

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|                                                                         |   |                                  |
|-------------------------------------------------------------------------|---|----------------------------------|
| In re:                                                                  | ) |                                  |
|                                                                         | ) | Chapter 11                       |
|                                                                         | ) |                                  |
| MOSAIC SUSTAINABLE FINANCE<br>CORPORATION, <i>et al.</i> , <sup>1</sup> | ) | Case No. 25-90156 (CML)          |
|                                                                         | ) |                                  |
| Debtors.                                                                | ) | (Joint Administration Requested) |
|                                                                         | ) |                                  |

**DECLARATION OF MARK A. RENZI,  
CHIEF RESTRUCTURING OFFICER OF THE DEBTORS, IN  
SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

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I, Mark A. Renzi, hereby declare under penalty of perjury:

1. I am the Chief Restructuring Officer ("CRO") of each of the debtors and debtors in possession (collectively, the "Company" or the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). I am also a Managing Director and the Head of the Corporate Finance Financial Institutions Group for Berkeley Research Group, LLC ("BRG"). BRG has been assisting the Company in various capacities for approximately 18 months prior to the commencement of these Chapter 11 Cases.

2. I have more than twenty-five (25) years of business experience, with more than twenty (20) years of financial consulting experience, including liquidity and capital structure assessment, debt and equity restructuring advice, and identification of reorganization alternatives. During the course of my career, I have provided restructuring services on more than thirty-five (35) engagements in both out-of-court workout situations and in-court reorganizations. My experience

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Mosaic Sustainable Finance Corporation (6802); Solar Mosaic LLC (3655); Modern Home LLC (4998); Mosaic Funding Holdings LLC (0866); and SMCTX LLC (6303). The service address for each of the above Debtors is 601 12th Street, Suite 325, Oakland, California 94607.

ranges across a broad range of industries, including, but not limited to, financial services, retail and consumer products, and commercial real estate. I have assisted in financial restructurings, including refinancings, recapitalizations, debt-for-equity swaps, and strategic mergers and acquisitions. I have also led teams in multiple restructuring cases, including: *In re Conn's Inc.*, Case No. 24-33357 (ARP) (Bankr. S.D. Tex.); *In re BlockFi Inc.*, Case No. 22-19361 (Bankr. D.N.J.) ; *In re Lucky Brand Dungarees, LLC*, Case No. 20-11768 (CSS) (Bankr. D. Del.); *In re Fred's Inc.*, Case No. 19-11984 (CSS) (Bankr. D. Del.); *In re Residential Capital, LLC*, Case No. 12-12020 (MG) (Bankr. S.D.N.Y.); and *In re CIT Group, Inc.*, Case No. 09-16565 (ALG) (Bankr. S.D.N.Y.).

3. Prior to joining BRG, I was a Senior Managing Director at a global business advisory firm with a 15-year tenure. I also worked at a boutique money management firm in New York evaluating equity and commodity derivative portfolios, and held various positions in FP&A, business plan development, treasury, and global cash management. I received a B.A. in Economics from Washington College and an M.S. in Finance from Boston College.

4. In my capacity as CRO of the Debtors, I am generally familiar with the Company's day-to-day operations, business and financial affairs, and books and records. I am above 18 years of age, competent to testify, and authorized to submit this declaration on behalf of the Company.

5. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, information obtained from the Company's management team and advisors, my review of relevant documents and information concerning the Company's operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and

knowledge. If called as a witness, I would testify competently to the statements set forth in this declaration.

6. I submit this declaration (this “Declaration”) to assist the United States Bankruptcy Court for the Southern District of Texas (the “Court”) and parties in interest in understanding: (a) the Company, its operations, and its capital structure; (b) the circumstances related to the commencement of these Chapter 11 Cases, filed on June 6, 2025 (the “Petition Date”), under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”); and (c) the relief requested by the Company pursuant to the motions and applications filed substantially contemporaneously herewith (collectively, the “First Day Motions”).

7. This declaration is organized in the following five parts:

- Part I provides an overview of the Company’s anticipated chapter 11 process and expected case timeline;
- Part II describes the Company’s business, both in terms of its history, as well as its current operations;
- Part III summarizes the Company’s organizational and capital structure;
- Part IV describes the circumstances that led to the commencement of these Chapter 11 Cases; and
- Part V addresses the factual bases for the relief requested in the First Day Motions and other information related to these Chapter 11 Cases.

