the New Equity Interests or the Warrants unless: (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the United States; (ii) such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by

such Non-U.S. Holder in the United States); or (iii) the Company is or has been during a specified testing period a “U.S. real property holding corporation”.

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder’s capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Equity Interests or the Warrants. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

D. Information Reporting and Back-Up Withholding.

The Debtors, the Reorganized Debtors, and applicable withholding agents will withhold all amounts required by law to be withheld from payments, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan. The Debtors, the Reorganized Debtors, and any applicable reporting agent will comply with all applicable information reporting requirements of the IRC. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless such Holder (1) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (2) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder). Backup withholding is not an additional tax but an advance payment that may be refunded to the extent it results in an overpayment of tax, provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including certain transactions that result in the taxpayer claiming certain types of losses in excess of specified thresholds. Each Holder is urged to consult its tax advisor regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on such Holder’s tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER’S CIRCUMSTANCES AND INCOME TAX SITUATION. EACH HOLDER SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO IT OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT

OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

**ARTICLE XVII.
ADDITIONAL INFORMATION**

Any statements in this Disclosure Statement concerning the provisions of any document are not necessarily complete, and in each instance reference is made to such document for the full text thereof. Certain documents described or referred to in this Disclosure Statement have not been attached as exhibits because of the impracticability of furnishing copies of these documents to all recipients of this Disclosure Statement. The Debtors will file all exhibits to the Plan with the Bankruptcy Court and make them available for review by no later than seven days before the deadline to object to Confirmation.

**ARTICLE XVIII.
RECOMMENDATION AND CONCLUSION**

For all of the reasons set forth in this Disclosure Statement, the Debtors believe that the Confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urge all Holders of Claims in Classes 3, 4, 5, and 6, the only Classes entitled to vote on the Plan, to vote to accept the Plan and to evidence their acceptance by duly completing and returning their Ballots so that they will be received on or before the Voting Deadline.

Dated: August 18, 2026

/s/ Steven Shenker
Steven Shenker
Chief Restructuring Officer

Exhibit A

**Amended Joint Chapter 11 Plan of
U.S. TelePacific Corp. and its Debtor Affiliates**

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

In re:

U.S. TELEPACIFIC CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 26-90625 (ARP)

(Jointly Administered)

**AMENDED JOINT CHAPTER 11 PLAN OF
U.S. TELEPACIFIC CORP. AND ITS DEBTOR AFFILIATES**

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Dated: August 18, 2026

¹ The Debtors in these chapter 11 cases, together with the last four digits of the Debtors' federal tax identification number, are: U.S. TelePacific Holdings Corp. (0151); Mpower Holding Corporation (N/A); Mpower Communications Corp. (0042); TPx International Holdings Corp. (N/A); U.S. TelePacific Corp. (3876); NextWeb, Inc. (7530); DSCI, LLC (1304); OCiX, Inc. (2715); Arrival Communications, Inc. (2990); TPx Communications Co. (8824); Big City Networks, Inc. (N/A); and ICG ChoiceCom L.P. (N/A). The Debtors' service address is Plaza 7000 North Mopac Expressway, Suite 2080, Austin, TX 78731.

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INTRODUCTION

U.S. TelePacific Corp. and the above-captioned debtors and debtors in possession (collectively, the “Debtors”), propose this joint chapter 11 plan (as modified, amended, or supplemented from time to time, the “Plan”) for the resolution of the outstanding claims against, and equity interests in, the Debtors. Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor. Holders of Claims against, or Interests in, the Debtors may refer to the Disclosure Statement for a discussion of the Debtors’ history, businesses, assets, results of operations, historical financial information, risk factors, a summary and analysis of this Plan, the Restructuring Transactions, and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

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

A. Defined Terms.

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

1. “*1L Exit Facility*” means the senior secured first lien term loan facility described in the 1L Exit Facility Term Sheet to be entered into by the Reorganized Debtors on the Effective Date. As of the Petition Date, the aggregate principal amount is estimated to be approximately \$54,100,000.²

2. “*1L Exit Facility Credit Agreement*” means that certain credit agreement, dated as of the Effective Date (as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof), containing terms consistent with the 1L Exit Facility Term Sheet.

3. “*1L Exit Facility Documents*” means the documentation necessary to effectuate the incurrence of the 1L Exit Facility, including, without limitation, any credit agreements (including the 1L Exit Facility Credit Agreement), guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents.

4. “*1L Exit Facility Term Sheet*” means the term sheet describing the terms of the 1L Exit Facility, which shall be disclosed in the Plan Supplement.

5. “*1L Exit Term Loans*” mean the loans under the 1L Exit Facility, comprised of the 1L Exit Term Loans converted from (i) DIP New Money Term Loan Advances, (ii) DIP Rolled-

² This amount is subject to change based on DIP Facility balances outstanding upon the Debtors’ emergence from bankruptcy.

Up Bridge Term Loan Advances and (iii) DIP Rolled-Up Prepetition Term Loan Advances on the Effective Date, on the terms set forth in the 1L Exit Facility Term Sheet.

6. “*Ad Hoc Group*” means that certain ad hoc group of holders of, or investment advisors, sub-advisors, or managers of discretionary accounts of funds that hold DIP Claims, Superpriority Term Loan Claims, First Lien Term Loan Claims, and/or Third Lien Term Loan Claims represented by the Ad Hoc Group Advisors.

7. “*Ad Hoc Group Advisors*” means, collectively, Davis Polk & Wardwell LLP, Guggenheim Securities, LLC, any special or local counsel, and any other advisor retained by the Ad Hoc Group.

8. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Chapter 11 Cases of a kind specified in section 503(b) of the Bankruptcy Code and entitled to priority pursuant to sections 327, 328, 330, 365, 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estates and operating the businesses of the Debtors incurred on or after the Petition Date and through the Effective Date; (b) Allowed Professional Fee Claims; (c) all fees and charges assessed against the Estates under chapter 123 of the Judicial Code; (d) Transaction Expenses; and (e) Independent Director Fee Claims.

9. “*Administrative Claims Bar Date*” means the deadline for Filing all requests for allowance and payment of Administrative Claims, which, except in the case of Professional Fee Claims, shall be (a) thirty (30) days after the Effective Date or (b) another date or dates established by an order of the Bankruptcy Court. Professional Fee Claims shall be filed in accordance with the provisions of Article II.C.

10. “*Affiliate*” has the meaning set forth in section 101(2) of the Bankruptcy Code as if such Entity were a debtor in a case under the Bankruptcy Code.

11. “*Agent*” means any administrative agent, collateral agent, or similar Entity under the Superpriority Credit Agreement, the First Lien Senior Secured Credit Agreement, the Second Lien Credit Agreement, the Third Lien Credit Agreement, or the Revolving Credit Agreement.

12. “*Agent Advisor*” means Goodwin Procter LLP as advisor to the Agent.

13. “*Allowed*” means, with respect to any Claim (or portion thereof), except as otherwise provided in the Plan: (1) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been Filed; or (2) a Claim Allowed pursuant to the Plan or a Final Order (including the DIP Order) of the Bankruptcy Court; *provided that* with respect to a Claim described in clause (1) above, such Claim shall be considered Allowed only if, and to the extent that, with respect to such Claim, no objection to the allowance thereof has been Filed by the Debtors or any other party in interest within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection was so Filed and the Claim or Interest shall have been Allowed by a Final Order of the Bankruptcy Court. Any Claim that has been or is hereafter listed on the Schedules as contingent, unliquidated, or Disputed, and for which no contrary or superseding Proof of Claim or Proof of Interest is or has been timely Filed, or that is not or has not been Allowed by a Final

Order, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the Debtors. For the avoidance of doubt, a Proof of Claim Filed after the applicable Claims Bar Date or a request for payment of an Administrative Expense Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim or with the prior written consent of the Debtors or the Reorganized Debtors, as applicable. “*Allow*” and “*Allowing*” shall have correlative meanings.

14. “*Approved Budget*” has the meaning set forth in the Final DIP Order.

15. “*Avoidance Actions*” means any and all actual or potential avoidance, recovery, subordination, or other Claims, Causes of Action, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy Law, including Claims, Causes of Action, or remedies under sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar local, state, federal, or foreign statutes and common law, including fraudulent transfer Laws.

16. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

17. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Southern District of Texas.

18. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court, each, as amended from time to time.

19. “*Bar Date*” means, as applicable, the Administrative Claims Bar Date and any other date or dates established by an order of the Bankruptcy Court by which Proofs of Claim must be Filed. Notwithstanding the foregoing, the Professional Fee Claims shall be Filed in accordance with Article II.C and shall not otherwise be subject to the Bar Date.

20. “*Bid Procedures*” means, in the event of a Sale Transaction, the bid procedures attached as Exhibit 1 to the Bid Procedures Order.

21. “*Bid Procedures Documents*” means, in the event of a Sale Transaction, the Bid Procedures, the Bid Procedures Motion, and the Bid Procedures Order.

22. “*Bid Procedures Motion*” means, in the event of a Sale Transaction, the Debtors’ *Emergency Motion for Entry of an Order (I)(A) Approving Bid Procedures and Authorizing Sale Transaction; (B) Authorizing Designation of Stalking Horse Bidder; (C) Scheduling Auction and Sale Hearing; (D) Approving Sale Notices; (E) Approving Assumption and Assignment Procedures; and (II) Granting Related Relief*, filed contemporaneously herewith.

23. “*Bid Procedures Order*” means, in the event of a Sale Transaction, the order entered by the Bankruptcy Court approving the Bid Procedures and establishing deadlines for the submission of bids and the auction in accordance with such procedures.

24. “*Business Day*” means any day other than a Saturday, Sunday, “legal holiday” (as defined in Bankruptcy Rule 9006(a)) or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

25. “*Cash*” or “\$” means cash in legal tender of the United States of America and cash equivalents, including bank deposits, checks, and other similar items.

26. “*Cash Collateral*” has the meaning set forth in section 363(a) of the Bankruptcy Code.

27. “*Cash-Out Amount*” means Cash per Cashed-Out Interest in an amount to be disclosed in the Plan Supplement.

28. “*Cash-Out Consenting Lender*” shall have the meaning set forth in the Restructuring Support Agreement.

29. “*Cash-Out Option*” means the option offered to each holder of an Allowed Pari Funded Debt Secured Claim to elect to receive the Cash-Out Amount in exchange for its Cashed-Out Interests.

30. “*Cashed-Out Interests*” means New Equity Interests distributed under this Plan on account of the Allowed Pari Funded Debt Secured Claims that a Prepetition Secured Party elects to exchange for Cash pursuant to the terms of the Cash-Out Option.

31. “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, controversies, proceedings, agreements, suits, obligations, liabilities, judgments, accounts, defenses, offsets, powers, privileges, licenses, Liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, disputed or undisputed, secured or unsecured, asserted or assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, whether arising before, on, or after the Petition Date, in contract, tort, Law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by Law or in equity; (b) any claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, violation of state, provincial, or federal Law or breach of any duty imposed by Law or in equity, including securities Laws, negligence, and gross negligence; (c) the right to object to or otherwise contest Claims or Interests; (d) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (e) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (f) any Avoidance Actions.

32. “*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 Bankruptcy Court

and (b) when used with reference to all the Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

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

34. “*Claims and Noticing Agent*” means Kroll Restructuring Administration LLC, in its capacity as the notice, claims, and solicitation agent retained by the Debtors in the Chapter 11 Cases.

35. “*Claims Register*” means the official register of Claims and Interests maintained by the Claims and Noticing Agent.

36. “*Class*” means a class of Claims or Interests as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code.

37. “*CM/ECF*” means the Bankruptcy Court’s Case Management and Electronic Case Filing system.

38. “*Combined Hearing Notice*” means the notice sent to the Debtors’ stakeholders, notifying them of (a) the time of the hearing to consider (i) approval of the Disclosure Statement on a final basis and (ii) confirmation of the Plan; and (b) the deadline for objections to the adequacy of the Disclosure Statement and/or confirmation of the Plan.

39. “*Committee*” means the official committee of unsecured creditors appointed by the U.S. Trustee under section 1102(b) of the Bankruptcy Code in these Chapter 11 Cases [Docket No. 122].

40. “*Common Equity Interests*” means the common equity interests of the Reorganized Debtors, on the terms as provided for in the Governance Term Sheet and New Organizational Documents.

41. “*Company Parties*” means the Parent and each of its direct and indirect subsidiaries.

42. “*Company-Related Matters*” means anything related to the Company Parties or the Debtors (including the management, ownership, or operation thereof), the purchase, sale, amendment, or rescission of any Claim against or Interest in the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Company Parties and any Released Party, the Company Parties’ in- or out-of-court restructuring efforts (including the pre- and post-petition sale and marketing efforts), the Company Parties’ intercompany transactions, the formulation, preparation, dissemination, solicitation, negotiation, entry into the Chapter 11 Cases and any related adversary proceedings, the formulation, preparation, dissemination, solicitation, negotiation, entry into, or Filing of, as applicable, the Chapter 11 Cases, the DIP Loan Documents, the Definitive Documents, the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transactions, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing (including, for the avoidance of doubt, any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by

any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement or upon any other related act, or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Effective Date.

43. “*Confirmation*” means the Bankruptcy Court’s entry of the Confirmation Order on the docket of the Chapter 11 Cases.

44. “*Confirmation Date*” means the date the Confirmation Order is entered on the docket of the Chapter 11 Cases.

45. “*Confirmation Hearing*” means the hearing to be held by the Bankruptcy Court on confirmation of the Plan and the adequacy of the Disclosure Statement, as such hearing may be continued from time to time.

46. “*Confirmation Order*” means the order entered by the Bankruptcy Court on the docket of the Chapter 11 Cases confirming the Plan, which shall be in form and substance acceptable to the Ad Hoc Group.

47. “*Consenting Investor*” means, collectively, Tango Private Investments, LLC, Tango Private Holdings I, LLC, and Tango Private Holdings II, LLC.

48. “*Consenting Lenders*” means, collectively, Holders of First Lien Term Loan Claims and/or Third Lien Term Loan Claims that are party to the Restructuring Support Agreement.

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

50. “*Cure*” means all amounts, including an amount of \$0.00, required to cure any monetary defaults under any Executory Contract or Unexpired Lease (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) that is to be assumed or assumed and assigned by the Debtors pursuant to sections 365 or 1123 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.

51. “*D&O Liability Insurance Policies*” means all insurance policies of any of the Debtors for current or former directors’, managers’, and officers’ liability existing as of the Petition Date (including any “tail policy” or run-off endorsement) and all agreements, documents, or instruments relating thereto.

52. “*Debtors*” means, collectively, each of the following: U.S. TelePacific Holdings Corp., Mpower Holding Corporation, Mpower Communications Corp., TPx International Holdings Corp., U.S. TelePacific Corp., NextWeb, Inc., DSCI, LLC, OCiX, Inc., Arrival Communications, Inc., TPx Communications Co., Big City Networks, Inc., and ICG ChoiceCom L.P.

53. “*Debtor Release*” means the release set forth in Article VIII.C of the Plan.

54. “*Definitive Documents*” means (a) the Plan; (b) the Confirmation Order; (c) the Disclosure Statement; (d) the Disclosure Statement Order; (e) the Solicitation Materials; (f) the Plan Supplement; (g) the DIP Loan Documents; (h) the First Day Pleadings, and all orders sought pursuant thereto; (i) the New Organizational Documents; and (j) any other agreements, documentation or instruments necessary or advisable to implement, consummate, or document the transactions contemplated by the Plan (in each case, including all exhibits, schedules, amendments, modifications, supplements, appendices, annexes, instructions, and attachments thereto). Each Definitive Document shall be acceptable in form and substance to the Ad Hoc Group and otherwise comply with the consent rights set forth in the Restructuring Support Agreement.

55. “*DIP Agent*” means the administrative agent and collateral agent under the DIP Credit Agreement.

56. “*DIP Claims*” means any and all Claims arising under, derived from, based upon or related to the DIP Loan Documents, including all amounts outstanding in respect of principal, interest, fees, expenses, costs, penalties and other charges arising under the DIP Loan Documents (including, for the avoidance of doubt, any (i) roll-up, refinancing, repayment, or reinstatement of the Superpriority Term Loan Claims, PIK Bridge Claims, or First Lien Term Loan Claims and (ii) multiple on invested capital, make-whole or any other premium or amount), which DIP Claims shall have the priorities set forth in the DIP Credit Agreement and the DIP Order.

57. “*DIP Credit Agreement*” means that certain *Senior Secured Superpriority Debtor-in-Possession Term Loan Credit Agreement*, among U.S. TelePacific Corp., as borrower, U.S. TelePacific Holdings Corp, as parent, the DIP Guarantors (as defined in the DIP Orders), the DIP Lenders and the DIP Agent, which sets forth the terms of the DIP Facility, including all exhibits, annexes, and schedules thereto, as the same may be amended, modified, restated or supplemented from time to time in accordance with the terms thereof and the DIP Orders.

58. “*DIP Facility*” means the senior-secured superpriority debtor-in-possession delayed draw term loan facility for the DIP Loans, entered into on the terms and conditions set forth in the DIP Loan Documents.

59. “*DIP Facility Collateral*” means the collateral securing the DIP Facility, as set forth more specifically in the DIP Credit Agreement or any security documents relating thereto.

60. “*DIP Lenders*” means the “Lenders” under and as defined in the DIP Credit Agreement.

61. “*DIP Loans*” means the Loans under and defined in the DIP Facility.

62. “*DIP Loan Documents*” means, collectively, the DIP Motion, the DIP Orders, the DIP Credit Agreement and any other agreements, documents, and instruments delivered or entered into in connection therewith, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents, instruments, financing and other equivalent statements, notices and related documents, as any of the foregoing may be amended, modified, restated, or supplemented from time to time in accordance with the terms thereof and the DIP Orders.

63. “*DIP Motion*” means the motion filed by the Debtors seeking entry of the DIP Orders [Docket No. 19], together with all exhibits thereto and any declarations, affidavits, or other documents filed in connection with such motion.

64. “*DIP New Money Term Loan Advances*” means the “New Money Term Loan Advances” under and as defined in the DIP Credit Agreement.

65. “*DIP Obligations*” means the “Obligations” under and as defined in the DIP Credit Agreement.

66. “*DIP Orders*” means, together, the Interim DIP Order and the Final DIP Order.

67. “*DIP Rolled-Up Bridge Term Loan Advances*” means the “Rolled-Up Bridge Term Loan Advances” under and as defined in the DIP Credit Agreement.

68. “*DIP Rolled-Up First Lien Interest Term Loan Advances*” means the “Rolled-Up First Lien Interest Term Loan Advances” under and as defined in the DIP Credit Agreement.

69. “*DIP Rolled-Up First Lien Principal Term Loan Advances*” means the “Rolled-Up First Lien Principal Term Loan Advances” under and as defined in the DIP Credit Agreement.

70. “*DIP Rolled-Up Prepetition Term Loan Advances*” means the “Rolled-Up Prepetition Term Loan Advances” under and as defined in the DIP Credit Agreement.

71. “*Disbursing Agent*” means, as applicable, the Debtors, the Reorganized Debtors, or such other Entity or Entities selected by the Debtors or the Reorganized Debtors (in each case, with the consent of the Ad Hoc Group), to make or facilitate distributions pursuant to the Plan, which Entity may include the Claims and Noticing Agent and/or the Agents.

72. “*Disclosure Statement*” means the disclosure statement with respect to the Plan, and all exhibits, appendices, and schedules thereto, each as amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof or hereof.

73. “*Disclosure Statement Order*” means the *Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing; (II) Conditionally Approving the Disclosure Statement; (III) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures; (IV) Approving the Solicitation Procedures; (V) Approving the Combined Notice; (VI) Establishing Procedures for the Assumption and Rejection of Executory Contracts and Unexpired Leases; and (VII) Granting Related Relief* [Docket No. 115].

74. “*Disputed*” means, with respect to any Claim or Interest, any Claim or Interest: (a) listed on the Schedules as unliquidated, disputed or contingent, unless a Proof of Claim has been Filed in a liquidated and non-contingent amount and no objection to such Proof of Claim has been timely filed; (b) included in a Proof of Claim as to which an objection or request for estimation has been timely filed, or as to which the Debtors or the Reorganized Debtors, as applicable, or other parties in interest, retain the ability to interpose a timely objection or request for estimation; or (c) which is otherwise disputed by the Debtors or the Reorganized Debtors, as applicable, in accordance with applicable law and for which the objection, request for estimation,

or dispute has not been withdrawn or determined by a Final Order. Claims that are Allowed by the Plan or that have been Allowed by a Final Order shall not be Disputed Claims.

75. “*Distribution Record Date*” means the record date for purposes of making distributions under the Plan on account of Allowed Claims and Allowed Interests, which date shall be (a) with respect to General Unsecured Claims, the Effective Date, and (b) with respect to all other Claims, the later of (i) the Confirmation Date and (ii) ten (10) Business Days prior to the Effective Date, or such other date that is selected by the Debtors with the consent of the Ad Hoc Group.

76. “*DTC*” means the Depository Trust Company.