## **I. Overview of the Chapter 11 Cases<sup>2</sup>**

8. The Company is a leading provider of consumer clean energy loan financing and servicing in the United States, having funded over \$15 billion in cumulative loans since being founded in 2010 and currently acting as servicer for over \$8 billion in active loans. The Company

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<sup>2</sup> Capitalized terms used but not otherwise defined in Part I of this Declaration have the meanings ascribed to such terms elsewhere in this Declaration.

enters chapter 11 with the expectation, and as described elsewhere herein and in the First Day Motions has sought appropriate relief, to continue servicing its existing loan servicing portfolio and, in the weeks following the Petition Date, to facilitate the continued funding of loans that have already been partially funded so that the related solar installation may be completed and such loans will become collectible.

9. Importantly, the Company enters chapter 11 with the support of key stakeholders. The Company has secured a debtor-in-possession financing facility (the “DIP Facility”) from certain of its existing Prepetition Lenders (in such capacity, the “DIP Lenders”) that is sufficient to fund the Company through the anticipated timeline for these Chapter 11 Cases, which the Company aims to conclude within approximately 13 weeks. In addition, certain of the Company’s Prepetition Lenders (in such capacity, the “Plan Sponsors”) have agreed to sponsor a chapter 11 plan of reorganization pursuant to the terms set forth in that certain *Plan Term Sheet*, attached hereto as **Exhibit A** (the “Plan Term Sheet”), whereby, among other things, the claims of the DIP Lenders and Prepetition Lenders will be converted into equity interests of the reorganized Company.

10. In addition, the Plan Term Sheet contemplates that the Company will continue the marketing process for its assets that was commenced prepetition and, to the extent any actionable bids are received, the Company intends to pursue an auction and sale in accordance with section 363 of the Bankruptcy Code. The Company further intends to utilize the benefits of chapter 11 to streamline its business operations, including, among other things, through the rejection of burdensome or underperforming contracts and leases.

11. The Company believes that the DIP Facility and the Plan Term Sheet provide the Company with a sound path forward through these Chapter 11 Cases while still allowing the

Debtors to complete a robust marketing process that was commenced prior to the Petition Date in order to appropriately market test the value of the Company's assets.

12. The relief requested in the First Day Motions is essential to achieving the Company's goal of maximizing value for stakeholders. For the reasons articulated in the First Day Motions, that relief is warranted and, the Company submits, should be approved to ensure a smooth transition into chapter 11 that preserves and maximizes the value of the estates for the benefit of all stakeholders.

## **II. Company Background and Operations**

### **A. History**

13. The Company, which is based in Oakland, California, is one of the oldest financing companies in the residential solar space. The Company was founded in 2010 as a clean energy crowdfunding initiative offering loans for the development of commercial solar projects. Initial projects included twelve private investor funded rooftop solar plants in California, New Jersey, and Arizona. By 2012, the Company was financing solar plants at zero percent interest to create energy for local community organizations, which provided benefits to those communities in the form of reduced utility costs and job opportunities for local workers.

14. While the initial five plants financed through the method above did not offer any return to investors, by September 2012, investors in the Company's solar projects were seeing positive returns. By 2013, the Company expanded to offering an online platform for investors in their solar projects to earn a set annual return percentage with expectations of a full return on investment over a nine-year period. Such initial projects were exceedingly popular, selling out in under 24 hours. In 2014, the Company's business model shifted to focusing on helping homeowners access residential solar projects through the Company's financing counterparties.

With this shift, the Company continued to grow in the solar project financing industry, becoming the first to combine solar loans with a fully digital financing platform.

15. As with many businesses, the Company faced significant challenges as a result of the COVID-19 pandemic. To address the disruptions caused by COVID-19, the Company leveraged its technology and digital platforms and pivoted to a fully-remote workplace. After the pandemic, the Company continued this remote-work platform and while a small number of its employees report to the Company's headquarters in Oakland, the vast majority of its workforce continues to work remotely from locations across the country, which has allowed the Company to reduce expenses and more effectively manage overhead costs.

16. The Company's business historically also benefited from certain legislation designed to incentivize the use of renewable energy sources, particularly the use of residential solar panels by homeowners. In its current form, federal legislation in the United States has provided for investment tax credits ("ITC") for certain renewable energy installations for decades, allowing homeowners to claim tax credits worth up to 30% of the cost of a residential solar system. In fact, the ITC for residential solar installations have been extended multiple times since first being established, including most recently pursuant to the Inflation Reduction Act, enacted in 2022, which extended the 30% ITC rate through 2032. This extended timeline for the ITC provided a significant tailwind for the Company's business and the entire residential solar and storage industry, however, as described below, the substance of the ITC that benefited the Company's business may be changing.<sup>3</sup>

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<sup>3</sup> As reported by the IRS, taxpayers claimed more than \$6 billion in residential renewable energy ITCs in the 2023 tax year and installations increased by 13% according to the Solar Energy Industries Association. The solar industry in the United States marked a 5.9% increase of solar jobs with 15,564 jobs added from 2022 to 2023 per the Interstate Renewable Energy Council's National Solar Jobs Census 2023.

17. In recent years, the Company has also grown its network of installers (“Installers”) who make the Company’s loans available to customers and perform the installation of solar systems (or other applicable home improvement products) pursuant to separate home improvement agreements. The Company’s national Installer network now consists of approximately 2,000 active vetted contractors.

18. As described in further detail below, a portion of the loans originated by the Company are funded through the sale of the loans to certain special purpose entity “warehouses” that are non-debtor subsidiaries of Debtor Mosaic Funding Holdings LLC with separate debt funding provided to those special purpose entities and secured against the subject loans (the “Warehouses”). These Warehouses provide an outlet for the loans originated by the Company. Contractual agreements with the Warehouses provide, among other things, that the Company will act as servicer for the loans held by the Warehouse. In prior years, corresponding with the growth of the Company’s business, the Company partnered with additional financial institutions that provided financing to the Warehouses, which in turn significantly increased the overall portfolio of loans originated and serviced by the Company.

## **B. Corporate Structure**

19. Debtor Mosaic Sustainable Finance Corporation (“MSFC”) is a corporation organized and existing under the laws of the state of Delaware. MSFC owns 100 percent of the equity interests of Solar Mosaic LLC (“Solar Mosaic”), a Delaware limited liability company. Solar Mosaic, in turn, owns 100 percent of the equity interests of each of the following entities:

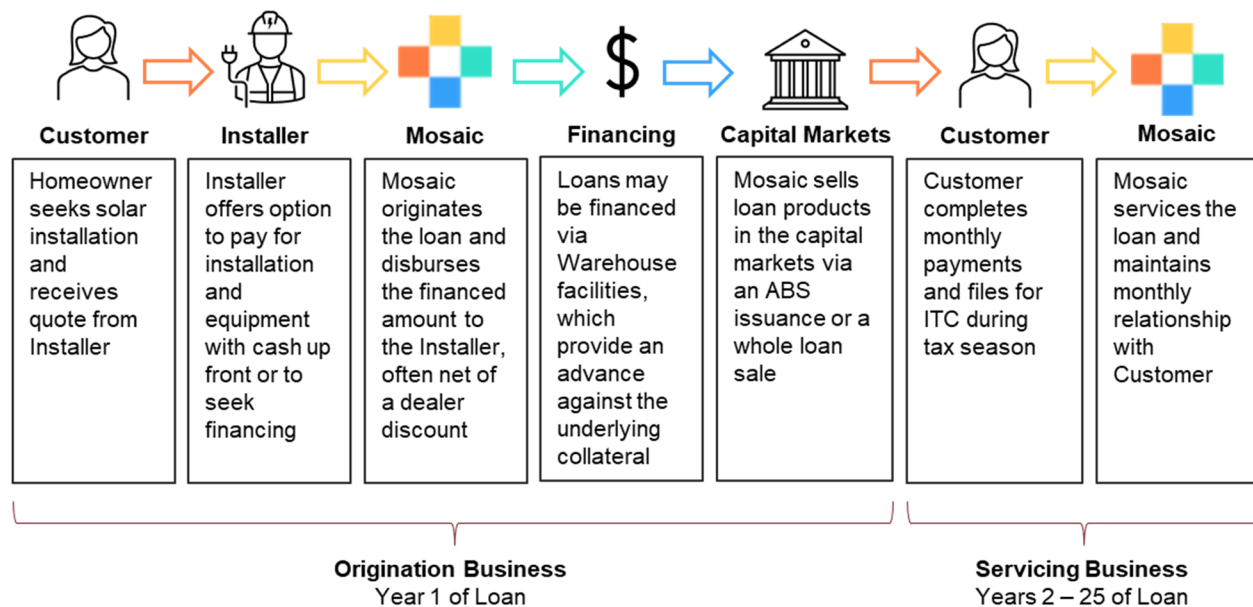
- SMCTX LLC, a Texas limited liability company;
- Modern Home LLC, a Delaware limited liability company; and
- Mosaic Funding Holdings LLC (“MF Holdings”), a Delaware limited liability company.