77. “*Effective Date*” means, as to the applicable Debtor, the date that is the first Business Day on which (a) no stay of the Confirmation Order is in effect and (b) all conditions precedent to the occurrence of the Effective Date set forth in Article IX.B of the Plan have been satisfied or waived in accordance with Article IX.C of the Plan.

78. “*Election Procedures*” means the procedures governing (i) the DIP Election and (ii) the Cash-Out Option, including any certifications, declarations, affidavits, questionnaires, election forms, subscription forms, or spreadsheets attached thereto, as approved by the Bankruptcy Court.

79. “*Entity*” has the meaning set forth in section 101(15) of the Bankruptcy Code.

80. “*Estate*” means, as to each Debtor, the estate created for such Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code upon the commencement of such Debtor’s Chapter 11 Case.

81. “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

82. “*Exculpated Parties*” means collectively, and in each case in its capacity as such: (a) the Debtors; (b) each of the Independent Directors; and (c) any statutory committee appointed in the Chapter 11 Cases and its members.

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

84. “*Existing Equity Interests*” means any Interests in the Parent immediately prior to the consummation of the transactions contemplated in this Plan.

85. “*Federal Judgment Rate*” means the federal judgment rate in effect as of the Petition Date.

86. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, in the case of a Proof of Claim, the Claims and Noticing Agent or the Bankruptcy Court.

87. “*Final DIP Order*” means an order by the Bankruptcy Court entered on the docket of the Chapter 11 Cases, approving the DIP Facility and related relief on a final basis, which final DIP Order shall be acceptable, in form and substance to the DIP Lenders.

88. “*Final Order*” means an order or judgment of the Bankruptcy Court, or court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, as entered on the docket in any Chapter 11 Case or the docket of any court of competent jurisdiction, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired 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 will have been denied, resulted in no stay pending appeal of such order, or has otherwise been dismissed with prejudice; *provided* that the possibility that a motion under Rules 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules (or analogous rules applicable in another court of competent jurisdiction), or sections 502(j) or 1144 of the Bankruptcy Code, may be filed with respect to such order will not preclude such order from being a Final Order.

89. “*First Day Consideration*” means an amount equal to \$15.5 million less the aggregate amount of First Day Payments as of the Effective Date; *provided* that the First Day Consideration shall not be less than \$0.

90. “*First Day Hearing*” means the hearing on June 29, 2026, at which the First Day Pleadings were considered by the Bankruptcy Court.

91. “*First Day Payments*” means all prepetition payments paid in the ordinary course as authorized by and in accordance with any Interim or Final Order related to the First Day Pleadings.

92. “*First Day Pleadings*” means the pleadings and related documentation requesting certain emergency relief, or supporting the relief for such relief, Filed by the Debtors on or around the Petition Date and heard at the First Day Hearing.

93. “*First Lien Deficiency Claims*” means the First Lien Term Loan Claims that are not First Lien Secured Claims, if any.

94. “*First Lien Forbearance Agreement*” means that certain *Forbearance Agreement*, dated as of October 31, 2025, as amended and restated by that certain *Amended and Restated Forbearance Agreement*, dated as of January 6, 2026 (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among certain of the parties to the First Lien Senior Secured Credit Agreement.

95. “*First Lien Secured Claims*” means the First Lien Term Loan Claims that constitute Secured Claims.

96. “*First Lien Senior Secured Credit Agreement*” means that certain *First Lien Senior Secured Credit Agreement* (as amended, restated, amended and restated, supplemented, or

otherwise modified from time to time), dated as of June 1, 2023, among U.S. TelePacific Corp., as borrower, Parent, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent.

97. “*First Lien Term Loan Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the First Lien Senior Secured Credit Agreement and/or related documents (including any make-whole or any other premium or amount), excluding any DIP Claims. On the Effective Date, First Lien Term Loan Claims shall be deemed Allowed in the aggregate principal amount of not less than \$394,026,303 (less the amount of DIP Rolled-Up First Lien Principal Term Loan Advances), plus all interest, fees, premiums, expenses, costs, charges, and other amounts due (if any) under the First Lien Senior Secured Credit Agreement.

98. “*Fixed GUC Consideration*” means \$1.0 million in Cash.

99. “*Forbearance Agreements*” means, collectively, the First Lien Forbearance Agreement, the Second Lien Forbearance Agreement, and the Third Lien Forbearance Agreement.

100. “*Funded Debt Deficiency Claim*” means any Pari Funded Debt Deficiency Claim, Second Lien Deficiency Claims or Third Lien Deficiency Claims.

101. “*Funding Consenting Lender*” shall have the meaning set forth in the Restructuring Support Agreement.

102. “*General Unsecured Claim*” means any Claim against any of the Debtors that is not (a) an Administrative Claim; (b) a Professional Fee Claim; (c) a Priority Tax Claim; (d) a DIP Claim; (e) an Other Secured Claim; (f) an Other Priority Claim; (g) an Intercompany Claim; or (h) any other Claim that is Secured, subordinated, postpetition in nature, or entitled to priority under the Bankruptcy Code; *provided* that General Unsecured Claims shall not include any Pari Funded Debt Deficiency Claims, Second Lien Deficiency Claims, or Third Lien Deficiency Claims, which such Claims shall be waived as of the Effective Date and shall not receive any distribution under this Plan.

103. “*Governance Term Sheet*” means, the term sheet describing the terms of the Preferred Equity Interests and Common Equity Interests and providing for corporate governance of the Reorganized Debtors, including, for the avoidance of doubt, the provision of one (1) voting board member to be appointed by the Consenting Investor (to be jointly agreed among the Funding Consenting Lenders) and observer rights for the Consenting Investor; *provided* that the Consenting Investor shall be entitled to maintain such board member and observer rights unless the Consenting Investor’s equity ownership of the Reorganized Debtors, calculated on a fully diluted and as-converted basis (including, for the avoidance of doubt, the Common Equity Interests issuable upon conversion of the Preferred Equity Interests, but excluding any equity issuable upon exercise of the Warrants, any equity issued or reserved under any management incentive plan and any equity issued to members of the board of directors), falls below 10% as a result of any sale, transfer, or other disposition of the Consenting Investor’s Preferred Equity Interests and Common Equity Interests in the Reorganized Debtors (other than to an Affiliate of the Consenting Investor) or otherwise; *provided, further*, that the Consenting Investor shall have the right to participate, on a Pro Rata basis, in any subsequent issuance of additional equity or convertible instruments by the

Reorganized Debtors. A form of the Governance Term Sheet will be filed with the Plan Supplement and shall be in form and substance acceptable to the Ad Hoc Group and the Consenting Investor.

104. “*Governing Body*” means, in each case in its capacity as such, the board of directors, board of managers, manager, general partner, special committee, or such similar governing body of any of the Debtors or the Reorganized Debtors, as applicable.

105. “*Governmental Unit*” has the meaning set forth in section 101(27) of the Bankruptcy Code.

106. “*Holder*” means a Person or an Entity, as applicable, holding a Claim against or an Interest in any of the Debtors.

107. “*Impaired*” means with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

108. “*Indemnification Obligations*” has the meaning set forth in Article IV.N.

109. “*Independent Directors*” means Anthony Horton, James Gillis, David Aloise, and Lloyd Sprung, in their capacity as independent directors of the board of directors of Debtor U.S. TelePacific Holdings Corp.

110. “*Independent Director Fee Claims*” means all unpaid fees and expenses of the Effective Date due to the Independent Directors pursuant to their respective director agreements with the applicable Debtor entity. On the Effective Date, the Independent Director Fee Claims shall be deemed Allowed Administrative Claims against the Debtors.

111. “*Initial Pro Rata Share Tranche A Preferred Equity New Money Commitments*” has the meaning set forth in the Restructuring Support Agreement.

112. “*Intercompany Claim*” means any Claim against a Debtor or an Affiliate of a Debtor held by another Debtor or an Affiliate of a Debtor.

113. “*Intercompany Interest*” means an Interest in a Debtor held by another Debtor.

114. “*Interests*” means, collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor, and options, warrants, rights, or other securities or agreements to acquire or subscribe for, or which are convertible into the shares (or any class thereof) of, common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (in each case whether or not arising under or in connection with any employment agreement and including any “equity security” (as such term is defined in section 101(16) of the Bankruptcy Code) in a Debtor).

115. “*Insider*” has the meaning set forth in section 101(31) of the Bankruptcy Code.

116. “*Insurance Policy*” means any insurance policy that has been issued at any time to or provides coverage to the Debtors and all agreements, documents, or instruments relating thereto.

117. “*Interim DIP Order*” means an order by the Bankruptcy Court entered on the docket of the Chapter 11 Cases, approving the DIP Facility and related relief on an interim basis [Docket No. 63].

118. “*IRS*” means the United States Internal Revenue Service.

119. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as amended from time to time.

120. “*Law*” means any federal, state, local, or foreign law (including, in each case, any common law), statute, code, ordinance, rule, regulation, decree, injunction, order, ruling, assessment, writ or other legal requirement, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a Governmental Entity of competent jurisdiction (including the Bankruptcy Court).

121. “*Lien*” means a “lien” as defined in section 101(37) of the Bankruptcy Code.

122. “*New Board*” means the board(s) of directors or members of the applicable Governing Bodies of the applicable Reorganized Debtors as set forth in the Plan Supplement, which shall be acceptable to the Ad Hoc Group.

123. “*New Equity Interests*” means the equity of the Reorganized Debtors, including all common stock (including Common Equity Interests), preferred stock (including Preferred Equity Interests), other instruments evidencing an ownership interest, or equity security in any Reorganized Debtor (and subject to the consent, approval, and consultation rights set forth therein), to be issued on the Effective Date.

124. “*New Organizational Documents*” means the documents providing for corporate governance of the Reorganized Debtors, including charters, bylaws, operating agreements, or other organizational documents or shareholders’ agreements, as applicable (and subject to the consent, approval, and consultation rights set forth therein), which will be consistent with the terms as set forth in the Governance Term Sheet and shall be in form and substance acceptable to the Ad Hoc Group.

125. “*Notice of Assumption*” means the notice to be provided to each non-Debtor counterparty to an Executory Contract or Unexpired Lease to be assumed or assigned pursuant to, as applicable, the Plan or any other order of the Bankruptcy Court.

126. “*Other Debt Documents*” means collectively (i) the Superpriority Credit Agreement, (ii) the Second Lien Credit Agreement, (iii) the Third Lien Credit Agreement, (iv) the Revolving Credit Agreement and (v) the Receivables Purchase Agreements.

127. “*Other Priority Claim*” means any Claim, 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.

128. “*Other Secured Claim*” means any Secured Claim other than a DIP Secured Claim, a Superpriority Term Loan Claim, a First Lien Secured Claim, a RCF Secured Claim, a Second Lien Secured Claim, or a Third Lien Secured Claim.

129. “*Oversubscribed Tranche A Preferred Equity New Money Commitments*” has the meaning set forth in the Restructuring Support Agreement.

130. “*Parent*” means U.S. TelePacific Holdings Corp.

131. “*Pari Funded Debt Claims*” means, collectively, First Lien Term Loan Claims and RCF Claims.

132. “*Pari Funded Debt Deficiency Claims*” means the First Lien Deficiency Claims and RCF Deficiency Claims, if any.

133. “*Pari Funded Debt Secured Claims*” means the First Lien Secured Claims and RCF Secured Claims.

134. “*Pari Passu Intercreditor Agreement*” means that certain *Pari Passu Intercreditor Agreement* (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), dated as of June 1, 2023, among U.S. TelePacific Corp., the other grantors party thereto, Wilmington Savings Fund Society, FSB, as initial and existing Agent, and each additional Agent from time to time party thereto.

135. “*Person*” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group, a Governmental Entity, or any legal entity or association.

136. “*Petition Date*” means the first date upon which any of the Debtors commences a Chapter 11 Case.

137. “*PIK Bridge*” means the accrued and unpaid interest otherwise due under the First Lien Senior Secured Credit Agreement through March 31, 2026. The amount of the PIK Bridge is approximately \$13,818,203.28.

138. “*PIK Bridge Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the PIK Bridge.

139. “*Plan*” means this joint plan under chapter 11 of the Bankruptcy Code, including all exhibits, annexes, and schedules thereto (including the Plan Supplement), as such documents may be amended, supplemented, or modified from time to time in accordance with the terms hereof and thereof.

140. “*Plan Distribution*” means a payment or distribution of consideration to holders of Allowed Claims and Allowed Interests under the Plan.

141. “*Plan Securities*” has the meaning set forth in Article IV.H.

142. “*Plan Supplement*” means the compilation of documents, forms of documents, term sheets, agreements, schedules, or exhibits to the Plan (together with any amendments, supplements, or modifications thereto) that will be filed by the Debtors with the Bankruptcy Court prior to the Confirmation Hearing, which shall include, among other things: (a) the 1L Exit Facility Term Sheet, (b) the Cash-Out Amount, (c) the Governance Term Sheet; (d) to the extent known, the identities of the members of the New Board of Reorganized Debtors; (e) the Rejected Executory Contracts and Unexpired Leases Schedule; and (f) any other documentation necessary to effectuate the Plan or that is contemplated by the Plan. The Debtors shall have the right to alter, amend, modify, or supplement the documents contained in the Plan Supplement prior to the Effective Date with the prior written consent of the Ad Hoc Group.

143. “*Preferred Equity Interests*” means the Preferred Equity Tranche A Interests and the Preferred Equity Tranche B Interests to be issued by the Reorganized Debtors on the Effective Date pursuant to the New Organizational Documents. As of the Petition Date, the aggregate principal amount is estimated to be approximately \$74,500,000.³

144. “*Preferred Equity Exchange Premium*” means a premium equal to 22.5% of the amount of DIP Claims in respect of the principal amount of DIP Rolled-Up First Lien Interest Term Loan Advances held by the applicable Funding Consenting Lender, which shall be paid in Preferred Equity Tranche A Interests on the Effective Date.

145. “*Preferred Equity New Money Commitments*” means the aggregate of the Initial Pro Rata Share Tranche A Preferred Equity New Money Commitments and the Oversubscribed Tranche A Preferred Equity New Money Commitments and the Preferred Equity Tranche B Commitments.

146. “*Preferred Equity New Money Commitment Amount*” means the aggregate of the Preferred Equity Tranche A Commitment Amount and the Preferred Equity Tranche B Commitment Amount.

147. “*Preferred Equity New Money Commitment Party*” means each Preferred Equity Tranche A Commitment Party and Preferred Equity Tranche B Commitment Party.

148. “*Preferred Equity Tranche A Commitment Amount*” means the amount of Initial Pro Rata Share Tranche A Preferred Equity New Money Commitments and the Oversubscribed Tranche A Preferred Equity New Money Commitments under the Restructuring Support Agreement, which as of the Petition Date is approximately \$51,650,000.⁴

149. “*Preferred Equity Tranche A Commitment Party*” has the meaning set forth in the Restructuring Support Agreement.

³ This amount is subject to change based on DIP Facility balances outstanding upon the Debtors’ emergence from bankruptcy.

⁴ This amount is subject to change based on DIP Facility balances outstanding upon the Debtors’ emergence from bankruptcy.

150. “*Preferred Equity Tranche A Commitment Premium*” means a premium payable in Preferred Equity Tranche A Interests on the Effective Date to each Preferred Equity Tranche A Commitment Party as consideration for their Initial Pro Rata Share Tranche A Preferred Equity New Money Commitments and Oversubscribed Tranche A Preferred Equity New Money Commitments, respectively in accordance with the Restructuring Support Agreement, equal to 5.00% of their respective Initial Pro Rata Share Tranche A Preferred Equity New Money Commitments and 10.00% of their respective Oversubscribed Tranche A Preferred Equity New Money Commitments pursuant to section 5.04(a)(ii) of the Restructuring Support Agreement.

151. “*Preferred Equity Tranche A Interests*” means the preferred equity interests issued pursuant to the New Organizational Documents, comprised of (i) Preferred Equity Tranche A Interests on account of the Preferred Equity New Money Commitments, (ii) Preferred Equity Tranche A Interests converted from DIP Rolled-Up First Lien Interest Term Loan Advances, (iii) Preferred Equity Tranche A Interests on account of the Preferred Equity Exchange Premium, and (iv) Preferred Equity Tranche A Interests on account of the Preferred Equity New Money Commitment Premium on the Effective Date, in each case on the terms set forth in Article IV, the Governance Term Sheet and New Organizational Documents. As of the Petition Date, the aggregate principal amount is estimated to be approximately \$64,600,000.

152. “*Preferred Equity Tranche B Commitments*” has the meaning set forth in the Restructuring Support Agreement.

153. “*Preferred Equity Tranche B Commitment Amount*” means the amount of Preferred Equity Tranche B Commitments under the Restructuring Support Agreement, which as of the Petition Date is approximately \$9,800,000.⁵

154. “*Preferred Equity Tranche B Commitment Party*” has the meaning set forth in the Restructuring Support Agreement.

155. “*Preferred Equity Tranche B Interests*” means the preferred equity interests issued pursuant to the New Organizational Documents, comprised of Preferred Equity Interests on account of the Preferred Equity Tranche B Commitment Amount on the Effective Date, on the terms set forth in Article IV, the Governance Term Sheet and New Organizational Documents. As of the Petition Date, the aggregate principal amount is estimated to be approximately \$9,800,000.

156. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

157. “*Pro Rata*” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class, unless otherwise indicated; *provided* that all distributions on account of Pari Funded Debt Claims shall be subject to section 2.01(b)(ii) of the Pari Passu Intercreditor Agreement.

158. “*Professional*” means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for

⁵ This amount is subject to change based on DIP Facility balances outstanding upon the Debtors’ emergence from bankruptcy.

services rendered prior to or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code. For the avoidance of doubt, “Professional” does not include the Ad Hoc Group Advisors.

159. “*Professional Fee Account*” means an account to be funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Amount.

160. “*Professional Fee Amount*” means the aggregate amount of unpaid Professional Fee Claims and other unpaid fees and expenses that the Professionals reasonably estimate they have incurred or will incur in rendering services to the Debtors as set forth in Article II.C.3 of the Plan.

161. “*Professional Fee Claim*” means a Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

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

163. “*RCF Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the Revolving Credit Agreement and/or related documents. On the Effective Date, RCF Claims shall be deemed Allowed in the aggregate principal amount of \$4,836,000, plus all interest, fees, premiums, expenses, costs, charges, and other amounts due (if any) under the Revolving Credit Agreement.

164. “*RCF Deficiency Claims*” means the RCF Claims that are not RCF Secured Claims.

165. “*RCF Secured Claims*” means the RCF Claims that constitute Secured Claims.

166. “*Receivables Intercreditor Agreement*” means that certain *Amended and Restated Intercreditor Agreement*, dated as of June 1, 2023 (as further amended, restated, supplemented, or otherwise modified from time to time), among (i) U.S. TelePacific Corp., (ii) Parent, (iii) any applicable Agent, (iv) Tango Private Investments, LLC, (v) Tango Stockholder Holdings, LLC, (vi) each other Purchaser (as defined therein) from time to time party thereto and (vii) each Joined Facility Agent from time to time party thereto and the related Joined Facility joined thereto by execution of the applicable Joinder Agreement (each as defined therein).

167. “*Receivables Purchase Agreements*” means that certain *Restated Receivables Purchase Agreement* dated as of February 11, 2020, by and among Parent and Tango Stockholder Holdings, LLC and that certain *Amended and Restated Receivables Purchase Agreement*, dated June 1, 2023 by and among Parent and Tango Private Investments, LLC (each as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time).

168. “*Reinstate*,” “*Reinstated*,” or “*Reinstatement*” means with respect to Claims and Interests, that the Claim or Interest shall not be discharged hereunder and the holder’s legal,

equitable, and contractual rights on account of such Claim or Interest shall remain unaltered by Consummation in accordance with section 1124(1) of the Bankruptcy Code.

169. “*Rejected Executory Contracts and Unexpired Leases Schedule*” means a schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, which schedule shall be included in the Plan Supplement, as the same may be amended, modified, or supplemented from time to time in accordance with the terms hereof, and which schedule (and any amendments, modifications, or supplements thereto) shall be in form and substance acceptable to the Ad Hoc Group; *provided* that the Debtors shall reasonably consult in good faith with the Committee regarding such schedule (consultation with counsel being sufficient).

170. “*Related Party*” means, with respect to any Entity, each of, and in each case in its capacity as such, such Entity’s current and former directors, managers, officers, committee members, members of any governing body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, Affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such Person’s or Entity’s respective heirs, executors, estates, and nominees; *provided* that only those Persons (i) who any such Entity has legal authority to bind, (ii) who may assert liability on behalf of or through such Entity, or (iii) is co-liable with, or derivatively liable on account of, such Entity shall be considered a “Related Party” of such Entity.

171. “*Released Party*” means, collectively, and in each case in its capacity as such: (a) each Debtor; (b) the Consenting Investor; (c) TSHL; (d) the DIP Lenders and the DIP Agent; (e) the Agents; (f) each Releasing Party; (g) each Consenting Lender; (h) each current and former Affiliate of each Entity in clause (a) through clause (g); and (i) each Related Party of each Entity in clause (a) through clause (h).