MF Holdings directly owns the equity interests in the Warehouses, all of which are non-debtors.

A chart summarizing the Company's organizational structure is attached hereto as **Exhibit B**.

### C. The Company's Assets and Operations

20. The Company's business can be divided into two primary segments: (a) origination of new loans (the "Origination Business") and (b) loan servicing (the "Servicing Business"). The following diagram provides a summary illustration of the Company's Origination Business and Servicing Business:



#### (i) The Origination Business

21. Through its Origination Business the Company originates loans for residential solar panel systems, which are made available to homeowners through the Company's network of Installers. In marketing and documenting loans originated through the Company, Installers use the Company's point of sale fintech platform to promote loan financing to homeowners, supported by an extensive ecosystem that includes solar equipment manufacturers, contractors, and software as a service companies.

22. Home improvement projects financed by loans originated by the Company typically progress through a series of stages and, on average, take between 90 to 180 days to proceed from loan approval to permission to operate (commonly referred to as “PTO”), when the solar installation has, among other things, been inspected and approved by applicable utilities or local officials. Partial disbursements of loan funds typically occur at specified intervals throughout this process tied to project milestones set forth in the loan agreement. Frequently, an initial partial disbursement is made at the outset to allow the Installer to acquire the solar panels and related materials and to perform installation work, and the final disbursement is typically made upon completion of installation.

23. The Company does not contemplate originating new loans during these Chapter 11 Cases. However, as discussed below, the Company does intend to work collaboratively with its Warehouse financing partners to establish a process for transmitting funds with respect to loans that are partially funded as of the Petition Date.

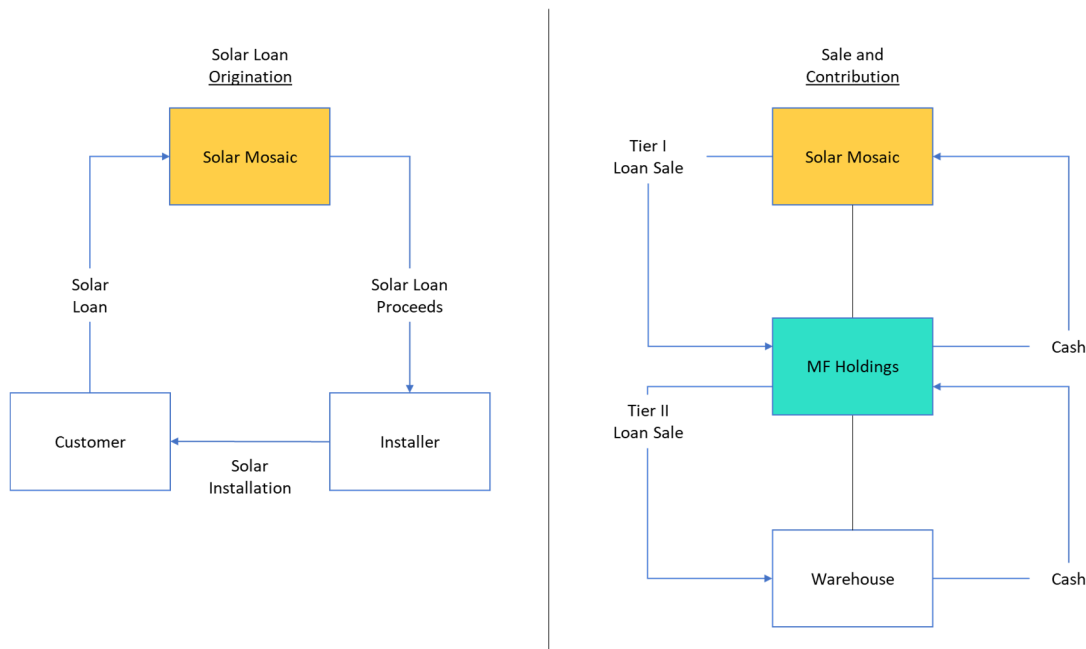
**(ii) Partially-Funded Loans**

24. As a result of the typical loan funding process set forth above, as of the Petition Date, there are approximately \$130 million of loan commitments originated by the Company that have not yet been funded. While a portion of those unfunded commitments are associated with projects that will likely cancel in the ordinary course due to factors outside of the Company’s control, the Company asserts that it is critical to maximizing the value of the Debtors’ estates that all otherwise approved funding continues to flow in the ordinary course of business. Completing the funding process for these partially-funded loans preserves value through maintaining the Company’s relationships with its network of Installers (who rely on receiving committed loan funding to support their own operations) and ensuring that the subject loans progress into fully effective collateral for the Company’s loan financing partners and a source of servicing revenue

for the Company. Importantly, the remaining funding for these partially-funded loans will not come from the Debtors' estates, but instead would be provided by certain of the financial institutions that provide funding to the Warehouses. The consumer borrowers under partially funded loans are not obligated to make payments until the loan has been fully funded, so both the Installers and the lenders to the Warehouse have an interest in seeing such loans fully funded and the projects completed.

25. Prior to the Petition Date, the process for making disbursements of partially funded loans would involve the funding of such disbursement by Solar Mosaic to an Installer of solar energy systems (a "Solar Loan"), and pursuant to sale and contribution agreements between Solar Mosaic and MF Holdings (each a "Tier I Sale and Contribution Agreement"), and MF Holdings and the applicable Warehouse (each a "Tier II Sale and Contribution Agreement," and together with the Tier I Sale and Contribution Agreements, the "Sale and Contribution Agreements"), the Solar Loan would be sold down through both tiers and pledged by the applicable Warehouse as collateral to its revolving lenders. The Warehouses, using (partially or fully) funded advances by the applicable Warehouse lenders, would pay MF Holdings (and MF Holdings would pay Solar Mosaic) the "purchase price" for such disbursement, thus reimbursing MF Holdings for the amount advanced to the Installer.

*[Illustration Appears on Following Page]*



26. For the reasons discussed in greater detail in the *Debtors' First Omnibus Motion for Entry of an Order Authorizing the Rejection of Certain Executory Contracts Effective as of June 6, 2025* filed substantially contemporaneously herewith, the Company is seeking to reject each of the Sale and Contribution Agreements, which eliminates the chain of title between Solar Mosaic and the Warehouses for all future originations, including for the completion of partially funded loans.

27. To permit the completion of the partially funded loans, the Company will engage in discussions with the lenders to the Warehouses holding the partially funded loans to negotiate amendments to the applicable revolving loan facilities (the "Warehouse Amendments"). The Warehouse Amendments would permit Solar Mosaic to merely serve as an agent for those financial institutions for the origination of the remaining fundings and the transfer of the proceeds thereof to the applicable Installer. The Company would also earn a fee for each such funding to partially compensate the estate for the overhead costs incurred by the Company in facilitating these

fundings. Once in agreed form, the Company intends to seek the Court's approval to enter into the Warehouse Amendments pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure.

**(iii) Loan Sales and Repurchase Obligations**

28. Completed loans originated through the Company are typically funded through and sold into one of a number of different structures established in conjunction with financing partners, including (a) the Warehouses, (b) whole loan purchasers ("Whole Loan Purchasers"), and (c) asset-backed securitizations vehicles ("ABS Vehicles"). The Company also is party to a marketing, loan sale, and servicing partnership with WebBank whereby (x) the Company markets to consumers (through Installers) home improvement loans originated by WebBank, and (y) upon origination by WebBank, WebBank retains certain of such loans and provides what is, in practical effect, a financing facility to the Company (the "WebBank Financing Facility") whereby the Company pays a carry cost (*i.e.*, equivalent to an interest rate charge in a traditional financing) to WebBank for each loan WebBank is retaining, the Company services such loans and the Company is obligated under certain circumstances to purchase those retained loans from WebBank upon WebBank's demand. Finally, the Company provides servicing with respect to loans originated pursuant to an agreement with Connexus Credit Union ("Connexus").