172. “*Releasing Party*” means, collectively, and in each case in its capacity as such: (a) each Debtor; (b) the Consenting Investor; (c) TSHL; (d) the DIP Lenders and DIP Agent; (e) the Agents; (f) all Holders of Claims or Interests that vote to accept the Plan and who do not affirmatively opt out of the releases provided by the Plan; (g) all Holders of Claims or Interests that are deemed to accept the Plan and who do not affirmatively opt out of the releases provided in the Plan by checking the box on the applicable notice of non-voting status indicating that they opt not to grant the releases provided in the Plan; (h) all Holders of Claims or Interests that vote to reject the Plan or are deemed to reject the Plan and who do not affirmatively opt out of, or opt in to, as applicable, the releases provided by the Plan; (i) all Holders of 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 and do not affirmatively opt out of the releases provided in the Plan; (j) each current and former Affiliate of each Entity in clause (a) through clause (i); and (k) each Related Party of each Entity in clause (a) through clause (j) for which such Entity is legally entitled to bind such Related Party to the releases contained in this Plan under applicable non bankruptcy law; *provided* that, in each case, an Entity shall not be a Releasing Party if it (x) elects to opt out of, or to not opt in to,

as applicable, the Third-Party Release or (y) timely objects to the Third-Party Release through a formal objection Filed on the docket of the Chapter 11 Cases that is not resolved before Confirmation. Notwithstanding anything to the contrary herein, Holders of General Unsecured Claims shall only be Releasing Parties to the extent such Holders receive or retain any distribution, property, or other value on account of such Holders' General Unsecured Claims under this Plan.

173. “*Reorganized Debtors*” means the Debtors, or any successors or assigns thereto by merger, amalgamation, consolidation, or otherwise, as reorganized on and after the Effective Date pursuant to and under this Plan.

174. “*Reorganization Consideration*” means 100% of the Common Equity Interests, subject to dilution by the issuance, conversion, and/or exercise (as applicable) of the New Equity Interests and the Warrants as described herein (including, without limitation, conversion of the Preferred Equity Interests).

175. “*Reorganization Definitive Documents*” means, as applicable in accordance with the terms of the Restructuring Support Agreement the (i) 1L Exit Facility Documents, (ii) New Organizational Documents, (iii) Governance Term Sheet, (iv) Warrants Term Sheet, (v) Rejected Executory Contracts and Unexpired Leases Schedule (as defined in the Plan), and (vi) in each case, any and all other agreements, motions, pleadings, orders and briefs or material applications, filings, instruments, exhibits, schedules, amendments, modifications, supplements, appendices and other documents related to or reasonably desired or necessary to implement the foregoing.

176. “*Reorganization Transaction*” means the Restructuring Transactions to be effectuated on the Effective Date, which Restructuring Transactions shall be acceptable in form and substance to the Ad Hoc Group.

177. “*Required Consenting Ad Hoc Group Lenders*” shall have the meaning set forth in the Restructuring Support Agreement.

178. “*Required Funding Consenting Lenders*” shall have the meaning set forth in the Restructuring Support Agreement.

179. “*Restructuring*” means the financial and operational restructuring of the Debtors, the principal terms of which are set forth in this Plan (including, for the avoidance of doubt, the Plan Supplement).

180. “*Restructuring Support Agreement*” means that certain Restructuring Support Agreement dated as of January 6, 2026, and amended and restated on March 18, 2026 and June 28, 2026, as may be further amended, supplemented, or otherwise modified from time to time.

181. “*Restructuring Transactions*” means any transaction and any actions as may be necessary or appropriate to effect a restructuring of the Debtors' respective businesses or a corporate restructuring of the overall corporate structure of the Debtors on the terms set forth in this Plan and the Restructuring Transactions Memorandum, if applicable, including the issuance of all securities, notes, warrants, instruments, agreements, certificates, and other documents required to be issued or executed pursuant to the Plan, one or more inter-company mergers,

consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate transactions, as described in Article IV.B of the Plan.

182. “*Restructuring Transactions Memorandum*” means a summary of transaction steps to complete the Restructuring Transactions contemplated by this Plan, which may be included in the Plan Supplement.

183. “*Retained Causes of Action*” means the Causes of Action of the Debtors as set forth on the Schedule of Retained Causes of Action.

184. “*Revolving Credit Agreement*” means that certain *Credit Agreement*, dated as of February 15, 2022, as amended by that certain *Amendment No. 1 to Credit Agreement*, dated as of June 1, 2023 (as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among U.S. TelePacific Corp., as borrower, Parent, as parent guarantor, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent.

185. “*RPA Obligations*” means all obligations arising out of or related to the Receivables Purchase Agreements.

186. “*Savings Consideration*” means, to the extent positive, (a) the sum of the amounts budgeted in the Updated DIP Budget for the payment of (i) Allowed Professional Fee Claims and (ii) the fees and expenses of the Ad Hoc Group Advisors and professionals for the DIP Agent, the Agent (in its capacity under the Superpriority Credit Agreement, the First Lien Senior Secured Credit Agreement, the Second Lien Credit Agreement, and the Third Lien Credit Agreement) to the extent Allowed under the Final DIP Order, less (b) the amounts actually paid or estimated to be accrued on or before the Effective Date for (x) Allowed Professional Fee Claims and (y) fees and expenses of the Ad Hoc Group Advisors and professionals for the DIP Agent, the Agent (in its capacity under the Superpriority Credit Agreement, the First Lien Senior Secured Credit Agreement, the Second Lien Credit Agreement, and the Third Lien Credit Agreement) to the extent Allowed under the Final DIP Order.

187. “*Sale Documents*” means, in the event of a Sale Transaction, collectively, the Bid Procedures, the Bid Procedures Motion, the Bid Procedures Order, the Asset Purchase Agreement, the Sale Order, and any and all other agreements, motions, pleadings, orders and briefs or material applications, filings, instruments, exhibits, schedules, amendments, modifications, supplements, appendices and other documents related to the Sale Transactions or reasonably desired or necessary to implement the Sale Transactions.

188. “*Sale Order*” means, in the event of a Sale Transaction, any order of the Bankruptcy Court approving, pursuant to section 363 of the Bankruptcy Code, one or more sales of, collectively, all or substantially all of the assets of the Debtors to one or more Purchasers.

189. “*Sale Transactions*” means those certain transactions with respect to the Company Parties contemplated, and to be effectuated in accordance with the terms and conditions of the Sale Documents, subject to the terms set forth herein and which shall be acceptable in form and substance to the Ad Hoc Group.

190. “*Schedule of Retained Causes of Action*” means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time.

191. “*Second Lien Credit Agreement*” means that certain *Second Lien Senior Secured Credit Agreement* (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), dated as of June 1, 2023, among U.S. TelePacific Corp., as borrower, Parent, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent.

192. “*Second Lien Deficiency Claims*” means the Second Lien Term Loan Claims that are not Second Lien Secured Claims.

193. “*Second Lien Forbearance Agreement*” means that certain *Forbearance Agreement*, dated as of October 31, 2025, as amended and restated by that certain *Amended and Restated Forbearance Agreement*, dated as of January 6, 2026 (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among the parties to the Second Lien Credit Agreement.

194. “*Second Lien Term Loan Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the Second Lien Credit Agreement and/or related documents. On the Effective Date, Second Lien Term Loan Claims shall be deemed Allowed in the aggregate principal amount of \$639,375,356, plus all interest, fees, premiums, expenses, costs, charges, and other amounts due (if any) under the Second Lien Credit Agreement and/or related documents.

195. “*Second Lien Secured Claims*” means the Second Lien Term Loan Claims that constitute Secured Claims.

196. “*Secured Claim*” means a Claim: (a) secured by a valid, perfected, and enforceable Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code to the extent of the amount subject to setoff.

197. “*Securities Act*” means the Securities Act of 1933, as amended.

198. “*Securities Rules*” means Rule 501(a)(1), (2), (3), (7), (8), (9), (12) and (13) of Regulation D under the Securities Act.

199. “*Security*” means any security, as defined in section 2(a)(1) of the Securities Act or section 101(49) of the Bankruptcy Code.

200. “*Solicitation*” means the solicitation of votes to accept or reject the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code, and any procedures established by the Bankruptcy Court with respect to solicitation of votes on the Plan.

201. “*Solicitation Materials*” means all documents, ballots, forms, and other materials provided in connection with Solicitation of the Plan (other than the Disclosure Statement).

202. “*Subordinated Claim*” means any Claim against the Debtors that is subject to subordination under section 509(c), section 510(b), or section 510(c) of the Bankruptcy Code, including any Claim for reimbursement, indemnification, or contribution (except indemnification or reimbursement Claims assumed hereunder). For the avoidance of doubt, Subordinated Claim includes any Claim arising out of or related to any agreement for the purchase or sale of securities of the Debtors or any of their Affiliates or any agreements related or ancillary to such agreement for the purchase or sale of securities of the Debtors or any of their Affiliates.

203. “*Superpriority Credit Agreement*” means that certain *Superpriority Credit Agreement* (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), dated as of March 18, 2026, among U.S. TelePacific Corp., as borrower, Parent, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent.

204. “*Superpriority Term Loan Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the Superpriority Credit Agreement and/or related documents (including any principal, interest or payments for early termination of any Specified Hedging Agreements (as defined in the Superpriority Credit Agreement), fees, premiums, multiple on invested capital, expenses, indemnification or otherwise and all guarantees of any of the foregoing and including any interest and fees that accrue after the commencement of these Chapter 11 Cases.

205. “*Third Lien Credit Agreement*” means that certain *Third Lien Senior Secured Credit Agreement* (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), dated as of June 1, 2023, among U.S. TelePacific Corp., as borrower, Parent, as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent.

206. “*Third Lien Deficiency Claims*” means the Third Lien Term Loan Claims that are not Third Lien Secured Claims.

207. “*Third Lien Forbearance Agreement*” means that certain *Forbearance Agreement*, dated as of October 31, 2025, as amended and restated by that certain *Amended and Restated Forbearance Agreement*, dated as of January 6, 2026 (as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among certain of the parties to the Third Lien Credit Agreement.

208. “*Third Lien Secured Claims*” means the Third Lien Term Loan Claims that constitute Secured Claims.

209. “*Third Lien Term Loan Claims*” means all Claims arising under, derived from, based upon, or secured in connection with the Third Lien Credit Agreement and related documents. On the Effective Date, Third Lien Term Loan Claims shall be deemed Allowed in the aggregate principal amount of \$33,151,826, plus all interest, fees, premiums, expenses, costs, charges, and other amounts due (if any) under the Third Lien Credit Agreement and/or related documents.

210. “*Third-Party Release*” means the release set forth in Article VIII.D of the Plan.

211. “*Total GUC Consideration*” means the sum of (a) the Fixed GUC Consideration, (b) the Savings Consideration, and (c) the First Day Consideration; *provided* that the Total GUC Consideration shall not exceed \$3.0 million in the aggregate; *provided, further*, that if the total amount of Allowed Claims in Class 6 is less than \$27.8 million, the Total GUC Consideration shall be reduced to an amount equal to the product of (a) \$3.0 million and (b) a fraction, the numerator of which is the total amount of Allowed Claims in Class 6 and the denominator of which is \$27.8 million.

212. “*Transaction Expenses*” means (a) all documented fees, costs, and out-of-pocket expenses of the Ad Hoc Group Advisors and the Agent Advisor related to or incurred in connection with the Restructuring Transactions and the Chapter 11 Cases, whether arising before or after the Petition Date (including the reasonable and documented fees and out-of-pocket expenses of the advisors to each of the Ad Hoc Group and the Agent accrued since the inception of such engagements) and (b) subject to a \$50,000 cap, all documented fees, costs, and out-of-pocket expenses of legal counsel to the Consenting Investor related to or incurred in connection with the Restructuring Transactions and the Chapter 11 Cases, whether arising before or after the Petition Date (including the reasonable and documented fees and out-of-pocket expenses of legal counsel to the Consenting Investor accrued since the inception of such engagement); *provided* that, in each case, the invoices of such fees, costs and expenses may be in summary format (with such redactions as may be necessary to maintain attorney-client privilege) and the Ad Hoc Group Advisors, the Agent Advisor, and counsel to the Consenting Investor shall not be required to provide the Debtors with time entries.

213. “*TSHL*” means Tango Stockholder Holdings, LLC, a Delaware limited liability company.

214. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

215. “*Unimpaired*” means with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

216. “*Unsecured Claim*” means any Claim that is not a Secured Claim.

217. “*Updated DIP Budget*” means the “Updated DIP Budget” as defined in the Final DIP Order and as in effect on the date of entry of the Final DIP Order (without giving effect to any subsequent modifications to any budgets under the Final DIP Order).

218. “*Warrants*” means warrants to purchase New Equity Interests representing in the aggregate up to 5.94% of the Common Equity Interests (upon the exercise of such Warrants), exercisable on a cashless basis at any time prior to the date that is four (4) years from the Effective Date, each of which will have an exercise price for each underlying share of Common Equity Interests equal to the implied price per share of one share of Common Equity Interests calculated using a total equity value of approximately \$326,000,000 as of the Effective Date (total equity value solely for purposes of this calculation to be an amount equal to the product of (x) four (4) and (y) the sum of (a) the DIP New Money Term Loan Advances and (b) the Preferred Equity New Money Commitment Amount), the terms of which will be set forth in the Warrants Term

Sheet and Warrants Agreements. The Warrants Term Sheet and Warrants Agreements shall provide that the Warrants: (a) do not have Black-Scholes protections; (b) receive value only to the extent of any appreciation above the exercise price referenced above, without any catch-up provision; (c) are transferable only to Affiliates of the Consenting Investor; and (d) shall, upon a change of control of the Reorganized Debtors, (i) if out of the money, be canceled for no consideration, or (ii) if in the money, be cashed out or automatically net exercised in connection with such change of control.

219. “*Warrants Agreements*” means the warrant agreements or warrant certificates to be entered into by the Reorganized Debtors that shall govern the terms of the New Warrants, which shall be consistent with this Plan and the Warrants Term Sheet.

220. “*Warrants Term Sheet*” means the term sheet describing the terms of the Warrants, which shall be disclosed in the Plan Supplement and which may be the Governance Term Sheet.

B. Rules of Interpretation.

For purposes of this Plan:

(a) 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;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, 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 such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; *provided* that any capitalized terms herein which are defined with reference to another agreement are defined with reference to such other agreement as of the date of the Plan, without giving effect to any termination of such other agreement or amendments to such capitalized terms in such other agreement following the date hereof;

(e) any reference to an Entity as a Holder of a Claim or Interest includes that Entity’s successors and assigns;

(f) any references to “shareholders,” “directors,” and/or “officers” shall also include “members” and/or “managers,” as applicable, as such terms are defined under the applicable limited liability company Laws;

(g) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto;

(h) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement;

(i) unless otherwise specified, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan;

(j) 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 of the Plan;

(k) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply;

(l) 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;

(m) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system;

(n) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated;

(o) subject to the provisions of any contract, charter, certificate of incorporation, bylaw, partnership agreement, operating agreement, limited liability company agreement, or other organizational documents, or equityholder agreement(s), as applicable, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with the applicable Law, including the Bankruptcy Code and Bankruptcy Rules;

(p) 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”;

(q) references to “Proofs of Claim,” “holders of Claims,” “Disputed Claims,” and the like shall include “Proofs of Interest,” “holders of Interests,” “Disputed Interests,” and the like, as applicable;

(r) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; *provided, however*, that no effectuating provision shall be immaterial or deemed immaterial if it has any substantive legal or economic effect on any party; and

(s) all references herein to consent, acceptance, or approval may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail.

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 may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

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, the Laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, 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), and corporate governance matters; *provided* that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the Laws of the state, province, or country of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

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. Nonconsolidated Plan.

Although for purposes of administrative convenience and efficiency this Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against and Interests in the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

H. Controlling Document.

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and any document included in the Plan Supplement, including the schedules or exhibits, the terms of the relevant provision 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 (including the Plan Supplement), the Confirmation Order shall control.

I. Consultation, Information, Notice, and Consent Rights.

Notwithstanding anything herein to the contrary, any and all consultation, information, notice, and consent rights set forth in the Restructuring Support Agreement (including the exhibits thereto) with respect to the form and substance of this Plan, all exhibits to the Plan, and the Plan Supplement, and all other Definitive Documents, including any amendments, restatements, supplements, or other modifications to such agreements and documents, and any consents, waivers, or other deviations under or from any such documents, or otherwise, shall be incorporated herein by this reference (including to the applicable definitions in Article I.A hereof) and fully enforceable as if stated in full herein.

Failure to reference the rights referred to in the immediately preceding paragraph as such rights relate to any document referenced in the Restructuring Support Agreement shall not impair such rights and obligations.

**ARTICLE II.
ADMINISTRATIVE CLAIMS, DIP CLAIMS,
PRIORITY CLAIMS, AND TRANSACTION EXPENSES**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP 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.

Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, or otherwise provided for under the Plan, and unless such Holder has been paid by the Debtors or the Reorganized Debtors, as applicable, on account of such Allowed Administrative Claim prior to the Effective Date, each Holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code or otherwise be paid in full in Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (1) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which an order allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable, and, in each case, with the consent of the Ad Hoc Group; or (5) at such time and upon such terms as set forth in an order of the Bankruptcy Court. Nothing in the foregoing or otherwise in this Plan shall prejudice the

Debtors' or the Reorganized Debtors rights and defenses regarding any asserted Administrative Claim. For the avoidance of doubt, Holders of Administrative Claims that are Professional Fee Claims or Independent Director Fee Claims need not file requests for payment of Administrative Claims with the Bankruptcy Court.

B. DIP Claims.

On the Effective Date, in full and final satisfaction of all Allowed DIP Claims, the DIP Obligations, including, for the avoidance of doubt, all Claims in respect of the outstanding principal amount of all DIP Loans and any accrued but unpaid interest thereon, including any outstanding fees, premiums, costs, or expenses, shall be satisfied as follows: (i) holders of Allowed DIP Claims on account of DIP New Money Term Loan Advances and DIP Rolled-Up First Lien Principal Term Loan Advances shall receive 1L Exit Term Loans in accordance with the terms of the DIP Loan Documents; (ii) holders of Allowed DIP Claims on account of DIP Rolled-Up Bridge Term Loan Advances shall (x) be paid in full in Cash or, (y) if such holders are Funding Consenting Lenders, receive 1L Exit Term Loans in accordance with the terms of the DIP Loan Documents; and (iii) holders of Allowed DIP Claims on account of DIP Rolled-Up First Lien Interest Term Loan Advances shall (x) be paid in full in Cash or, (y) if such holders are Funding Consenting Lenders, receive Preferred Equity Tranche A Interests (including in respect of the Preferred Equity Exchange Premium) in accordance with the terms of the DIP Loan Documents, the Governance Term Sheet and the other Definitive Documents.

C. Professional Fee Claims.

1. Final Fee Applications and Payment of Professional Fee Claims.

All requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than forty-five (45) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Debtors or the Reorganized Debtors, as applicable, shall pay Professional Fee Claims in Cash in the amount the Bankruptcy Court Allows, including from the Professional Fee Account, which the Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date.

2. Professional Fee Account.

On the Effective Date, the Debtors shall establish and fund the Professional Fee Account with Cash equal to the Professional Fee Amount, which shall be funded by the Debtors. The Professional Fee Account shall be maintained solely for the Professionals. The amount of Allowed Professional Fee Claims shall be paid in Cash to the Professionals by the Debtors or the Reorganized Debtors, as applicable, from the Professional Fee Account as soon as reasonably practicable after such Professional Fee Claims are Allowed. Any amount remaining in the Professional Fee Account, after payment of (a) all Allowed Professional Fee Claims and (b) the portion of the Savings Consideration actually distributed to Holders of General Unsecured Claims as part of the Total GUC Consideration, shall promptly be paid to the Debtors or the Reorganized Debtors, as applicable, without any further action or order of the Bankruptcy Court. If the

Professional Fee Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, the remaining unpaid Allowed Professional Fee Claims shall be paid by the Reorganized Debtors, as Allowed Administrative Claims. For the avoidance of doubt, the Professional Fee Account cannot be used to pay any Secured, Priority, or Administrative Claims until all Professional Fee Claims are satisfied or otherwise reserved for.

3. Professional Fee Amount.

Professionals shall reasonably estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date, and shall deliver such estimate to the Debtors no later than two (2) Business days before the Effective Date; *provided* that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of each Professional's final request for payment in the Chapter 11 Cases. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Confirmation Date Fees and Expenses.

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors. Upon the Confirmation Date, any requirement that 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 Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that any payments to Professionals from and after the Confirmation Date shall be subject to the DIP Orders, including the Approved Budget, and the other DIP Documents (as defined in the DIP Orders).

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 section 1129(a)(9)(C) of the Bankruptcy Code or otherwise be paid in full in Cash.