29. As part of the Company's contractual relationships with its financing partners, the Company typically incurs obligations to repurchase loans from its partners when certain conditions are met, including, in particular, in cases where the loan sold to the applicable financing vehicle failed to meet certain eligibility criteria as of the date of sale or in cases where the applicable loan does not reach PTO within a specified time period.

**(iv) The Servicing Business**

30. The Company's Servicing Business is built around the servicing of the loans sold to its partners. As part of its contractual agreements with the Warehouses, Whole Loan Purchasers,

ABS Vehicles, WebBank, and Connexus, the Company acts as servicer for the loans originated by the Company (or in the cases of WebBank and Connexus, marketed by the Company and originated and held by WebBank or Connexus, as applicable). The Company also engages certain subservicers as part of its Servicing Business. The total amount of loans currently being actively serviced by the Company's Servicing Business is over \$8 billion, consisting of the following approximate amounts:

- \$3.8 billion in ABS Vehicles;
- \$2.3 billion with Whole Loan Purchasers;
- \$1.4 billion in Warehouses;
- \$300 million with Connexus; and
- \$32 million with WebBank.

**(v) The Company's Employees**

31. All of the Company's employees are employed by, and related obligations for outsourcing partners and contractors are incurred by, Solar Mosaic. The Company currently employs approximately 153 total employees, of which 149 are full-time employees and four are part-time employees. Approximately 139 of the full-time employees are salaried while approximately ten (10) are paid hourly. The Company has also utilized a sizable outsourced and contractor workforce spread across twelve (12) countries which primarily assist with operations, sales, technology, and accounting roles.

**III. Prepetition Capital Structure**

32. The Company's capital structure (excluding Warehouses) is comprised of funded senior secured debt provided pursuant to a credit facility, the WebBank Financing Facility, trade debt and other general unsecured debt, and equity interests.

**A. Prepetition Secured Loan**

33. On or about June 22, 2021, Solar Mosaic, as borrower, entered into that certain *Credit Agreement* (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Prepetition Credit Agreement” and (a) each Loan extended and as defined thereunder, collectively, the “Prepetition Secured Loans” and (b) the Obligations arising and as defined thereunder, including the Prepetition Loans, the “Prepetition Secured Loan Obligations”) with the financial institutions from time to time party thereto as Lenders (the “Prepetition Lenders”) and Forbright Bank (f/k/a Congressional Bank), as administrative agent (in such capacity, the “Prepetition Agent” and, together with the Prepetition Lenders, the “Prepetition Secured Parties”).

34. As of the Petition Date, the commitments under the Prepetition Credit Agreement are fully drawn with an outstanding principal balance of \$113,571,459.11, plus interest and fees.

35. The Debtors’ obligations under the Prepetition Credit Agreement are secured by substantially all of the Debtors’ assets in accordance with that certain *Amended and Restated Security and Pledge Agreement*, dated as of April 14, 2023, entered into among Solar Mosaic, Modern Home, LLC, MSFC, and the Prepetition Agent, as the same may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

**B. WebBank Financing Facility**

36. The Debtor’s obligations under the WebBank Financing Facility are collateralized by approximately \$8.5 million of the Company’s cash collateral as of the Petition Date, which is held in a WebBank account and subject to a security interest in favor of WebBank, as well as by the home improvement loan portfolio held by WebBank.

**C. Risk Retention Facility**

37. When the Warehouses have accumulated a sufficient inventory of loans, the Company historically has accessed the capital markets to issue notes through the ABS Vehicles holding the securitized loans and repaid the Warehouse lenders with the proceeds of the notes issuance. In compliance with applicable credit risk retention regulations, the Company, as the originator of the securitized loans, retains at least 5.00% of the notes issued by each ABS Vehicle (collectively, the “Risk Retention Notes”).