E. *Payment of Transaction Expenses.*

The Transaction Expenses incurred, or estimated to be incurred, up to and including the Effective Date (or, with respect to necessary post-Effective Date activities, after the Effective Date), shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, and without any requirement for Bankruptcy Court review or approval. All Transaction Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least two (2) Business Days before the anticipated Effective Date; *provided* that such

estimates shall not be considered an admission or limitation with respect to such Transaction Expenses. On or as soon as practicable after the Effective Date, final invoices for all Transaction Expenses incurred prior to and unpaid as of the Effective Date shall be submitted to the Debtors or the Reorganized Debtors, as applicable, and shall be paid, or caused to be paid, by the Debtors or the Reorganized Debtors, as applicable, within ten (10) Business Days of receipt of the applicable final invoice. Any Transaction Expenses that constitute Adequate Protection Obligations (as defined in the DIP Order) are entitled to all rights and protections of other Adequate Protection Obligations (as defined in the DIP Order). In addition, the Debtors or the Reorganized Debtors, as applicable, shall continue to pay, when due, pre- and post-Effective Date Transaction Expenses related to implementation, consummation, and defense of the Plan, whether incurred before, on, or after the Effective Date, without any requirement for Bankruptcy Court review or approval.

Notwithstanding anything to the contrary contained herein, any unpaid Claim payable on account of the Transaction Expenses that the Debtors are obligated to pay hereunder or under any of the DIP Loan Documents and for which the Debtors have received an invoice, shall constitute an Allowed Administrative Claim and shall be paid on a current basis in full in Cash on the Effective Date or as reasonably practicable thereafter, or to the extent accrued after the Effective Date, on a current basis in full in Cash as invoiced. Nothing herein shall require the Ad Hoc Group, DIP Lenders, or DIP Agent, as applicable, to file applications, a Proof of Claim or otherwise seek approval of the Bankruptcy Court as a condition to payment of such Allowed Administrative Claims.

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests.

This Plan constitutes a separate Plan proposed by each Debtor. Except for the Claims addressed in Article II hereof, all Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest, or any portion thereof, is classified in a particular Class only to the extent that any portion of such Claim or Interest fits within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest fits within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against the Debtors pursuant to the Plan is as follows:

<u>Class</u>	<u>Type of Claim or Interest</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 1	Other Secured Claims	Unimpaired	No (Presumed to accept)
Class 2	Other Priority Claims	Unimpaired	No (Presumed to accept)
Class 3	Pari Funded Debt Secured Claims	Impaired	Yes
Class 4	Second Lien Secured Claims	Impaired	Yes

<u>Class</u>	<u>Type of Claim or Interest</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
Class 5	Third Lien Secured Claims	Impaired	Yes
Class 6	General Unsecured Claims	Impaired	Yes
Class 7	Intercompany Claims	Impaired / Unimpaired	No (Deemed to reject / presumed to accept)
Class 8	Subordinated Claims	Impaired	No (Deemed to reject)
Class 9	Intercompany Interests	Impaired / Unimpaired	No (Deemed to reject / presumed to accept)
Class 10	Existing Equity Interests	Impaired	No (Deemed to reject)

B. Treatment of Claims and Interests.

Each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors or the Reorganized Debtors, as applicable, with the consent of the Ad Hoc Group, and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

1. Class 1 – Other Secured Claims

- (a) *Classification:* Class 1 consists of all Other Secured Claims.
- (b) *Treatment:* The legal, equitable, and contractual rights of the Holders of Allowed Other Secured Claims are unaltered by the Plan. Each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor with the consent of the Ad Hoc Group:
 - (i) payment in full in Cash of its Allowed Other Secured Claim;
 - (ii) the collateral securing its Allowed Other Secured Claim;
 - (iii) Reinstatement of its Allowed Other Secured Claim; or
 - (iv) such other treatment that renders its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- (c) *Voting:* Class 1 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

- (a) *Classification:* Class 2 consists of all Other Priority Claims.
- (b) *Treatment:* The legal, equitable, and contractual rights of the Holders of Allowed Other Priority Claims are unaltered by the Plan. Each Holder of an Allowed Other Priority Claim shall receive treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code.
- (c) *Voting:* Class 2 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class 3 – Pari Funded Debt Secured Claims

- (a) *Classification:* Class 3 consists of all Pari Funded Debt Secured Claims.
- (b) *Treatment:* Each Holder of an Allowed Pari Funded Debt Secured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the Reorganization Consideration; *provided* that each holder of an Allowed Pari Funded Debt Secured Claim shall have the option to elect to exercise the Cash-Out Option in lieu of receiving its Pro Rata share of the Reorganization Consideration; *provided, further* that all distributions to Holders of Allowed Pari Funded Debt Secured Claims shall be in accordance with the Pari Passu Intercreditor Agreement.
- (c) *Voting:* Class 3 is Impaired under the Plan. Holders of Pari Funded Debt Secured Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Second Lien Secured Claims

- (a) *Classification:* Class 4 consists of all Second Lien Secured Claims.
- (b) *Treatment:* Each Holder of an Allowed Second Lien Secured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the Warrants.
- (c) *Voting:* Class 4 is Impaired under the Plan. Holders of Second Lien Secured Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – Third Lien Secured Claims

- (a) *Classification:* Class 5 consists of all Third Lien Secured Claims.
- (b) *Treatment:* Each Holder of an Allowed Third Lien Secured Claim will be discharged and released and each Holder of such Allowed Third Lien

Secured Claim shall not receive or retain any distribution, property, or other value on account of its Allowed Third Lien Secured Claim.

- (c) *Voting:* Class 5 is Impaired under the Plan. Holders of Third Lien Secured Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – General Unsecured Claims

- (a) *Classification:* Class 6 consists of all General Unsecured Claims.
- (b) *Treatment:* Except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim will receive, in full and final satisfaction of such Claim, its Pro Rata share of the Total GUC Consideration.
- (c) *Voting:* Class 6 is Impaired under the Plan. Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan.

7. Class 7 – Intercompany Claims

- (a) *Classification:* Class 7 consists of all Intercompany Claims.
- (b) *Treatment:* Each Allowed Intercompany Claim shall be, at the option of the applicable Debtor, with the consent of the Ad Hoc Group, either:
 - (i) Reinstated;
 - (ii) canceled, released, and extinguished, and will be of no further force or effect; or
 - (iii) otherwise addressed at the option of each applicable Debtor such that Holders of Intercompany Claims will not receive any distribution on account of such Intercompany Claims.
- (c) *Voting:* Class 7 is either conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code or conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

8. Class 8 – Subordinated Claims

- (a) *Classification:* Class 8 consists of all Subordinated Claims.
- (b) *Treatment:* Each Allowed Subordinated Claim will be discharged and released and each Holder of such Allowed Subordinated Claim shall not receive or retain any distribution, property, or other value on account of its Allowed Subordinated Claim.

- (c) *Voting:* Class 8 is Impaired under the Plan and Holders of Subordinated Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

9. Class 9 – Intercompany Interests

- (a) *Classification:* Class 9 consists of all Intercompany Interests.
- (b) *Treatment:* Each Allowed Intercompany Interest shall be, at the option of the applicable Debtor, with the consent of the Ad Hoc Group, either:
 - (i) Reinstated;
 - (ii) canceled, released, and extinguished, and will be of no further force or effect; or
 - (iii) otherwise addressed at the option of each applicable Debtor such that Holders of Intercompany Interests will not receive any distribution on account of such Intercompany Interests.
- (c) *Voting:* Class 9 is either conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code or conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

10. Class 10 – Existing Equity Interests

- (a) *Classification:* Class 10 consists of all Existing Equity Interests.
- (b) *Treatment:* All Existing Equity Interests shall be discharged, canceled, released, and extinguished and will be of no further force or effect.
- (c) *Voting:* Class 10 is Impaired and is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims.*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including, all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. Elimination of Vacant Classes.

Any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court in an amount greater than zero 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.

E. Voting Classes, Presumed Acceptance by Non-Voting Classes.

If a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

F. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

G. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed 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. Any such contractual, legal, or equitable subordination rights shall be settled, compromised, and released pursuant to the Plan.

H. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Debtors may seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right, subject to the prior consent of the Ad Hoc Group, to modify the Plan in accordance with Article X hereof to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

I. Insurance.

Notwithstanding anything to the contrary in the Plan, if any Claim is subject to coverage under an Insurance Policy, payments on account of such Claim will first be made from proceeds of such Insurance Policy in accordance with the terms thereof, with the balance of such Claim, if

any, treated in accordance with the provisions of the Plan governing the Class applicable to such Claim.

ARTICLE IV. MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests.

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, whether under any provision of chapter 5 of the Bankruptcy Code, on any equitable theory (including equitable subordination, equitable disallowance, or unjust enrichment) or otherwise.

In addition, the Plan incorporates and gives effect to a global settlement among the Debtors, the Ad Hoc Group, and the Committee (the “Committee Settlement”). Pursuant to the Committee Settlement, and as reflected in the treatment of Class 6 in Article III herein and in that certain *Notice of Settlement Term Sheet Regarding the Global Settlement Among the Debtors, Ad Hoc Group, and Committee* [Docket No. 230], Holders of Allowed General Unsecured Claims will receive their Pro Rata share of the Total GUC Consideration. In consideration of the foregoing, among other things, the Pari Funded Debt Deficiency Claims, Second Lien Deficiency Claims, and Third Lien Deficiency Claims are waived as of the Effective Date and will not receive any distribution under the Plan, and the Committee supports Confirmation of the Plan. Additionally, the Debtors agreed to reasonably consult with the Committee regarding the Rejected Executory Contracts and Unexpired Leases Schedule and made a number of changes to the terms of the Final DIP Order.

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 Bankruptcy Court’s approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all distributions made to holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be final.

Certain Claims and Causes of Action may exist between one or more of the Debtors and one or more of its Affiliates, which Claims and Causes of Action may have been settled, and such settlement, if applicable, is reflected in the treatment of the Intercompany Claims and Intercompany Interests.

B. Restructuring Transactions.

On or before the Effective Date, the applicable Debtors (and their respective officers, directors, members, or managers (as applicable)) shall enter into and shall take any actions as may

be necessary or appropriate to effect the Restructuring Transactions and may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan that are consistent with and pursuant to the terms and conditions of the Plan (and without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan) and the Restructuring Transactions Memorandum. These actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable 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 and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial Law; (4) the issuance and distribution of the New Equity Interests and Warrants, (5) such other transactions that are required to effectuate the Restructuring Transactions, including any transactions set forth in the Restructuring Transactions Memorandum, and (6) all other actions that the applicable Entities determine to be necessary, including making filings or recordings that may be required by applicable Law in connection with the Plan. All Holders of Claims and Interests receiving distributions pursuant to the Plan and all other necessary parties in interest, including any and all agents thereof, shall prepare, execute, and deliver any agreements or documents, and take any other actions as the Debtors may determine are necessary or advisable, including by voting and/or exercising any powers or rights available to such Holder, including at any board, or creditors', or shareholders' meeting (including any special meeting), to effectuate the provisions and intent of the Plan.

The Confirmation Order shall, and shall be deemed to, pursuant to sections 363 and 1123 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, contemplated by, or necessary to effectuate the Plan.

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors, as applicable, shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring Transactions. The Reorganization Transaction may be subject to regulatory approvals prior to consummation.

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt their New Organizational Documents. The Reorganized Debtors shall be authorized to adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary to consummate the Plan. Cash payments to be made pursuant to the Plan will be made by the Debtors or the Reorganized Debtors, as applicable. The Debtors and the Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Debtors or the Reorganized Debtors, as applicable, 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.

From and after the Effective Date, the Reorganized Debtors, subject to any applicable limitations set forth in any post-Effective Date agreement, shall have the right and authority, without further order of the Bankruptcy Court, to raise additional capital and obtain additional financing, subject to the New Organizational Documents, as the Governing Bodies of the applicable Reorganized Debtors deem appropriate.

C. Purchased Receivables.

Prior to the Effective Date, no Cash received by the Debtors on account of receivables sold pursuant to the Receivables Purchase Agreements shall be transferred to the applicable purchaser thereunder.

On the Effective Date, in full and final satisfaction, settlement, discharge, and release of the RPA Obligations, (a) the purchasers of the accounts receivable pursuant to the Receivables Purchase Agreements shall transfer, assign, and contribute to the Reorganized Debtors all of their right, title, and interest in and to such accounts receivable free and clear of all Liens, Claims, and encumbrances, and (b) in exchange therefor, such purchasers shall receive their Pro Rata share of the Preferred Equity Tranche B Interests, upon the terms as provided for in Article IV, the Governance Term Sheet and New Organizational Documents.

D. Vesting of Assets.

Except as otherwise provided in the Confirmation Order, the Plan, or any agreement, instrument, or other document incorporated in, or entered into in connection with or pursuant to, the Plan or Plan Supplement, on the Effective Date, all property in each Estate, all Executory Contracts assumed, but not assigned, by any of the Debtors, the Retained Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan, including any Interests held by the Debtors in non-Debtor subsidiaries, shall vest in the Reorganized Debtors free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and each Reorganized Debtor may compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order.

E. Cancellation of Existing Securities and Agreements.

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing or creating indebtedness or obligations of (or ownership interest in) the Debtors that

are Reinstated pursuant to the Plan) shall be deemed canceled, discharged and of no force or effect, without further action or approval of the Court.

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 the Debtors (except such agreements, indentures, certificates, notes, or other instruments or documents evidencing or creating indebtedness or obligations of the Debtors that are Reinstated pursuant to the Plan) shall be released and discharged; provided that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim or Interest shall also continue in effect to allow such Holder to appear and be heard in the Chapter 11 Cases or in any proceeding in the Court or any other court, including, without limitation, to enforce the respective obligations owed to such parties under the Plan.

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, the Debtors as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in the Plan shall be deemed null and void and shall be of no force and effect solely in connection with such cancellations, terminations, satisfactions, releases or discharges. Nothing contained in the Plan shall be deemed to cancel, terminate, release, or discharge the obligation of the Debtors or any of their counterparties under (i) any Executory Contract or Unexpired Lease to the extent such Executory Contract or Unexpired Lease has been assumed by the Debtors pursuant to a Final Order of the Court or hereunder or (ii) any Claims or Interests that are Reinstated pursuant to the terms of the Plan.

F. Cancellation of Certain Existing Security Interests.

Upon the payment or other satisfaction of an Allowed Secured Claim (including Allowed DIP Claims) pursuant to the Plan, or promptly thereafter, except as expressly provided herein, all mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests against any property of the Estates (wherever recorded, filed, or otherwise noticed under applicable Law (whether domestic or foreign)) shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed (and is hereby directed), at the sole cost and expense of the Debtors, to release any collateral or other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Debtors to evidence the release of such Liens and/or security interests, including the execution, delivery, and filing or recording of such releases or other applicable instruments and documentation. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

To the extent that any Holder of an Allowed Secured Claim (including Allowed DIP Claims) that has been satisfied or discharged in full pursuant to the Plan, or any agent for any such Holder, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Allowed Secured Claim, then 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 or the Reorganized Debtors that are necessary or desirable to record, evidence or effectuate the cancellation, release, and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

G. Sources of Consideration for Plan Distributions.

The Debtors or the Reorganized Debtors shall fund distributions under the Plan with the Debtors' Cash on hand, the Total GUC Consideration (including the Fixed GUC Consideration, the Savings Consideration, and the First Day Consideration), the 1L Exit Facility, the New Equity Interests, and the Warrants.

Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth herein applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the New Equity Interests, will be exempt from SEC registration to the fullest extent permitted by law, as described more fully herein.

H. Certain Securities Law Matters.

In connection with any Reorganization Transaction, the offering, issuance (or entry into), and distribution of the New Equity Interests, the Warrants, and all other Securities entered into and/or issued in connection with the Plan (collectively, the "Plan Securities"), shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable Law requiring registration prior to the offering, issuance, distribution, or sale of Securities to the maximum extent permitted by Law, in accordance with, and pursuant to, section 1145 of the Bankruptcy Code to the maximum extent permitted by law; or to the extent that section 1145 of the Bankruptcy Code is not available, section 4(a)(2) of the Securities Act and/or Regulation D thereunder or Regulation S under the Securities Act; and/or any other available exemption from registration, as applicable.

New Equity Interests issued in connection with the Plan under section 1145 of the Bankruptcy Code and the Warrants (1) will not be "restricted securities" as defined in rule 144(a)(3) under the Securities Act and (2) will, subject to any limitations set forth in the New Organizational Documents and the Warrants Agreements, be freely tradeable and transferable in the United States by a holder thereof that (i) is an entity that is not an "underwriter" as defined in section 1145(b)(1) of the Bankruptcy Code; (ii) is not an "affiliate" of the Debtors as defined in rule 144(a)(1) under the Securities Act; (iii) has not been such an "affiliate" within 90 days of the time of the transfer; and (iv) has not acquired such securities from an "affiliate" within one year of the time of transfer.

The issuance of the Plan Securities in connection with the Plan shall not constitute an invitation or offer to sell, or the solicitation of an invitation or offer to buy, any securities in contravention of any applicable Law in any jurisdiction. No action has been taken, nor will be taken, in connection with the Plan in any jurisdiction that would permit a public offering of any of the Plan Securities in any jurisdiction where such action for that purpose is required.

To the extent issuance under section 1145(a) of the Bankruptcy Code is unavailable, the New Equity Interests and the Warrants will be issued without registration under the Securities Act in reliance upon section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder or Regulation S promulgated thereunder. To the extent issued in reliance on section 4(a)(2) of the Securities Act or Regulation D thereunder or Regulation S promulgated thereunder, such securities will be “restricted securities” subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration under the Securities Act and other applicable law and subject to any limitations set forth in the New Organizational Documents and the Warrants Agreements.

The Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Plan Securities under applicable securities Laws in connection with the Plan. Notwithstanding anything to the contrary in the Plan, no Entity (including DTC) shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Plan Securities are exempt from registration, and any transfer agent, or other similarly situated agent, trustee, or other non-governmental Entity (including DTC) shall accept and rely upon the Plan and the Confirmation Order in lieu of a legal opinion for purposes of determining whether the initial offer and sale of the Plan Securities were exempt from registration under section 1145(a) of the Bankruptcy Code and/or eligible for DTC book-entry delivery, settlement, and depository services (to the extent applicable) and whether the Plan Securities were, under the Plan, validly issued, fully paid, and non-assessable.

I. New Equity Interests.

In connection with any Reorganization Transaction, the offering, issuance, and distribution of the New Equity Interests by the Reorganized Debtors contemplated by this Plan is hereby authorized without the need for any further corporate action or without any further action by the Holders of Claims or Interests. The Reorganized Debtors shall be authorized to issue a certain number of shares, units or equity interests (as the case may be based on how the New Equity Interests are denominated and the identity of the Reorganized Debtor issuing such shares, units, or equity interests) of New Equity Interests required to be issued under the Plan and pursuant to their New Organizational Documents. On the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall issue or enter into all Securities, notes, instruments, certificates, and other documents required to be issued or entered into pursuant to the Plan. The New Organizational Documents shall be effective as of the Effective Date and, as of such date, shall be deemed to be valid, binding, and enforceable in accordance with its terms. All Holders of Allowed Claims entitled to distribution of New Equity Interests hereunder shall be deemed to be a party to, and bound by, the New Organizational Documents, regardless of whether such Holder has executed a signature page thereto.

All of the shares, units, or equity interests (as the case may be based on how the New Equity Interests are denominated) of New Equity Interests issued or authorized to be issued by the Reorganized Debtors pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI hereof, and each other issuance of New Equity Interests contemplated by this 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, agreements, and other documents (including the New Organizational Documents), as applicable, evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. For the avoidance of doubt, the acceptance of New Equity Interests by any Holder of any Claim or Interest shall be deemed as such Holder's agreement to the applicable New Organizational Documents, as may be amended or modified from time to time following the Effective Date in accordance with the terms thereof.

J. Cash-Out Option

In lieu of receiving New Equity Interests under the Plan, each holder of an Allowed Pari Funded Debt Secured Claim shall be entitled to irrevocably elect to receive all or a portion of (i) its distribution of New Equity Interests on account of its Allowed Pari Funded Debt Secured Claims in Cash, consistent with the terms and conditions of the Cash-Out Option, this Plan, and the Election Procedures. The consummation of the Cash-Out Option is conditioned on the consummation of the Plan and satisfaction of the applicable conditions specified in the Election Procedures.

To receive the Cash-Out Amount in exchange for its Cashed-Out Interests, a holder of an Allowed Pari Funded Debt Secured Claim must validly and timely submit an election to receive Cash in lieu of receiving New Equity Interests under the Plan, in accordance with the instructions set forth in the Election Procedures provided to such holder. Each Entity entitled to participate in the Cash-Out Option pursuant to this Plan that validly and timely submits such an election shall receive the Cash-Out Amount in exchange for its Cashed-Out Interests.

The aggregate Cash-Out Amount shall be funded by the proceeds of the 1L Exit Facility and the Preferred Equity New Money Commitments.