38. To leverage the value of the Risk Retention Notes, Solar Mosaic entered into that certain *Master Repurchase Agreement*, dated as of August 31, 2018 (the “Risk Retention Facility”), with NWCC, LLC (“Nearwater”), pursuant to which Solar Mosaic has sold, subject to its repurchase obligations thereunder, certain of the Risk Retention Notes to Nearwater in exchange for proceeds in the amount of not less than \$142 million.

**D. Unsecured Debt**

39. In the ordinary course of business, the Company incurs obligations on an unsecured basis with its vendors, suppliers, and other counterparties. As of the Petition Date, the Company estimates that it has approximately \$20 million of general unsecured claims outstanding.

**E. Equity Interests**

40. MSFC is privately owned, with one series each of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, Series D Preferred Stock, Series D-1 Preferred Stock, Series E-1 Preferred (PE1) Stock, Series E-2 Preferred (PE2) Stock, and Series FF Preferred Stock, (collectively, the “Preferred Stock”), which is broadly held by various entities and individuals. In addition to the Preferred Stock, MSFC has also issued one series of common shares (the “Common Stock”). MSFC currently has 6,179,777 shares of Common Stock issued and outstanding, and 68,402,947 shares of Preferred Stock issued and

outstanding, with additional options and/or restricted stock units held by certain members of the Company's management team and employees.

#### **IV. Events Leading to Chapter 11**

41. Despite its growth in preceding years, the Company has faced significant liquidity challenges prior to the filing of these Chapter 11 Cases. Higher interest rates, unfavorable capital markets conditions, and a significant contraction in the market for residential solar loans have prevented the Company from accessing other sources of liquidity to fully address these issues. More recently, political uncertainty around the future of solar ITCs negatively impacted the Company's ability to refinance corporate debt, raise equity capital, and enter into agreements with new or existing lending partners for financing additional Warehouse capacity.

42. As a result of these challenges, the Company, with the assistance of its advisors, began evaluating potential strategic and restructuring alternatives, which ultimately led to the Company conducting an extensive recapitalization effort and eventually pivoting to the sale process contemplated in these Chapter 11 Cases.

##### **A. Prepetition Recapitalization and Marketing Process**

43. The Company began working with Rockefeller Capital Management ("Rockefeller") in August, 2024 to assist the Company in developing a plan to recapitalize the Company. As part of this process, Rockefeller engaged in discussions with the Company's largest shareholders as well as third parties, contacting approximately seven (7) parties, and received no more than two (2) indications of interest. This process culminated in the negotiation of a term sheet with these potential investors that contemplated an equity investment in the Company. The Company and its advisors worked diligently to pursue this potential recapitalization transaction, including providing extensive diligence materials, conducting management meetings, and vigorously negotiating the terms of the transaction. As this process was reaching final stages of

negotiation, the U.S. House of Representatives advanced a bill to the U.S. Senate which cast substantial doubt on the prospective availability of residential solar tax credits. This development, which is still not resolved, materially changed the potential risk profile the investment the Company sought and its business overall. In the end, despite the Company's efforts, the potential equity investment failed to materialize.

44. Once it became clear that the contemplated recapitalization would not be consummated and that the Company had no other actionable prospects for an out-of-court solution to its worsening liquidity challenges, the Company and its advisors quickly pivoted to preparing for a chapter 11 bankruptcy filing and sought support from key stakeholders, potential investors, and other interested parties.

45. The Debtors also retained Jefferies LLC ("Jefferies") as their investment banker in 2024 to, among other things, advise the Debtors and facilitate outreach in connection with an evaluation of the Debtors' immediate financing needs and potential strategic transactions, including financing and asset sales. Jefferies launched a marketing process on behalf of the Debtors to explore capital raise opportunities in an effort to refinance the maturing facility under the Prepetition Credit Agreement. Despite Jefferies' robust marketing process, including engagement with 22 parties, the Debtors did not ultimately receive any acceptable offers and determined to negotiate with the Prepetition Lenders under the Debtors' Prepetition Credit Agreement for an amended and extended Prepetition Credit Agreement assisted by Jefferies.