K. Warrants.

On or after the Effective Date, the Reorganized Debtors shall issue or cause to be issued the Warrants to the Holders of Allowed Second Lien Secured Claims in accordance with the terms of the Warrants Agreements, the Plan, and the Confirmation Order, and without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule, or vote, consent, authorization, or approval of any Person. Upon exercise of the Warrants, the Common Equity Interests shall be issued and distributed free and clear of all Liens, Claims, and other Interests to the Holders of the applicable Allowed Second Lien Term Loan Claims pursuant to the Plan. All of the Warrants issued pursuant to the Plan, and all Common Equity Interests issued upon exercise of the Warrants, shall be duly authorized and validly issued.

The terms of the Warrants shall be as set forth in the Warrants Agreements, *provided* that the Warrants shall have the following terms: (1) the Warrants shall be convertible into Common Equity Interests representing in the aggregate up to 5.94% of New Equity Interests on a fully diluted basis; (2) the Warrants shall have a four (4) year term; and (3) the Warrants will have an exercise price for each underlying share of Common Equity Interests equal to the implied price per share of one share of Common Equity Interests calculated using a total equity value of approximately \$326,000,000⁶ as of the Effective Date (total equity value solely for purposes of this calculation to be an amount equal to the product of (x) four (4) and (y) the sum of (a) the DIP New Money Term Loan Advances and (b) the Preferred Equity New Money Commitment Amount), the terms of which will be set forth in the Warrants Term Sheet and Warrants Agreements.

To receive any of the Warrants, a Holder of an Allowed Second Lien Term Loan Claim must meet the terms and conditions set forth in the Warrants Agreements, including that such Holder is able to represent and certify that it is an “accredited investor” as defined in the Securities Rules as well as provide certain information about the Allowed Second Lien Term Loan Claims held by the Holder.

Confirmation of the Plan shall be deemed approval of the Warrants Agreements and the Warrants, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, and authorization for the Reorganized Debtors to enter into and execute the Warrants Agreements as may be required to effectuate the treatment afforded by the Warrants. All Warrants issued pursuant to the Plan shall be duly authorized, validly issued, and non-assessable.

L. 1L Exit Facility.

On the Effective Date, the Reorganized Debtors will enter into the applicable 1L Exit Facility Documents, and the 1L Exit Facility will be made available to the Reorganized Debtors, pursuant to the terms and conditions set forth in the 1L Exit Facility Documents. The Reorganized Debtors shall, as of the Effective Date, have obtained the necessary authorization to enter into, execute, and deliver the 1L Exit Facility Documents on the terms consistent with this Plan (including the consent rights hereunder) and incur the obligations under the 1L Exit Facility. Confirmation of the Plan shall be deemed approval of the 1L Exit Facility and the 1L Exit Facility Documents, all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, and authorization of the Reorganized Debtors to enter into, execute, and deliver the 1L Exit Facility Documents and such other documents as may be required to effectuate the treatment afforded by the 1L Exit Facility. The 1L Exit Facility shall constitute a legal, valid, binding, and authorized obligation of the applicable Reorganized Debtors enforceable in accordance with its terms. Upon execution of the 1L Exit Facility Documents, all Liens and security interests granted pursuant to, or in connection with the 1L Exit Facility shall be valid, binding, perfected, enforceable Liens and security interests in the property subject to a security interest granted by the applicable

⁶ This amount is subject to change based on DIP Facility balances outstanding upon the Debtors’ emergence from bankruptcy.

Reorganized Debtors pursuant to the 1L Exit Facility, with the priorities established in respect thereof under applicable non-bankruptcy law.

M. Preferred Equity Interests.

The Preferred Equity Tranche A Interests shall (i) accrue at an annual rate of 14.0%, which shall be payable in kind, (ii) be junior to the Exit 1L Facility and senior to all other equity of the Reorganized Debtors, (iii) be mandatorily convertible into New Equity Interests upon a sale or similar transaction, at a conversion ratio to be set at emergence such that the conversion ratio represents the pro forma ownership on an as converted basis as if the Preferred Equity Tranche A Commitment Amount were invested at a 25% discount to the equity value implied by a \$175 million total enterprise value subject only to customary adjustments (e.g., for share splits, stock dividends, etc.), (iv) vote on governance matters on an as-converted basis, and (v) have such other terms as provided for in the Governance Term Sheet and New Organizational Documents. As of the Petition Date the Debtors estimate the aggregate Preferred Equity Tranche A Interests represent 75.10% of the Common Equity Interests on an as-converted basis at emergence.⁷

The Preferred Equity Tranche B Interests shall (i) accrue at an annual rate of 14.0%, which shall be payable in kind, (ii) be junior to the Exit 1L Facility and senior to all other equity of the Reorganized Debtors, (iii) be mandatorily convertible into Common Equity Interests upon a sale or similar transaction, at a conversion ratio to be set at emergence such that the conversion ratio represents the pro forma ownership on an as converted basis as if the Preferred Equity Tranche B Commitment Amount were invested at the equity value implied by a \$250 million total enterprise value, subject only to customary adjustments (e.g., for share splits, stock dividends, etc.), (iv) vote on governance matters on an as-converted basis, and (v) have such other terms as provided for in the Governance Term Sheet and New Organizational Documents. The Debtors Estimate that as of the Petition Date, the aggregate Preferred Equity Tranche B Interests represent 5.16% of the Common Equity Interests on an as-converted basis at emergence.⁸

N. Corporate Action.

Upon the Effective Date, all of the actions contemplated under the Plan shall be deemed authorized and approved in all respects, without the need for further Bankruptcy Court approval or any board or equity holders approval or other corporate action, including: (i) the implementation of the Restructuring Transactions; (ii) the offering, issuance, and distribution of the New Equity Interests; (iii) the issuance of the Warrants; (iv) the adoption of the New Organizational Documents; (v) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases (as applicable); and (vi) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate, partnership, limited liability company, or

⁷ This estimate is subject to change based on DIP Facility balances outstanding upon the Debtors' emergence from bankruptcy.

⁸ This estimate is subject to change based on DIP Facility balances outstanding upon the Debtors' emergence from bankruptcy.

other governance action required by the Debtors or the Reorganized Debtors, as applicable, in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Security holders, members, directors, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, Securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Reorganized Debtors, as applicable, including the Definitive Documents and any and all other agreements, documents, Securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.N shall be effective notwithstanding any requirements under non-bankruptcy Law.

O. Continued Corporate Existence.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable Law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan or otherwise, in each case, consistent with the Plan, and to the extent such documents are amended in accordance therewith, such documents are deemed to be amended pursuant to the Plan and require not further action or approval (other than any filings required under applicable state, provincial, or federal Law). After the Effective Date, the respective certificate(s) of incorporation any bylaws (or other formation documents) of one or more of the Reorganized Debtors may be amended or modified on the terms therein without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules. After the Effective Date, one or more of the Reorganized Debtors may be disposed of, dissolved, wound down, or liquidated without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The authorizations and approvals contemplated by this Article IV.O shall be effective notwithstanding any requirements under non-bankruptcy Law.

P. New Organizational Documents.

On or immediately prior to the Effective Date, the New Organizational Documents shall be automatically adopted by the applicable Reorganized Debtors and become effective. To the extent required under the Plan or applicable non-bankruptcy Law, each of the Reorganized Debtors will file its New Organizational Documents with the applicable secretaries of state and/or other applicable authorities in its respective state, province, or country of organization. The New Organizational Documents will prohibit the issuance of non-voting equity Securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

Any Entity's acceptance of Preferred Equity Interests shall be deemed as its agreement to the New Organizational Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms, and each such Entity will be bound thereby in all respects. For the avoidance of doubt, all Holders of Allowed Claims entitled to distribution of Preferred Equity Interests hereunder shall be deemed to be a party to, and bound by, the New Organizational Documents, regardless of whether such Holder has executed a signature page thereto.

After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents in accordance with the terms thereof, and the Reorganized Debtors may file such amended certificates, articles of incorporation, or such other applicable formation documents and other constituent documents as permitted by the Laws of the respective states, provinces, or countries of incorporation or formation and the New Organizational Documents.

Q. New Board.

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire and the existing officers of the Debtors shall be automatically removed as officers and the New Board and new officers of each of the Reorganized Debtors shall be appointed. For subsequent terms following the Effective Date, members of the New Board and new officers of each of the Reorganized Debtors shall be appointed in accordance with the New Organizational Documents and other constituent documents of each Reorganized Debtor, as applicable.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, to the extent known, the identity and affiliation of any Person proposed to serve on the New Board as well as those Persons that will serve as officers of the Reorganized Debtors will be disclosed in the Plan Supplement or prior to the Confirmation Hearing. Provisions regarding the removal, appointment, and replacement of members of the New Board, to the extent applicable, will be disclosed in the New Organizational Documents.

R. Effectuating Documents, Further Transactions.

On and after the Effective Date, the Debtors or the Reorganized Debtors (as applicable) are authorized to and may issue, execute, deliver, File, or record such contracts, instruments, releases, consents, certificates, resolutions, programs, and other agreements or documents, and take such acts and actions as may be reasonable, necessary, or appropriate to effectuate, implement, consummate, and/or further evidence the terms and conditions of this Plan and any transactions described in or contemplated by this Plan. The Debtors and the Reorganized Debtors shall, at their sole expense, and all Holders of Claims receiving distributions pursuant to this Plan and all other parties in interest are hereby authorized, but not directed, to, 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 this Plan. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate actions required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors,

managers, authorized Persons, or officers of the Debtors or the Reorganized Debtors or any approvals, authorizations, or consents except for those expressly required under the Plan.

S. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII hereof, which shall be deemed released and waived by the Debtors and the Reorganized Debtors as of the Effective Date.

No Entity (other than the Released Parties) 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 any indication that the Reorganized Debtors will not pursue any and all available Causes of Action of the Debtors against it. The Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including Article VIII hereof. Unless otherwise agreed upon in writing by the parties to the applicable Cause of Action, all objections to the Schedule of Retained Causes of Action must be Filed with the Bankruptcy Court on or before Confirmation Hearing. Any such objection that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion against the Reorganized Debtors without the need for any objection or responsive pleading by the Reorganized Debtors, or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. The Debtors may settle any such objection without any further notice to or action, order, or approval of the Bankruptcy Court. If there is any dispute regarding the inclusion of any Cause of Action on the Schedule of Retained Causes of Action that remains unresolved by the Debtors, such objection shall be resolved by the Bankruptcy Court at the Confirmation Hearing. Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors 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.

The Reorganized Debtors reserve and shall retain such Causes of Action of the Debtors notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors, except as otherwise expressly provided in the Plan, including Article VIII hereof. The Reorganized Debtors, 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 Bankruptcy Court.

T. 1146 Exemption.

To the fullest extent permitted by 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, in contemplation of, or in connection with the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity Security, or other interest in the Debtors or the Reorganized Debtors; (2) the Restructuring Transactions; (3) 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; (4) the making, assignment, or recording of any lease or sublease; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, 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, personal property transfer tax, sales or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, sales tax, use tax or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate federal, state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

U. Indemnification Obligations.

Consistent with applicable Law, all indemnification provisions in place as of the Effective Date (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, D&O Liability Insurance Policies, or otherwise) for current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors, as applicable (collectively, the “Indemnification Obligations”), shall (1) not be discharged, impaired, or otherwise affected in any way, including by this Plan, the Plan Supplement, or the Confirmation Order, (2) not be limited, reduced, or terminated after the Effective Date, and (3) be reinstated and remain intact and shall survive the effectiveness of the Plan on terms no less favorable to such current and former directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors than the indemnification provisions in place prior to the Effective Date.

V. Cooperation of the Independent Directors.

The Independent Directors shall produce to the Reorganized Debtors, on or shortly after the Effective Date, all documents produced to the Independent Directors by the Debtors and/or any third parties. The Independent Directors' agreement to produce these materials does not constitute a waiver of any Privileges or work product protections that might exist and may not be used by any Person or Entity to argue that such a waiver has occurred. The Independent Directors will discuss in good faith whether to produce any additional factual documentation or information related to their independent investigation, which shall not include any legal analysis, privileged communications, legal memoranda, or research.

**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 all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected pursuant to the Plan will be deemed assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code other than those Executory Contracts or Unexpired Leases that (i) are the subject of a motion to reject that is pending on the Confirmation Date or that were previously rejected by an order of the Bankruptcy Court; (ii) identified in the *Debtors' First Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to (A) Reject Certain Executory Contracts and Unexpired Leases, and (B) Abandon Certain Personal Property in Connection Therewith; and (II) Granting Related Relief* [Docket No. 16]; (iii) are set forth on the Rejected Executory Contracts and Unexpired Leases Schedule; (iv) previously expired or terminated pursuant to their own terms; or (v) have an ordered or requested effective date of rejection that is after the Effective Date; *provided* the Debtors or the Reorganized Debtors, as applicable, retain the right to alter, amend, modify or supplement the Rejected Executory Contracts and Unexpired Leases Schedule, including by way of adding or removing a particular Executory Contract or Unexpired Lease from the Rejected Executory Contracts and Unexpired Leases Schedule, subject to the terms of this Article V.A (which updated list(s) shall be Filed as part of an amended Plan Supplement, with counterparties to any Executory Contracts or Unexpired Leases added to the Rejected Executory Contracts and Unexpired Leases Schedule having until 30 days after the Effective Date to File any Proofs of Claim with respect to Claims arising from such rejection, and counterparties to any Executory Contracts or Unexpired Leases removed from the Rejected Executory Contracts and Unexpired Leases Schedule having until fourteen (14) days after service of the amended list to object to the proposed assumption or Cure Amount); *provided, further*, that the Rejected Executory Contracts and Unexpired Leases Schedule shall at all times be acceptable to the Ad Hoc Group, and the Debtors or the Reorganized Debtors, as applicable, shall not seek to assume or reject Executory Contracts and Unexpired Leases, except in reasonable consultation with the Committee (consultation with counsel being sufficient) and with the prior written consent (which may be provided through electronic mail) of the Ad Hoc Group.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions, assumptions and assignments, or rejections of the Executory Contracts

and Unexpired Leases set forth in the Plan or the Rejected Executory Contracts and Unexpired Leases Schedule, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, 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 or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting 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 Bankruptcy Court authorizing and providing for its assumption. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by a Final Order on or after the Effective Date but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or any other order of the Bankruptcy Court, and payment of any cure amounts relating thereto, shall, upon satisfaction of the applicable requirements of section 365 of the Bankruptcy Code, result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults or provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

To the maximum extent permitted by Law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any “change of control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contracts and Unexpired Leases Schedule at any time up to forty-five (45) days after the Effective Date, in each case with the prior written consent (which may be provided through electronic mail) of the Ad Hoc Group.

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

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and Confirmation Order results in a Claim, then, unless otherwise ordered by the Court, such Claim shall be forever barred and shall not be enforceable against the Debtors, the Estates, the Reorganized Debtors, or any of their respective assets and properties unless a Proof of Claim is Filed with the Claims and Noticing Agent and served upon counsel to the Reorganized Debtors within thirty (30) days of the Effective Date.

The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease under the Plan and Confirmation Order; any other Claims held by a party to a

rejected Executory Contract or Unexpired Lease shall have been evidenced by a Proof of Claim Filed by the applicable Bar Date or shall be barred and unenforceable. Claims arising from the rejection of Executory Contracts or Unexpired Leases under the Plan and Confirmation Order shall be classified as General Unsecured Claims and shall, if Allowed, be treated in accordance with the provisions herein.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and Confirmation Order that are not timely Filed within thirty (30) days of the Effective Date will be disallowed automatically, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Estates, the Reorganized Debtors, or any of their respective assets and properties.

C. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract and/or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts and/or Unexpired Leases. In particular, notwithstanding any non-bankruptcy Law to the contrary, the Debtors and the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations with respect to goods previously purchased by the Debtors pursuant to rejected Executory Contracts and/or Unexpired Leases.

D. Insurance Policies.

Each D&O Liability Insurance Policy (including, without limitation, any “tail policy” and all agreements, documents, or instruments related thereto) shall be treated as an Executory Contract under the Plan and shall be assumed, in its entirety, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date, pursuant to sections 105, 365, and 1123 of the Bankruptcy Code. For the avoidance of doubt, coverage for defense and indemnity under the D&O Liability Insurance Policies shall remain available to all individuals within the definition of “Insured” in the D&O Liability Insurance Policies. In addition, after the Effective Date, all officers, directors, agents, or employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of the D&O Liability Insurance Policies (including any “tail” policy) in effect or purchased as of the Effective Date for the full term of such policy regardless of whether such officers, directors, agents, and/or employees remain in such positions after the Effective Date, in each case, to the extent set forth in the D&O Liability Insurance Policies.

The Debtors shall not terminate or otherwise reduce the coverage under any D&O Liability Insurance Policy (including, without limitation, any “tail policy” and all agreements, documents, or instruments related thereto) in effect prior to the Effective Date and shall continue such policies and satisfy their obligations thereunder in full in the ordinary course of business. Notwithstanding anything herein to the contrary, the Debtors shall retain the ability to supplement the D&O Liability Insurance Policies as the Debtors deem necessary, including purchasing tail coverage; *provided* that any such purchases from and after the Confirmation Date shall be subject to the DIP Orders, including the Approved Budget, and the other DIP Documents (as defined in the DIP Orders).

The Debtors shall maintain tail coverage under any D&O Liability Insurance Policies for the six-year period following the Effective Date on terms no less favorable than under, and with an aggregate limit of liability no less than the aggregate limit of liability under, the D&O Liability Insurance Policies.

For the avoidance of doubt, the Reorganized Debtors are authorized, but not required, to pay any deductible, retention, or any other cost or expense under, arising from, or related to, the D&O Liability Insurance Policies in connection with any such policy or claim made thereunder.

E. Reservation of Rights.

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors, the Reorganized Debtors, or their respective affiliates has any liability thereunder. Except as explicitly provided in this Plan, nothing in this Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease. 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 the Reorganized Debtors, as applicable, shall have forty-five (45) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease pursuant to the Plan.

F. Employee Compensation and Benefits.

All employment policies, and all compensation and benefits plans, policies, and programs of the Debtors applicable to their respective employees, retirees, and nonemployee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life and accidental death and dismemberment insurance plans, are deemed to be, and shall be treated as, Executory Contracts under this Plan and, on the Effective Date, shall be rejected pursuant to sections 365 and 1123 of the Bankruptcy Code.

G. Postpetition Modifications, Amendments, or Other Alterations.

Modifications, amendments, supplements, and restatements to a prepetition Executory Contract and/or Unexpired Lease 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.

H. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy 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.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Distributions on Account of Claims Allowed as of the Effective Date.

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims as maintained by the Debtors and/or the Reorganized Debtors, or their respective agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims. The Disbursing Agent shall have no obligation to recognize any ownership transfer of the Claims occurring on or after the Distribution Record Date. The Disbursing Agent shall be entitled to recognize and deal for all purposes hereunder only with those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

On the Effective Date, except as otherwise provided herein, the Disbursing Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided*, that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided, further*, that to the extent a Proof of Claim has been Filed, the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

B. Disbursing Agent.

All distributions under the Plan shall be made by the Disbursing Agent. The 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 Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Debtors.

C. Rights and Powers of Disbursing Agent.

1. Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes), and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses), made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim is transferred twenty (20) or fewer days before the Distribution Record Date, the Disbursing Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

2. Delivery of Distributions in General.

Except as otherwise provided herein, on or after the Effective Date the Disbursing Agent shall make distributions to holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; *provided, further*, that the Disbursing Agent shall have the authority to make distributions to holders of Allowed Claims as of the Distribution Record Date of proceeds (of Retained Causes of Action or otherwise) which come into the estates post-Effective Date.

3. Minimum Distribution.

No payment of Cash in an amount of less than one hundred U.S. dollars (\$100.00) shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be used in accordance with the Plan. If the Cash available for the final distribution is less than the cost to distribute such funds, the Reorganized Debtors may donate such funds to the unaffiliated charity of their choice.

4. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder of Allowed is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time all currently-due, missed distributions shall be made to such Holder without interest. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtors or is canceled pursuant to this Article VI, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

Any distribution under the Plan that is an unclaimed distribution or remains undeliverable (as reasonably deemed unclaimed or undeliverable by the Reorganized Debtors or the Disbursing Agent) for a period of ninety (90) days after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such unclaimed distribution or undeliverable distribution shall revert in the Reorganized Debtors automatically (and without need for a further order by the Bankruptcy Court, notwithstanding any applicable federal, provincial, or estate escheat, abandoned, or unclaimed property Laws to the contrary). Upon such reversion, the Claim of the Holder or its successors with respect to such property shall be canceled, released, discharged,

and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property Laws, or any provisions in any document governing the distribution that is an unclaimed distribution, to the contrary, and the Claim of any Holder of Claims and Interests to such property or Interest in property shall be discharged and forever barred.

5. Surrender of Canceled Instruments or Securities.

On the Effective Date or as soon as reasonably practicable thereafter, each holder of a certificate or instrument evidencing a Claim or an Interest that has been canceled in accordance with Article IV.D hereof shall be deemed to have surrendered such certificate or instrument to the Disbursing Agent. Such surrendered certificate or instrument shall be canceled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such certificate or instrument, including with respect to any indenture or agreement that governs the rights of the Holder of a Claim or Interest, which shall continue in effect for purposes of allowing holders to receive distributions under the Plan, charging liens, priority of payment, and indemnification rights. Notwithstanding anything to the contrary herein, this paragraph shall not apply to certificates or instruments evidencing Claims that are Unimpaired or Reinstated under the Plan.

E. Manner of Payment.

All distributions of Cash to the Holders of the applicable Allowed Claims under the Plan shall be made by the Disbursing Agent on behalf of the applicable Debtor. At the option of the Disbursing Agent, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

F. Compliance with Tax Requirements.

In connection with the Plan, to the extent required by applicable Law, the Debtors, the Reorganized Debtors, the Disbursing Agent, and any applicable withholding agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, such parties 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, Disbursing Agent or other applicable withholding agent may require, as a condition to receipt of a distribution, that the Holder of an Allowed Claim provide any information reasonably necessary to allow the distributing party to comply with any such withholding and reporting requirements imposed by any Governmental Unit (including, for the avoidance of doubt, an IRS Form W-9 or, if the Holder is a non-U.S. Person, an appropriate IRS Form W-8, unless such Person is exempt from information reporting requirements under the U.S. Internal Revenue Code of 1986, as amended, and so notifies the Debtors, Disbursing Agent or other applicable withholding agent, as applicable, and/or any other forms or documents requested by the Debtors, Disbursing Agent or other applicable withholding agent to reduce or eliminate any required withholding).

Notwithstanding any other provision of this Plan: each Holder of an Allowed Claim that is to receive a distribution under this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding, and other tax obligations on account of such distribution.

The Debtors and the Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and similar spousal awards, Liens, and encumbrances.

G. Allocations.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims, as determined for United States federal (and applicable state and local) income tax purposes, and then, to the extent the consideration exceeds the principal amount of the Claims, to any allowable portion of such Claims for accrued but unpaid interest.

H. Foreign Currency Exchange Rate.

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal (National Edition)*, on the Effective Date.

I. Setoffs and Recoupment.

Except as expressly provided in this Plan, the Reorganized Debtors may, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or non-bankruptcy Law, or as may be agreed to by the Holder of an Allowed Claim, set off and/or recoup against any Plan Distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Debtor(s) and the Holder of the Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided* that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Debtor or its successor of any and all claims, rights, and Causes of Action that such Debtor or its successor may possess against the applicable holder. In no event shall any Holder of a Claim be entitled to recoup such Claim 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 in accordance with Article XII.G hereof on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

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 a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any

further notice to or action, order, or approval of the Bankruptcy 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 or a Reorganized Debtor. 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 receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the Reorganized Debtors 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 date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties.

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 may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy 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 other Entity, including 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.*

After the Effective Date, except as otherwise expressly set forth herein, the Reorganized Debtors shall have and retain any and all rights and defenses each Debtor had with respect to any Claim or Interest immediately prior to the Effective Date. The Reorganized Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy Law, without further notice or order from the Bankruptcy Court. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

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 by the applicable Bar Date, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order or approval of the Bankruptcy Court.

Without limiting the foregoing, and subject to the Debtors' or the Reorganized Debtors' right to object to any Proof of Claim or Lien on any basis, to the extent any further action is required with respect to any Proof of Claim (including with respect to the assertion of a Lien with respect thereto) by any order of the Court, such Proof of Claim shall not be considered Allowed unless in compliance with such order.

B. Claims Administration Responsibilities.

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the exclusive authority: (1) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to 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 Bankruptcy Court. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, the Reorganized Debtors shall have and retain any and all rights and defenses each Debtor had immediately prior to the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.S of the Plan.

Any objections to Proofs of Claims (other than Administrative Claims) shall be served and Filed (a) on or before the date that is one hundred and eighty (180) days following the later of (i) the Effective Date and (ii) the date that a Proof of Claim is Filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a Holder of a Claim or (b) such later date as ordered by the Bankruptcy Court.

C. Estimation of Claims and Interests.

Before, on, or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party in interest previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars (\$0.00), unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Reorganized Debtors (as applicable) may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Adjustment to Claims or Interests without Objection.

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

E. Disallowance of Claims or Interests.

Except as otherwise expressly set forth herein, all Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

F. No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan, if any portion of a Claim or Interest is a Disputed Claim or Interest, as applicable, no payment or distribution provided hereunder shall be made on account of such Claim or Interest unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest; *provided* that if only the Allowed amount of an otherwise valid Claim or Interest is Disputed, such Claim or Interest shall be deemed Allowed in the amount not Disputed and payment or distribution shall be made on account of such undisputed amount.

G. Distributions After Allowance.

To the extent that a Disputed Claim or Interest ultimately becomes an Allowed Claim or Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Interest in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim or Interest.

H. No Postpetition Interest on Claims.

Unless otherwise specifically provided for herein or by order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

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

A. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Definitive Documents, the Plan, or in any contract, instrument, or other agreement or document created or entered into pursuant to the Plan, 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 liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, 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: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims (other than the Reinstated Claims) and Interests (other than the Intercompany Interests that are Reinstated) subject to the occurrence of the Effective Date.

B. Release of Liens.

Except as otherwise provided in the Plan, the Confirmation Order, or in any contract, instrument, release, or other agreement or document amended or created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests against any property of the Estates (wherever recorded, filed, or otherwise noticed under applicable Law (whether domestic or foreign)) shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, charges, encumbrances, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns.

Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed (and is hereby directed), at the sole cost and expense of the Debtors, to release any collateral or other property of any Debtor (including any Cash Collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Debtors to evidence the release of such Liens and/or security interests, including the execution, delivery, and filing or recording of such releases or other applicable instruments and documentation. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall

constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

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, then 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 or the Reorganized Debtors that are necessary or desirable to record, evidence or effectuate the cancellation, release and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Debtors or the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's (or the applicable agents for such Holder's) behalf.

C. *Releases by the Debtors.*

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, to the fullest extent allowed by applicable law, each Released Party is hereby deemed conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged by each and all of the Debtors, their Estates, the Reorganized Debtors each of their respective current and former Affiliates (other than the Consenting Investor, TSHL and their Related Parties that are not Debtors), in each case on behalf of themselves and their Related Parties (other than the Consenting Investor, TSHL and their Related Parties that are not Debtors) who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, and Causes of Action, and liabilities whatsoever, including any derivative claims, asserted by or assertable on behalf of any of the Debtors, their Estates, or the Reorganized Debtors, as applicable, whether known or unknown, foreseen or unforeseen, asserted or unasserted, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or requirement), equity, contract, tort, or otherwise, 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 against, or Interest in, a Debtor or other Entity, or that any Holder of any Claim against, or Interest in, a Debtor or other Entity could have asserted on behalf of the Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Company-Related Matters. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any obligations arising on or after the Effective Date of any party or Entity under the Definitive Documents, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (b) any Causes of Action included in the Schedule of Retained Causes of Action; or (c) any Claim or Causes of Action arising from any act or omission determined by a court of competent jurisdiction to have resulted from fraud.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each

of the related provisions and definitions contained in the Plan and, further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the Claims or Causes of Action released by the Debtor Release; (c) in the best interests of the Debtors, their Estates, and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after reasonable investigation by the Debtors and after due notice and opportunity for a hearing; and (f) a bar to any of the Debtors, their Estates, or the Reorganized Debtors asserting any Claim or Cause of Action released pursuant to the Debtor Release.

D. Releases by Third Parties.

Effective as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, to the fullest extent allowed by applicable law, each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released, waived, and discharged each of the Released Parties from any and all Claims, Causes of Action, and liabilities whatsoever, including any derivative claims asserted by or assertable on behalf of any Releasing Party, whether known or unknown, foreseen or unforeseen, asserted or unasserted, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or requirement), equity, contract, tort, or otherwise, that such Releasing Party would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Released Party, or that any Holder of any Claim against, or Interest in, a Released Party could have asserted on behalf of the Releasing Party, or otherwise based on or relating to, or in any manner arising from, in whole or in part, the Company-Related Matters; provided that, with respect to Claims against the Debtors, this Article VIII.D shall only apply to Claims arising from any act or omission, transaction, agreement, event, or other occurrence taking place from and including the Petition Date through the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any obligations arising on or after the Effective Date of any party or Entity under the Definitive Documents, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (b) any Causes of Action included in the Schedule of Retained Causes of Action; (c) any Claim or Causes of Action arising from any act or omission determined by a court of competent jurisdiction to have resulted from fraud; or (d) any Indemnification Obligation of the Company to the Consenting Investor, TSHL and their Related Parties in connection with any unpaid RPA Obligations and/or the Debtors' governance documents.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the restructuring and implementing the Plan; (d) a good faith

settlement and compromise of the Claims or Causes of Action released by the Third-Party Release; (e) in the best interests of the Debtors and their Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for a hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action pursuant to the Third-Party Release.

E. Exculpation.

Effective as of the Effective Date, to the fullest extent permissible under applicable Law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan or the Confirmation Order, no Exculpated Party shall have or incur liability for, and each Exculpated Party hereby is exculpated from any Claim or Cause of Action arising during the period from the Petition Date to the Effective Date, whether direct or derivative, related to, any act or omission in connection with, relating to, or arising out of the negotiation, solicitation, confirmation, execution, or implementation (to the extent on or prior to the Effective Date) of, as applicable, the Company-Related Matters except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted fraud, but in all respects such Entities shall be entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities pursuant to the Definitive Documents. Notwithstanding anything to the contrary in the foregoing, an Exculpated Party shall be entitled to exculpation solely for actions taken from the Petition Date through the Effective Date, and the exculpation set forth above does not exculpate (a) any obligations arising pursuant to or after the Effective Date of any party or Entity under the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; or (b) any Causes of Action included in the Schedule of Retained Causes of Action.

F. 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 and Causes of Action, and liabilities whatsoever, including any derivative claims, whether known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, in law (or any applicable rule, statute, regulation, treaty, right, duty or requirement), equity, contract, tort, or otherwise, asserted or assertable on behalf of any of the Debtors, their Estates, or the Reorganized Debtors, as applicable, that have been released, settled, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Exculpated Parties, or the Released Parties: (1) 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 interest; (2) 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; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities, such property,

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; (4) asserting any right of setoff, subrogation, or recoupment of any kind, except to the extent such assertions are used as a defense to Claims or Causes of Action by the Debtors arising prior to the Effective Date, 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 unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) 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.

No Person or Entity may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Exculpated Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article VIII.C, Article VIII.D, Article VIII.E, and Article VIII.F hereof, without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable, represents a colorable Claim of any kind, and (ii) specifically authorizing such Person or Entity to bring such Claim or Cause of Action, as applicable, against any such Debtor, Exculpated Party, or Released Party, as applicable.

The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Allowed Claim or Allowed Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth herein.

G. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with the Debtors standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors; *provided* that, notwithstanding the consummation of the Restructuring Transactions described herein, any privilege applicable to documents maintained in accordance with such policy shall be retained.

H. Reimbursement or Contribution.

If the Bankruptcy 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 allowance or 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 CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date.

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

- (a) the Bankruptcy Court shall have entered the Confirmation Order, which shall be a Final Order;
- (b) no default or event of default shall have occurred under the DIP Facility, and the DIP Orders shall remain in full force and effect;
- (c) the final version of each of the Plan, the Definitive Documents, and all documents contained in any supplement to the Plan, including the Plan Supplement and any exhibits, schedules, amendments, modifications, or supplements thereto or other documents contained therein shall have been executed or Filed, as applicable in form and substance consistent in all respects with the Plan and the Restructuring Support Agreement, and comply with the applicable consent rights set forth in the Plan, and/or any such documents shall not have been modified in a manner inconsistent with this Plan absent the Ad Hoc Group's (and, solely to the extent required in the Restructuring Support Agreement, the Consenting Investor's) (and, solely with respect to any modification to the treatment of the RPA Obligations, TSHL's) prior written consent (email being sufficient);
- (d) each of the Definitive Documents shall have been executed by the applicable parties thereto (or Filed), in each case, as applicable, consistent in all respects with the Plan and in accordance with the consent rights set forth in the Restructuring Support Agreement, and the conditions to effectiveness of each of the foregoing shall have been satisfied or waived in accordance with their respective terms;
- (e) the Restructuring Transactions shall have been consummated in accordance with the Plan;
- (f) the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan and the Restructuring Transactions;

- (g) the Professional Fee Amount shall have been funded into the Professional Fee Account pending the approval of such fees and expenses by the Bankruptcy Court;
- (h) all Transaction Expenses shall have been paid in full in Cash;
- (i) no court of competent jurisdiction or other competent governmental or regulatory authority shall have issued a final and non-appealable order making illegal or otherwise restricting, preventing or prohibiting the consummation of the Plan or the Restructuring Transactions;
- (j) the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated in the Plan in a manner reasonably acceptable to (i) the Ad Hoc Group, and (ii) solely to the extent required in the Restructuring Support Agreement, the Consenting Investor and TSHL;
- (k) the DIP Orders shall have been entered by the Bankruptcy Court and shall remain in full force and effect and become Final Orders; and
- (l) the Restructuring Support Agreement shall be in full force and effect, no termination event or event that would give rise to a termination event under the Restructuring Support Agreement upon the expiration of the applicable grace period shall have occurred, and the Restructuring Support Agreement shall not have been validly terminated prior to the Effective Date.

B. Waiver of Conditions.

Any one or more of the conditions to Consummation (or component thereof) set forth in this Article IX may be waived by the Debtors solely with the prior written consent of the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders (and, solely if required by the consent rights contained in the Restructuring Support Agreement, the Consenting Investor and/or TSHL), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

C. Effect of Failure of Conditions.

If Consummation does not occur as to any Debtor, the Plan shall be null and void in all respects as to all Debtors, unless the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders otherwise consent to Consummation of the Plan as to the remaining Debtors, in which case Consummation as to such remaining Debtors may proceed. As it relates to the Debtors with respect to which Consummation does not occur, nothing contained in the Plan, the Disclosure Statement: (1) constitute a waiver or release of any Claims by such Debtors, Claims, or Interests; (2) prejudice in any manner the rights of such Debtors, any holders of Claims or Interests, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by such Debtors, any Holders of Claims or Interests, or any other Entity.

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.

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

A. Modification and Amendments.

Except as otherwise specifically provided in this Plan, the Debtors reserve the right to modify the Plan, with the consent of the Required Consenting Ad Hoc Group Lenders and the Required Funding Consenting Lenders (and, solely to the extent required in connection with such modification as set forth in the Restructuring Support Agreement, the Consenting Investor and/or TSHL), whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan; *provided*, that such modifications are consistent with and implemented in accordance with the terms of the Restructuring Support Agreement. Subject to those restrictions on modifications set forth in the Plan and the requirements of section 1127 of the Bankruptcy Code, Rule 3019 of the Federal Rules of Bankruptcy Procedure, and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or to alter, amend, or modify the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary may initiate proceedings in the Bankruptcy 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 matters as may be necessary to carry out the purposes and intent of the Plan; *provided*, that such alterations, amendments, or modifications are consistent with and implemented in accordance with the terms of the Restructuring Support Agreement.

B. Effect of Confirmation on Modifications.

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan since 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 Plan.

To the extent permitted by the Restructuring Support Agreement and with the consent of the Ad Hoc Group, the Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to File subsequent plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does 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 under 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: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity.

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 Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or relating to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- (a) 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 to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
- (b) 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 authorized pursuant to the Bankruptcy Code or the Plan;
- (c) resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cures pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;
- (d) to resolve any disputes concerning Disputed Claims and consider the allowance, classification, priority, compromise, estimation, secured or unsecured status, amount of payment of any Claim, including any Administrative Claims, including any dispute over the application to any Claim of any limitation on its allowance set forth in sections 502 or 503 of the Bankruptcy Code or asserted under non-bankruptcy Law pursuant to section 502(b)(1) of the Bankruptcy Code;
- (e) ensure that distributions to holders of Allowed Claims and Allowed Interests (as applicable) are accomplished pursuant to the provisions of the Plan;
- (f) adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

- (g) adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- (h) enter and implement such orders as may be necessary to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created or entered into in connection with the Plan or the Disclosure Statement;
- (i) enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- (j) 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;
- (k) issue injunctions, enter and implement other orders, or take such other actions as may be necessary to restrain interference by any Entity with Consummation or enforcement of the Plan;
- (l) resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the 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;
- (m) 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.D hereof;
- (n) enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- (o) determine any other matters that may arise in connection with or relate to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;
- (p) enter an order concluding or closing the Chapter 11 Cases;
- (q) adjudicate any and all disputes arising from or relating to distributions under the Plan;
- (r) consider any modifications of the Plan in accordance with section 1127 of the Bankruptcy Code, to cure any defect or omission, or to reconcile any

inconsistency in any Bankruptcy Court order, including the Confirmation Order;

- (s) determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
- (t) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
- (u) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (v) to recover all assets of the Debtors and property of the Debtors' Estates, wherever located;
- (w) hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in the Plan, including under Article VIII hereof;
- (x) enforce all orders previously entered by the Bankruptcy Court; and
- (y) hear any other matter not inconsistent with the Bankruptcy Code.

As of the Effective Date, notwithstanding anything in this Article XI to the contrary, the New Organizational Documents, the New Equity Interests and any documents related thereto shall be governed by the jurisdictional provisions therein and the Bankruptcy Court shall not retain jurisdiction with respect thereto.

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 (including, for the avoidance of doubt, the documents and instruments contained in the Plan Supplement) shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, and any and all Holders of Claims or Interests (irrespective of whether such Holders of Claims or Interests have, or are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and Interests shall be as fixed, adjusted, or compromised, as applicable, pursuant to this Plan regardless of whether any Holder of a Claim or Interest has voted on this Plan.

B. Additional Documents.

Subject to and in accordance with the Restructuring Support Agreement, on or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, 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. Closure of Cases and Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, prior to the Effective Date shall be paid on the Effective Date or as soon as reasonably practicable thereafter. On the Effective Date, the cases of the Debtors other than U.S. TelePacific Corp. shall be closed (and the Confirmation Order shall serve as the final decree for such cases) without the need for further motion or order. Following the Effective Date, all fees payable pursuant to section 1930(a) of the Judicial Code shall be paid by U.S. TelePacific Corp. for each quarter (including any fraction thereof) until the earlier of entry of a final decree closing the Chapter 11 Case for U.S. TelePacific Corp. or an order of dismissal or conversion, whichever comes first. The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the remaining Chapter 11 Case of U.S. TelePacific Corp. Furthermore, the Claims and Noticing Agent is authorized to destroy all paper or hardcopy records related to the Chapter 11 Cases one (1) year after the Effective Date has occurred.

D. Statutory Committee and Cessation of Fee and Expense Payment.

On the Confirmation Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Debtors or Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Confirmation Date.

E. Reservation of Rights.

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, 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 prior to the Effective Date.

F. Successors and Assigns.

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, manager, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Notices.

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

Debtors	Counsel to the Debtors
U.S. TelePacific Corp. Plaza 7000 North Mopac Expressway Suite 2080 Austin, TX 78731 Attention: General Counsel	Sidley Austin LLP 787 Seventh Avenue New York, New York 10019 Attention: Anthony Grossi, Jason Hufendick, Weiru Fang, and Ryan Fink
Counsel to the Ad Hoc Group	Counsel to the Committee
Davis Polk & Wardwell LLP 450 Lexington Avenue New York, NY 10017 Attention: Damian S. Schaible; Natasha Tsiouris; Michael Pera; David Kratzer; Kyle Kreider	DLA Piper LLP (US) 1251 Avenue of the Americas New York, NY 10021 Attention: Dennis C. O'Donnell, James Muenker, Roxanne Eastes

After the Effective Date, the Reorganized Debtors have the authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. 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 Bankruptcy Court, and extant 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.

I. Entire Agreement.

Except as otherwise indicated, the Plan (including, for the avoidance of doubt, the documents and instruments in the Plan Supplement) supersedes 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.

J. Plan Supplement.

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://restructuring.ra.kroll.com/TPx> or the Bankruptcy Court's website at www.txs.uscourts.gov/bankruptcy. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

K. Severability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy 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 term or provision shall then be applicable as altered or interpreted; *provided* that any such alteration or interpretation shall be acceptable to the Debtors. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' or the Reorganized Debtors', consent, as applicable; and (3) nonseverable and mutually dependent.

L. 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 section 1125(g) of the Bankruptcy Code and any applicable securities Laws, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors 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 and any applicable securities Laws 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 or 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.

M. Waiver or Estoppel.

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 was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

Dated: August 18, 2026

U.S. TELEPACIFIC HOLDINGS CORP.
U.S. TELEPACIFIC CORP.
MPower HOLDING CORP.
MPower COMMUNICATIONS CORP.
ARRIVAL COMMUNICATIONS, INC.
NEXTWEB, INC.
OCIX, INC.
TPX COMMUNICATIONS CO.
TPX INTERNATIONAL HOLDINGS CORP.
BIG CITY NETWORKS, INC.
ICG CHOICECOM, L.P.
DSCI, LLC

/s/ Steven Shenker

Steven Shenker
Chief Restructuring Officer

Exhibit B

Corporate Organization Chart



Organizational Chart

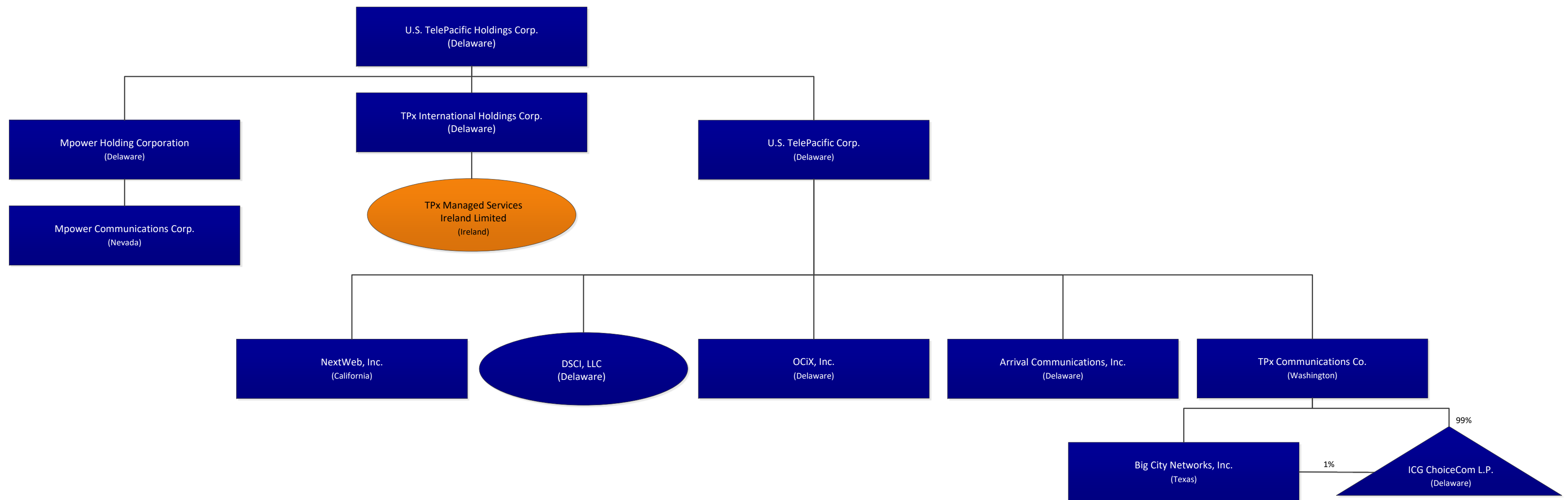
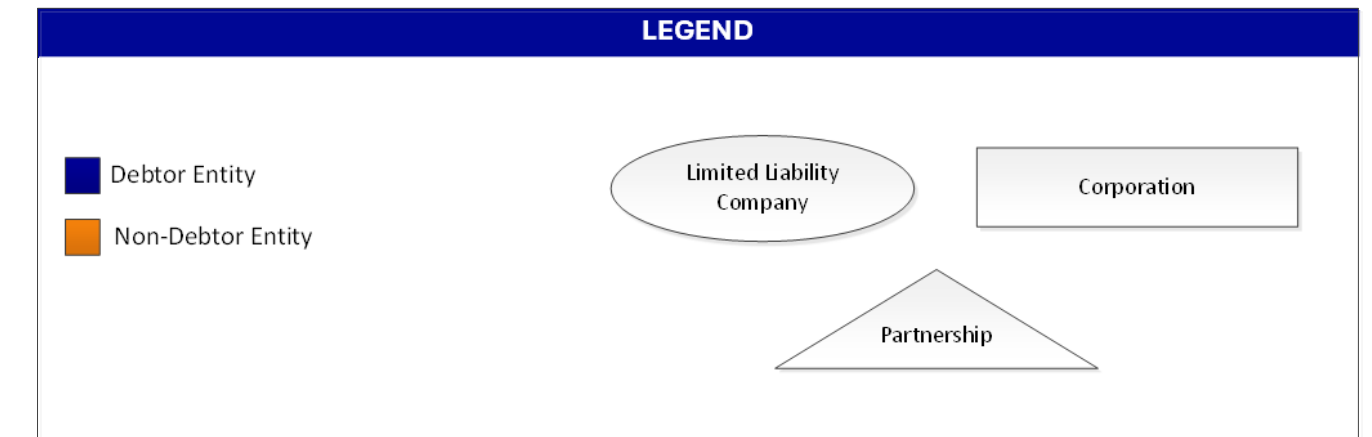


Exhibit C

Liquidation Analysis

LIQUIDATION ANALYSIS¹

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code, a bankruptcy court may not confirm a plan under chapter 11 of the Bankruptcy Code unless each holder of an allowed claim or interest in an impaired class either: (a) accepts the plan; or (b) will receive or retain property on account of such claim or interest of a value, as of the effective date of the plan, that is not less than the amount such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the proposed Plan satisfies the “best interests of creditors” test, the Debtors, with the assistance of their restructuring, legal, and financial advisors, have prepared the following hypothetical liquidation analysis presenting recoveries available assuming a hypothetical liquidation (the “Liquidation Analysis”), which is based upon certain assumptions discussed in the Disclosure Statement and in the accompanying notes to this Liquidation Analysis.

This Liquidation Analysis sets forth an estimated range of recovery values for each Class of Claims and Interests that may be realizable upon the disposition of assets pursuant to a hypothetical liquidation of the Debtors’ Estates pursuant to chapter 7 of the Bankruptcy Code (the “Chapter 7 Liquidation”). Because the net liquidation proceeds would provide for lower recoveries relative to the recoveries under the Plan, as illustrated by this Liquidation Analysis, the Debtors believe that holders of Claims would receive greater value under the Plan than the amounts such holders would receive if the Debtors were forced to liquidate under chapter 7, and that, as a result, the Plan satisfies the “best interests” test of section 1129(a)(7) of the Bankruptcy Code.

I. Statement of Limitations

THE ILLUSTRATIVE LIQUIDATION ANALYSIS PRESENTED HEREIN HAS BEEN PREPARED SOLELY FOR THE PURPOSES DESCRIBED ABOVE AND MAY NOT BE USED FOR ANY OTHER PURPOSE.

The Liquidation Analysis contains numerous estimates, including estimated Allowed Claims, based upon a review of the Debtors’ financial statements to establish estimated amounts of certain liabilities. The Liquidation Analysis includes estimates for Claims as part of the Chapter 11 Cases that could be asserted and allowed in a Chapter 7 Liquidation, including unpaid chapter 11 Administrative Claims, and chapter 7 administrative claims such as wind-down costs and chapter 7 trustee fees. To date, the Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analysis. Therefore, the Debtors’ estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. **THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.**

¹ Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the disclosure statement to which this exhibit is attached (the “Disclosure Statement”) or the *Joint Chapter 11 Plan of U.S. TelePacific Holdings Corp. and Its Debtor Affiliates* (as supplemented or amended from time to time, the “Plan”), as applicable.

The assumptions utilized in developing the hypothetical Liquidation Analysis are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Debtors or a Trustee. Accordingly, there can be no assurance that the values assumed in the Liquidation Analysis would be realized if the Debtors' assets were actually liquidated. In addition, any liquidation would take place in the future, at which time circumstances may exist which cannot presently be predicted.

The Debtors recognize that there are other potential alternatives that could occur in a hypothetical Chapter 7 Liquidation that are not presented in the Liquidation Analysis, including alternatives that would give rise to reduced and delayed creditor recoveries.

THE DEBTORS RESERVE THE RIGHT TO SUPPLEMENT, MODIFY, OR ADJUST ANY PART OF THE ILLUSTRATIVE LIQUIDATION ANALYSIS, INCLUDING A CHANGE OF THE UNDERLYING ASSUMPTIONS AND ANALYSIS SET FORTH HEREIN.

II. Key Assumptions Underlying the Hypothetical Liquidation

The following general assumptions were considered by the Debtors and their advisors as assumptions that would be applicable in any hypothetical Chapter 7 Liquidation.

A. Administrative Procedures and Conversion of Cases

The Liquidation Analysis assumes that each of the Chapter 11 Cases is converted to a case under chapter 7 and consolidated during the chapter 7 cases for procedural purposes only. In the event that the Debtors were to be liquidated in separately administered chapter 7 cases, the administrative costs to the Debtors in each of the cases, including professional fees, chapter 7 trustee fees, and operational costs would likely be higher than if the cases were consolidated.

B. Professionals Involved in the Chapter 7 Cases

As part of the chapter 7 cases, the Debtors assume that the chapter 7 trustee may choose to retain certain professionals, including counsel, advisors, and investment bankers, among others, to provide expertise and assistance in the liquidation of the Debtors. The Liquidation Analysis assumes that the existing counsel and advisors would be replaced by the chapter 7 trustee with new professionals.

C. Timing Considerations of Chapter 7 Cases

The Liquidation Analysis assumes an orderly liquidation of substantially all of the Debtors' operations over a 3-month period commencing on or around September 1, 2026 (the "Conversion Date"). This timeline assumes substantially all of the Debtors' assets are to be realized and all remaining operations wound down by November 30, 2026, representing a three-month period following the Conversion Date (the "Liquidation Period").

The Liquidation Analysis assumes the Debtors' DIP Facility, which would be in default, would be unavailable as a source of liquidity, the use of cash collateral would be limited, and that the Debtors would not have funds to support any process other than an orderly and expedited wind-

down of the Debtors' businesses by the chapter 7 trustee to convert the Debtors' assets to cash and limit the amount of administrative expenses. There can be no assurance, however, that a liquidation would be completed in a limited timeframe, nor is there any assurance that the recoveries assigned to the Debtors' assets would in fact be realized. If the Debtors are not allowed the use of cash collateral, recoveries in a liquidation are likely to be materially less than shown in this Liquidation Analysis.

In an actual liquidation, the process and length of a wind-down could be significantly longer and more expensive than the amounts assumed herein and thereby significantly reduce the actual recoveries compared to this analysis.

D. Trustee Fees for Chapter 7 Administration

Under section 326(a) of the Bankruptcy Code, for a case under chapter 7, the Bankruptcy Court may allow reasonable compensation for a chapter 7 trustee's services not to exceed three percent of the moneys in excess of \$1,000,000 that are disbursed or turned over in the case by the chapter 7 trustee to parties in interest, excluding the Debtors, but including holders of secured Claims.

E. Additional Claims

The cessation of the Debtors' business in a Chapter 7 Liquidation is likely to trigger certain Claims that otherwise would not exist under the proposed Plan. Examples of these kinds of Claims include tax liabilities triggered upon liquidation or from the sale of assets, Claims related to rejection of executory contracts, and litigation Claims. While some of these Claims could be significant and may be entitled to priority in payment over General Unsecured Claims, no adjustment has been made for these potential Claims unless specified in the assumptions and notes to the Liquidation Analysis.

F. Basis of Presentation

The Liquidation Analysis is based on the unaudited balance sheets of the Debtors as of May 31, 2026, with certain adjustments to reflect anticipated activity through to the Conversion Date. The Liquidation Analysis contemplates that the Debtors' operations and assets are sold on a liquidation basis. This Liquidation Analysis is presented on a consolidated basis to show the recoveries of the Debtors' classes of creditors.

G. Liquidation Analysis

The Debtors assume a liquidation would be conducted pursuant to chapter 7 of the Bankruptcy Code, with a chapter 7 trustee appointed to manage the bankruptcy estate. The chapter 7 trustee would be responsible for liquidating the Debtors' assets in a manner intended to maximize the recovery to creditors. Asset sale proceeds resulting from the liquidation process would be reduced by the expenses of the liquidation process prior to distributing such proceeds to any holders of allowed Claims. The three major components of the liquidation process would be as follows:

- generating cash proceeds from the sale of assets;

- administering and managing costs and post-conversion operational cash flow related to the liquidation process, such as personnel retention costs, claims reconciliation costs, estate wind down costs, and chapter 7 trustee and professional fees; and
- distributing net proceeds generated from asset sales to claimants in accordance with the priority scheme under chapter 7 of the Bankruptcy Code.

III. Consummation of the Plan Will Provide Greater Value than Under a Hypothetical Liquidation through Chapter 7 of the Bankruptcy Code

Because the distributions to holders of Claims under the Liquidation Analysis provide for lower recoveries relative to the recoveries under the Plan, the Debtors believe that Consummation of the Plan will provide greater value to such holders than would a liquidation under Chapter 7 of the Bankruptcy Code.

Chapter 7 Liquidation Analysis for the Debtors

The schedule shown below presents the net liquidation proceeds available for distribution in a hypothetical chapter 7 case. The Liquidation Analysis estimates the high and low asset recoveries, which are based on the asset book value as of May 31, 2026, except as otherwise indicated.

For illustrative and comparative purposes only, the schedule below also presents estimated recoveries under the Reorganization Transaction contemplated in the Plan. These Plan recovery columns do not form part of the hypothetical Chapter 7 Liquidation and are provided solely to illustrate the comparison contemplated by the “best interests of creditors” test. The Plan recovery estimates are inherently uncertain and are subject to numerous assumptions, estimates, and contingencies, including, without limitation, the actual amount of Allowed Claims, the timing of emergence, the receipt of required regulatory approvals, and, with respect to certain Holders of Claims, the application of the Pari Passu Intercreditor Agreement. Accordingly, actual recoveries under the Plan may differ materially from the illustrative amounts shown, and nothing set forth in the Reorganization Transaction column should be construed as a representation, guarantee, or admission as to the recovery that any Holder of a Claim will actually receive under the Plan.

Net Liquidation Proceeds

\$ in Thousands	Notes	Est. Value	Orderly Liquidation Scenarios			
			Low %	Low \$	High %	High \$
Liquidation Proceeds						
Cash & Cash Equivalents	1	\$ 13,079	100%	\$ 13,079	100%	\$ 13,079
Accounts Receivable	2	41,404	23%	9,602	63%	26,072
Inventory	3	2,005	20%	401	60%	1,203
Prepaid Expenses and Other Current Assets	4	32,945	1%	252	7%	2,372
Property and Equipment	5	51,117	0%	72	5%	2,308
Operating Lease Right-of-use Assets	6	25,070	-	-	-	-
Assets Held Under Finance Leases	7	131	-	-	-	-
Goodwill	8	154,975	-	-	-	-
Intangible Assets	9	5,099	-	-	-	-
Other Long-term Assets	10	25,863	0%	37	1%	375
Total Distributable Value Before Liquidation Costs		\$ 351,689	7%	\$ 23,444	13%	\$ 45,410
Less: Liquidation Costs						
Wind Down Expenses	11			800		1,200
Professional Fees	12			1,000		1,500
Other Fees and Expenses	13			727		1,386
RPA Obligation Remittance	14			9,811		9,811
Total Liquidation Costs			\$ 12,337		\$ 13,896	
Net Liquidation Proceeds Available for Distribution			\$ 11,106		\$ 31,513	

Claims Recovery Summary

Claim Class (\$ in Thousands)	Notes	Claim Amount	Orderly Liquidation Scenarios				Reorganization Transaction	
			Low %	Low \$	High %	High \$	%	\$
DIP Claims	15	\$ 79,488	14%	\$ 11,106	40%	\$ 31,513	100%	\$ 79,488
Administrative Claims	16	12,500	0%	-	0%	-	100%	\$ 12,500
Priority Claims	17	11,813	0%	-	0%	-	100%	\$ 11,813
Other Secured Claims	18	-	N/A	-	N/A	-	N/A	-
Other Priority Claims	19	-	N/A	-	N/A	-	N/A	-
Pari Funded Debt Claims	20	407,789	0%	-	0%	-	2%	8,156
Second Lien Term Loan Claims	21	657,694	0%	-	0%	-	0%	-
Third Lien Term Loan Claims	22	33,152	0%	-	0%	-	0%	-
General Unsecured Claims	23	50,000	0%	-	0%	-	2%	1,000
Intercompany Claims	24	-	N/A	-	N/A	-	N/A	-
Subordinated Claims	25	-	N/A	-	N/A	-	N/A	-
Intercompany Interests	26	-	N/A	-	N/A	-	N/A	-
Existing Equity Interests	27	-	N/A	-	N/A	-	N/A	-

Footnotes to Chapter 7 Liquidation Analysis

1. Cash and Cash Equivalents

The Debtors' cash and cash equivalents balance of approximately \$13.1 million reflects the forecasted amount as of the week ending September 5, 2026.

2. Accounts Receivable

Accounts receivable recoveries are based on the Debtors' net accounts receivable outstanding as of May 31, 2026. These amounts are net of receivables associated with cancellation fees and inactive customers, which do not have any assumed recovery in a Chapter 7 Liquidation. Additionally, there are no recoveries estimated for certain accounting adjustments included in the Debtors' receivable balances, representing roughly \$13 million of the \$41 million in net book value for accounts receivable. The assumed recovery for remaining accounts receivable reflects a low and high range of collections on net outstanding receivables based on the aging of the Debtors' receivables. Recovery amounts also include reserve balances held by the Debtors' credit card processors. In the aggregate, the Debtors estimate a net recovery range for accounts receivable of 23% to 63%.

3. Inventory

Inventory balances reflect the Debtors' inventory as of May 31, 2026, which the Debtors expect to remain at a similar level as of the Conversion Date. Inventory consists primarily of hardware resold to customers as part of the Debtors' broader service offerings. The Debtors estimate that inventory would be recoverable at 20% to 60% of pro forma book value in a Chapter 7 Liquidation.

4. Prepaid Expenses and Other Current Assets

The Debtors' estimated book balance of prepaid expenses and other current assets is approximately \$32.9 million. Prepaid expenses consist primarily of rent, prepaid insurance, and other prepaid expenses and deposits. The Debtors expect that landlords would retain any existing lease deposits to offset outstanding obligations under applicable lease agreements, resulting in little to no recovery, estimated at 0% to 10%. The Debtors may also recover limited amounts from the cancellation of prepaid insurance policies no longer required in a Chapter 7 Liquidation; however, such recoveries are expected to be limited because prepaid balances are expected to decline prior to the Conversion Date. The Liquidation Analysis assumes recoveries of 15% to 30% for prepaid insurance and 0% to 25% for other prepaid expenses. The Debtors also have book balances for other current assets related to deferred installation costs and commissions, which are not expected to generate any recovery in a Chapter 7 Liquidation. In the aggregate, the Debtors estimate a net recovery range for deposits and prepaid expenses of 1% to 7%.

5. Property & Equipment

Property and equipment consists primarily of computer hardware, software, capitalized labor, owned equipment, and office furniture, including chairs, desks, and tables. Certain limited recoveries may be realized on computer hardware, office equipment, and furniture depending on the age, quality, and condition of such assets. The Debtors have assumed a recovery range of 10% to 30% for computer hardware, office equipment, and furniture in the low and high cases, respectively. The Debtors have assumed a lower recovery range of 0% to 10% for software and no recovery for capitalized costs included in property and equipment. In the aggregate, the Debtors estimate a net recovery range for property and equipment of 0% to 5%.

6. Operating Lease Right-of-use Assets

Operating lease right-of-use assets represent the Debtors' accounting recognition of the right to use leased properties in their operations. In a Chapter 7 Liquidation, such lease rights are not expected to generate any recoverable value.

7. Assets Held Under Finance Leases

For purposes of the Liquidation Analysis, no recovery has been assigned to assets held under finance leases because such amounts do not represent separately realizable assets and are not expected to generate independent proceeds in a Chapter 7 Liquidation.

8. Goodwill

Goodwill is a non-separable intangible asset, the value of which generally depends on the continued operation of the business as a going concern. Accordingly, no proceeds are assumed to be realized from goodwill in a Chapter 7 Liquidation.

9. Intangible Assets

Intangible assets reflect the Debtors' intangible assets as of May 31, 2026 and consist primarily of customer relationships, as well as trademarks and domain names associated with historical acquisitions. The Debtors believe that the substantial majority of the carrying value of these intangible assets is attributable to customer relationships, which are not expected to generate material value in a Chapter 7 Liquidation. While certain trademarks and domain names may have some standalone realizable value, any such value is expected to be limited.

10. Other Long-Term Assets

The Debtors' estimated book balance of other long-term assets is approximately \$25.9 million, consisting primarily of capitalized labor, deferred installation costs, and deferred commissions, none of which are expected to generate any recovery in a Chapter 7 Liquidation. A *de minimis* portion of other long-term assets relates to deposits and restricted cash held by the Debtors' credit card processors.

11. Wind Down Expenses

Wind-down expenses represent costs associated with the wind-down of the Debtors' assets under a Chapter 7 Liquidation, including, but not limited to, limited people and operational resources required to collect outstanding receivables and support value realization for inventory, property & equipment, prepaid expenses and other current assets, and other assets. The Debtors have assumed approximately 5% of the workforce is retained to effectuate the wind-down over a two-to-three-month period.

12. Professional Fees

Includes an estimate for certain professionals that would be retained by the chapter 7 trustee during the Liquidation Period, including financial advisors and legal counsel. The Debtors estimate that chapter 7 professional fees will range between \$1.0 million and \$1.5 million.

13. Other Fees and Expenses

Other fees and expenses include chapter 7 trustee fees required to facilitate the sale and wind-down of the Debtors' assets are assumed to be 3% of total distributable value in a Chapter 7 Liquidation. These fees are assumed to be used for marketing and administrative costs of the chapter 7 trustee during the Liquidation Period.

14. RPA Obligation Remittance

For purposes of this Liquidation Analysis, each of the scenarios presented (*i.e.*, the low and high Chapter 7 Liquidation cases, and the Reorganization Transaction scenario) assumes that the full outstanding RPA Obligation balance of approximately \$9.8 million is remitted to the applicable RPA Purchasers in accordance with the terms of the Receivable Purchase Agreements. This balance is comprised of (a) approximately \$3.7 million of RPA Obligation collections received by the Debtors but not yet remitted as of the Conversion Date (which amount is included in Cash and Cash Equivalents) and (b) the remaining balance attributable to receivables subject to the Receivable Purchase Agreements.

15. DIP Claims

Reflects the full \$20 million New Money DIP Facility and \$53.5 million Roll-Up Facility, plus unpaid post-petition accrued interest as of the Conversion Date. The Liquidation Analysis assumes recoveries of 14% to 40% on account of the DIP Claims.

16. Administrative Claims

The Debtors' post-petition business expenses, required to operate in the normal course, qualify as administrative expenses under Section 503(b) of the Bankruptcy Code. The Liquidation Analysis assumes the Debtors will have approximately \$12.5 million in Administrative Claims as of the Conversion Date. The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Administrative Claims.

17. Priority Tax Claims

The Liquidation Analysis assumes the Debtors will have approximately \$11.8 million of potential unpaid Priority Tax Claims as of the Conversion Date. The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Priority Tax Claims.

18. Other Secured Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Other Secured Claims.

19. Other Priority Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Other Priority Claims.

20. Pari Funded Debt Claims

Reflects the Debtors' Pari Funded Debt Claims (which, for the avoidance of doubt, exclude any portions rolled up into DIP Claims, and include any First Lien Deficiency Claims) as of the Petition Date. In a Chapter 7 Liquidation, the Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Pari Funded Debt Claims. The recoveries

shown in the Reorganization Transaction column are illustrative only, are provided solely for comparative purposes in connection with the “best interests of creditors” test, and do not form part of the hypothetical Chapter 7 Liquidation. Such recovery reflects a combined, blended recovery on the Pari Funded Debt Secured Claims and the related deficiency claims (assuming no recovery on account of any deficiency claims), and actual recoveries may vary depending on, among other things, the actual amount of Allowed Claims and the application of the Pari Passu Intercreditor Agreement. The recovery shown in the Reorganization Transaction column represents the minimum illustrative value provided to certain Holders of Pari Funded Debt Secured Claims that elect the Cash-Out Option in a Reorganization Transaction (*i.e.*, Cash received in lieu of such Holders’ Pro Rata share of the Reorganization Consideration), and does not reflect the value of the Reorganization Consideration (including equity of the Reorganized Debtors) that non-electing Holders would receive. This illustrative recovery is based on certain assumptions regarding, among other things, the proportion of Holders of Pari Funded Debt Secured Claims that will elect the Cash-Out Option, and the ultimate amount actually received by any such electing Holder will depend on, and may be materially affected by, the application of the Pari Passu Intercreditor Agreement and the other factors described herein.

21. Second Lien Term Loan Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Second Lien Term Loan Claims (including any Second Lien Deficiency Claims).

22. Third Lien Term Loan Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Third Lien Term Loan Claims (including any Third Lien Deficiency Claims).

23. General Unsecured Claims

General Unsecured Claims arising in a hypothetical Chapter 7 Liquidation may include, among other items: (a) prepetition trade claims; (b) rejection damages claims; and (c) customer deposits and prepayments. The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of General Unsecured Claims. Solely for purposes of this Liquidation Analysis, the General Unsecured Claims exclude any First Lien Deficiency Claims, Second Lien Deficiency Claims, and Third Lien Deficiency Claims. The recovery shown in the Reorganization Transaction column for General Unsecured Claims reflects a \$1.0 million cash recovery, representing the minimum consideration contemplated by the Total GUC Consideration. Actual recovery percentages realized by Holders of General Unsecured Claims under the Plan may differ from the recovery percentage implied herein, as the amount of General Unsecured Claims reflected in this Liquidation Analysis includes claims that would be asserted, and potentially allowed, solely in a Chapter 7 Liquidation and may not constitute Allowed Claims under the Plan, as described above.

24. Intercompany Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Intercompany Claims.

25. Subordinated Claims

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Subordinated Claims.

26. Intercompany Interests

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Intercompany Interests.

27. Existing Equity Interests

The Liquidation Analysis assumes the Liquidation Proceeds generated would not be sufficient to satisfy any of the Existing Equity Interests.

Exhibit D

Financial Projections

FINANCIAL PROJECTIONS¹

Introduction to Financial Projections

As a condition to confirmation of the Plan, section 1129(a)(11) of the Bankruptcy Code requires the Bankruptcy Court to determine, among other things, that confirmation is not likely to be followed by the liquidation of, or the need for further financial reorganization of, the Debtors or any successor to the Debtors under the Plan. In connection with satisfying this requirement, and to assist Holders of Claims in evaluating whether to vote to accept or reject the Plan, the Debtors, through their management team (“Management”) and with the assistance of their advisors, prepared certain financial projections (the “Financial Projections”) to assess the feasibility of the Plan. The Financial Projections set forth projected financial information for the five-year period from 2026 through 2030, based on the Debtors’ anticipated financial position.

The Financial Projections were prepared by Management in good faith and are based upon assumptions and estimates that Management believes are reasonable in light of its knowledge of the Debtors’ business, operations, industry, and anticipated future performance. The Financial Projections contain forward-looking statements, including statements regarding the Debtors’ expectations with respect to the timing, completion, and scope of the restructuring transactions contemplated by the Plan, implementation of the Debtors’ strategic business plan, anticipated financing arrangements, prevailing debt and equity market conditions, and the Debtors’ future liquidity and capital resources. Such statements necessarily are based upon assumptions concerning future events and circumstances that are inherently uncertain and subject to significant business, economic, operational, competitive, regulatory, market, and other risks and contingencies, many of which are beyond the Debtors’ control.

Although Management believes that the assumptions underlying the Financial Projections are reasonable and has prepared the Financial Projections in good faith, no assurance can be given that the projected results will be realized. Actual results may vary materially from those reflected in the Financial Projections due to, among other things, changes in facts or circumstances after the date the Financial Projections were prepared, the occurrence of unanticipated events, or inaccuracies in underlying assumptions. Accordingly, the Financial Projections should not be regarded as a guarantee or assurance of future performance or results and should be considered in conjunction with the risk factors, assumptions, qualifications, and other disclosures set forth in this Disclosure Statement, including the notes and assumptions accompanying the Financial Projections.

Based upon the Financial Projections and other analyses performed in connection with the formulation of the Plan, the Debtors believe that the Plan satisfies the feasibility requirements of section 1129(a)(11) of the Bankruptcy Code because confirmation of the Plan is not likely to be followed by the liquidation of, or the need for further financial reorganization of, the Debtors or

¹ Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the disclosure statement to which this exhibit is attached (the “Disclosure Statement”) or the *Joint Chapter 11 Plan of U.S. TelePacific Holdings Corp. and Its Debtor Affiliates* (as supplemented or amended from time to time, the “Plan”), as applicable.

any successor to the Debtors under the Plan. In evaluating feasibility, the Debtors analyzed their anticipated ability to satisfy their obligations under the Plan while maintaining adequate liquidity and sufficient capital resources to conduct their businesses following emergence from chapter 11.

The Financial Projections were not prepared with a view toward compliance with the guidelines established by the Securities and Exchange Commission, the American Institute of Certified Public Accountants, or generally accepted accounting principles applicable to prospective financial information. In addition, no independent registered public accounting firm or other independent accountant has examined, compiled, reviewed, or performed any procedures with respect to the Financial Projections and, accordingly, no such person has expressed any opinion or other form of assurance on the Financial Projections or their achievability.

The Debtors undertake no obligation to update, revise, or supplement the Financial Projections or any forward-looking statements contained herein, whether as a result of new information, future events, changed circumstances, or otherwise, except as expressly required by the Plan or applicable law. Accordingly, the Debtors do not intend to: (i) furnish updated Financial Projections to Holders of Claims or Interests prior to the Effective Date or to any party following the Effective Date, except as required under the Plan; (ii) include any such updated information in filings required to be made with the Securities and Exchange Commission; or (iii) otherwise publicly disclose any such updated information.

Assumptions of the Financial Projections

The Financial Projections are based upon numerous assumptions and estimates, including, without limitation, assumptions relating to industry performance and trends, general business and economic conditions, competitive and regulatory developments, market and financial conditions, and the specific assumptions described below. Many of these assumptions and factors are inherently uncertain, subject to significant business, economic, operational, regulatory, market, and financial risks, and beyond the control of the Debtors. In addition, the Financial Projections do not fully account for the uncertainty, risks, and potential business disruptions that may result from or accompany an in-court restructuring process under chapter 11 of the Bankruptcy Code. Accordingly, the Financial Projections and underlying assumptions should be considered in conjunction with the risk factors and other disclosures set forth in the Disclosure Statement.

- **Forecast Methodology:** The projected financial information reflects a consolidated view of the Debtors' operations and is derived from Management's 2026 operating budget and long-range business plan.

In developing the Financial Projections, which reflect Management's forecasted operating and financial performance for the five-year period beginning January 1, 2026, Management analyzed a variety of operational, financial, and industry-specific factors and assumptions, including, without limitation: (i) revenue and gross margin expectations by product for 2026 and subsequent periods; (ii) projected variable and fixed cost of goods sold; (iii) projected selling, general, and administrative expenses; (iv) anticipated maintenance and growth capital expenditures; and (v) the anticipated impact of operational improvement

and efficiency initiatives, each of which may contribute to revenue growth, improved operating performance, or cost reductions.

The Financial Projections have been prepared on an adjusted basis and exclude certain non-cash items. In addition, certain cash expenditures that Management does not expect to recur in the ordinary course of business, including professional fees associated with the chapter 11 cases, transaction-related expenses, and one-time costs related to operational improvement initiatives, are reflected separately as non-recurring items within the projected cash flow information.

The Financial Projections were prepared using accounting policies that are generally consistent with those applied in the Debtors' historical financial statements. Following emergence from chapter 11, however, the Debtors expect that the Reorganized Debtors will adopt "fresh start" accounting and reporting in accordance with Accounting Standards Codification ("ASC") Topic 852, *Reorganization*. Under ASC Topic 852, the reorganization value of the reorganized entity is required to be allocated to its assets and liabilities in accordance with ASC Topic 805, *Business Combinations*. Any portion of such reorganization value not attributable to identifiable tangible or intangible assets or liabilities would be recorded as goodwill. As a result, the Financial Projections may not reflect all adjustments that may be required in connection with the implementation of "fresh start" accounting and reporting.

- **Projection Assumptions with Respect to the P&L:**

Revenue: The Company's revenue is derived primarily from monthly recurring service arrangements across four principal service categories: The Company's business is built around four core service categories: (i) managed connectivity and networking, (ii) cybersecurity solutions; (iii) unified communications; and (iv) managed infrastructure and IT services. Approximately 90% of the Company's revenue is recurring in nature, with the remaining non-recurring revenue consisting primarily of equipment sales and one-time installation fee charges. The Company developed its revenue forecasts by analyzing historical customer churn and bookings trends, anticipated customer demand, and expected market conditions. Revenue projections also incorporate assumptions regarding annual pricing adjustments, generally estimated at approximately 3% to 4% per year, as well as anticipated vendor-related cost pass-throughs to customers where applicable. While revenues are forecasted at the service-category level, they are presented on a consolidated basis in the accompanying Financial Projections.

Variable Cost of Goods Sold ("COGS"): Variable COGS primarily consist of costs that fluctuate in relation to customer activity, service utilization, and revenue levels. These costs include third-party network and internet access charges, loop and connectivity fees, vendor-provided software and cloud service costs, pass-through telecommunications expenses, usage-based licensing fees, equipment and hardware costs associated with

customer implementations, and other direct service delivery expenses. Variable COGS forecasts are based on projected gross margin, anticipated product and service mix, contractual pass-through arrangements, and forecasted customer growth and retention levels.

Fixed COGS: The Company's fixed COGS are comprised of third-party service delivery costs, telecommunications and network access expenses, vendor-provided software and managed service costs, employee-related service delivery expenses, and other direct costs incurred in supporting customer contracts and recurring service offerings.

Gross Profit: The Debtors' consolidated gross profit is calculated as revenue, less variable and fixed COGS.

Sales, General & Administrative ("SG&A"): The Company's consolidated SG&A expenses consist primarily of employee compensation and benefits, sales commissions, internal information technology and network support costs, professional fees, outsourced administrative services, and other general corporate overhead expenses necessary to support the Company's ongoing operations. Management developed the SG&A forecast by analyzing historical spending trends, projected headcount requirements, anticipated departmental needs, and planned operational efficiency initiatives. Forecasted SG&A expenses support the recurring operations of the business and exclude non-cash depreciation and amortization expense.

Adjusted EBITDA: Calculated as gross profit less selling, general, and administrative expenses. The Debtors' forecasted Adjusted EBITDA is derived from projected EBITDA and further adjusted to exclude certain items that Management does not consider indicative of the Debtors' ongoing operating performance. Such adjustments include non-recurring cash income and expenses, non-cash income and expense items, and other extraordinary, unusual, or infrequent items that are not expected to continue following emergence from chapter 11.

- **Projection Assumptions with Respect to the Cash Flow:**

Organic Capital Expenditures ("Capex"): Organic capex represents recurring investments necessary to maintain, support, and expand the Company's managed services and telecommunications platform in the ordinary course of business. These expenditures include investments in network infrastructure, customer premise equipment, internal information technology systems, cybersecurity enhancements, software platforms, engineering and operational support systems, and equipment required for customer onboarding and service delivery. Organic capital expenditures also include routine maintenance and replacement spending necessary to preserve service quality, network reliability, operational efficiency, and regulatory compliance.

Change in Net Working Capital and Other Accounts: Changes in net working capital and other accounts consist of the projected impact of fluctuations in certain operating assets and liabilities arising in the ordinary course of business. Net working capital and other accounts primarily consists of accounts receivable, prepaid expenses, inventory and equipment-related working capital items, accounts payable, accrued liabilities, and other assets and liabilities associated with the Company's operations.

Normalized Free Cash Flow: Calculated as adjusted EBITDA less organic capex and change in net working capital and other accounts.

Non-recurring Cash Costs: Non-recurring cash costs represents expenses and charges that Management does not consider indicative of the Company's ongoing core operating performance and that are not expected to recur on a normalized basis. These costs primarily include transaction-related expenses, restructuring and transformation costs, professional advisory fees, extraordinary legal and consulting costs, and other one-time operational initiatives, among other items.

Unlevered Free Cash Flow: Calculated as normalized free cash flow less non-recurring cash costs.

Debt Service: Debt Service includes expected go-forward cash interest payments on the post-emergence debt facilities, net borrowings or repayments of principal on funded debt, and payments of principal and interest on account of remaining capital leases and other finance leased assets.

Free Cash Flow: Calculated as unlevered free cash flow less debt service.

Cash: Cash represents the Debtors' projected consolidated cash balances throughout the forecast period. Beginning cash balances are based on the Debtors' consolidated cash position as of December 31, 2025, and the applicable year-end cash balances for each subsequent projected period.

- **Projection Assumptions with Respect to the Selected Forecasted Balance Sheet Line-items:**

Cash & Cash Equivalents: Forecasted ending cash balance.

Accounts Receivable, Net: Accounts receivable, net is forecasted based on the Debtors' projected revenues across the Debtors' various products and service offerings. Days sales outstanding ("DSO") assumptions are generally held consistent with historical trends throughout the forecast period.

Inventory: Inventory levels and related purchasing assumptions are modeled with a small increase in projected days inventory outstanding (“DIO”) and historical working capital management practices.

Prepaid Expenses and Other, Net: Prepaid expenses and other, net are forecasted based on anticipated operating expense levels, equipment installment sales and expected working capital requirements throughout the forecast period.

Accounts Payable: Accounts payable are forecasted based on expected days payable outstanding (“DPO”) assumptions, which are generally held consistent with historical trends throughout the forecast period.

Accrued Liabilities: Other accrued liabilities are forecasted based on projected non-employee operating expenses and anticipated bonus accruals.

Contract Liabilities: Contract liabilities are forecasted based on projected revenue trends and anticipated timing differences between customer billings and revenue recognition.

Net Working Capital and Other Accounts: Net working capital and other accounts is forecasted based on projected accounts receivable, net, inventory, prepaid expenses and other, net, less accounts payable, accrued liabilities, and contract liabilities.

Property and Equipment, Net: Property and equipment, net is forecasted based on the Debtors’ December 31, 2025 year-end balance, adjusted for projected capital expenditures and depreciation expense throughout the forecast period.

Long-term Debt; Preferred Equity, Net: Projections are illustrative and reflect a proposed Exit 1L Term Loan Facility of approximately \$54.1 million and Preferred Equity Interests of approximately \$74.5 million upon emergence. Long-term debt and preferred equity balances are forecasted based on the anticipated terms of the proposed financing arrangements, including a 14.0% dividend on the Preferred Equity Interests that is payable in kind and accretes to the outstanding balance and liquidation preference of the Preferred Equity Interests.

Non-GAAP (\$ in millions)		Forecast								
FYE 12/31		2026	2027	2028	2029	2030				
P&L										
Revenue	\$	390.3	\$	396.6	\$	413.8	\$	439.0	\$	469.5
(-) Variable COGS		(134.6)		(137.7)		(141.4)		(150.6)		(161.7)
(-) Fixed COGS		(13.9)		(14.1)		(14.1)		(14.2)		(14.5)
Gross Profit	\$	241.8	\$	244.8	\$	258.2	\$	274.2	\$	293.3
% Revenue		62.0%		61.7%		62.4%		62.5%		62.5%
(-) SG&A	\$	(164.3)	\$	(164.1)	\$	(171.8)	\$	(181.2)	\$	(189.2)
Adj. EBITDA	\$	77.5	\$	80.7	\$	86.4	\$	93.0	\$	104.1
% Revenue		19.9%		20.4%		20.9%		21.2%		22.2%
Non-GAAP (\$ in millions)		Forecast								
FYE 12/31		2026	2027	2028	2029	2030				
Cash Flow										
Adj. EBITDA	\$	77.5	\$	80.7	\$	86.4	\$	93.0	\$	104.1
(-) Organic Capex		(34.0)		(34.4)		(33.9)		(35.1)		(36.3)
(-) Change in Working Capital and Other Accounts		(22.0)		(4.9)		(6.3)		(7.3)		(6.4)
Normalized Free Cash Flow	\$	21.5	\$	41.4	\$	46.2	\$	50.5	\$	61.5
(-) Non-recurring Cash Costs	\$	(82.1)	\$	(10.0)	\$	(9.2)	\$	(7.4)	\$	(7.0)
Unlevered Free Cash Flow	\$	(60.6)	\$	31.4	\$	36.9	\$	43.2	\$	54.5
(-) Debt Service	\$	38.2	\$	(5.7)	\$	(5.6)	\$	(5.6)	\$	(5.6)
Free Cash Flow	\$	(22.4)	\$	25.7	\$	31.3	\$	37.6	\$	48.9
Cash Roll-Forward										
Beginning Balance	\$	34.2	\$	11.8	\$	37.5	\$	68.8	\$	106.3
Free Cash Flow		(22.4)		25.7		31.3		37.6		48.9
Ending Balance	\$	11.8	\$	37.5	\$	68.8	\$	106.3	\$	155.2
Non-GAAP (\$ in millions)		Forecast								
FYE 12/31		2026	2027	2028	2029	2030				
Balance Sheet										
Assets & Liabilities										
Cash and Cash Equivalents	\$	11.8	\$	37.5	\$	68.8	\$	106.3	\$	155.2
Accounts Receivable, Net	\$	46.9	\$	47.8	\$	51.6	\$	56.1	\$	60.3
Inventory		1.4		1.7		1.9		2.1		2.4
Prepaid Expenses and Other, Net		31.1		38.2		42.1		45.6		50.3
Accounts Payable		(7.1)		(8.0)		(8.3)		(8.7)		(9.3)
Accrued Liabilities		(73.1)		(74.8)		(75.9)		(76.0)		(77.6)
Contract Liabilities		(20.5)		(21.2)		(21.4)		(21.9)		(22.5)
Net Working Capital and Other Accounts	\$	(21.2)	\$	(16.3)	\$	(10.0)	\$	(2.7)	\$	3.6
Other Assets + Liabilities										
Property and Equipment, Net	\$	47.7	\$	43.5	\$	45.1	\$	47.6	\$	49.2
Long-term Debt; Preferred Equity, Net		1,175.5		139.6		152.2		166.7		183.3