46. The Debtors re-engaged Jefferies on May 29, 2025, to provide investment banking services in connection with the effort to seek incremental financing, a potential sale of some or all assets of the Debtors, and a potential restructuring of the Debtors. Jefferies has been integrally involved in the negotiations with existing Prepetition Lenders, other creditors and stakeholders

and third parties. In addition, Jefferies, together with the Debtors' other advisors and management, have been assisting the Debtors in (a) the negotiation of a debtor in possession credit facility and assessment of alternative financing options, and (ii) running a comprehensive sale and marketing process for substantially all of the Debtors' assets under the compressed timeline dictated by the Debtors' liquidity needs.

47. Since Jefferies' re-engagement, Jefferies has contacted a total of 21 parties, including six (6) potential strategic purchasers and 15 potential financial purchasers with respect to a potential financing transaction or sale of some or all of the Debtors' assets. Of those parties, seven (7) have executed a non-disclosure agreement and been given access to a secure dataroom containing diligence materials. No party has submitted any indication of interest as of the Petition Date. While none of these parties were willing to provide a debtor-in-possession loan or proceed as a stalking horse bidder as of the Petition Date, the Company believes that a number of these parties are likely to submit bids for all or some combination of the Company's assets as the marketing and sale process continues during the course of these Chapter 11 Cases.

#### **B. Operations During the Chapter 11 Cases**

48. The Company intends to continue operating the Servicing Business in the ordinary course and providing the same high level of service that borrowers and the Company's partners have come to expect. Accordingly, the Company has requested, pursuant to the First Day Motions, appropriate relief to fully support the continued operation of the Servicing Business during the course of these Chapter 11 Cases. Maintaining the Servicing Business operations in the same manner as prior to the Petition Date—including through retaining the Company's employees, contractors, and outsourced service providers that support the Servicing Business in the ordinary course—ensures that the value of the Servicing Business is preserved for the benefit of all stakeholders.

49. While the Company does not plan to originate new loans during the course of the Chapter 11 Cases, it has taken prudent steps to preserve the optionality for a purchaser of the Origination Business assets to restart originations, which inures to the benefit of the estates and all stakeholders.

50. Based on the foregoing, the Company's management believes that the value available to the various stakeholders will be maximized by implementing the restructuring contemplated by the Plan Term Sheet or, alternatively in the event the Company receives actionable bids through a sales process that would realize greater value for stakeholders, a sale of substantially all or any portion of the Company's assets pursuant to section 363 of the Bankruptcy Code, in each case while simultaneously (a) continuing operations of the Servicing Business in the ordinary course after the commencement of the Chapter 11 Cases and (b) pursuing certain targeted measures to eliminate burdensome or underperforming contracts and other liabilities.

#### **V. First Day Motions**

51. To ensure a smooth transition into chapter 11 and limit the operational disruption of these Chapter 11 Cases, the Company filed several First Day Motions. I have reviewed each of the First Day Motions filed to date, or filed substantially contemporaneously herewith, and the factual statements set forth in the First Day Motions are true and correct to the best of my knowledge, information, and belief, and are incorporated herein by reference. It is my belief that the relief sought in each of the First Day Motions is tailored to meet the goals described above and, ultimately, will enhance the Company's ability to maximize the value of its estates for the benefit of all of the Company's stakeholders.

52. The relief requested by the First Day Motions, including the requested authority to pay discrete prepetition claims or continue selected prepetition programs, is essential to preserve the value of the Company's estates and necessary to avoid immediate and irreparable harm to the

Company and its stakeholders. I believe that payment of those selected prepetition claims identified in the First Day Motions will forestall irreparable harm, thus maximizing the value of the Debtors' estates to the benefit of all stakeholders. Further, I believe that such relief will enable the Company to stabilize and preserve its operations, thereby maximizing the going-concern value of the Company's business and avoiding a chaotic post-filing period that results in diminution of estate value.

53. I understand that the Bankruptcy Rules permit the Court to grant relief within the first 21 days after the Petition Date where such relief is necessary to avoid immediate and irreparable harm. I believe an immediate and orderly transition into chapter 11 is critical to the viability of the Company's operations and that any delay in granting the relief requested in the First Day Motions could hinder the Company's ability to maintain the going-concern value of the Company's business and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Company's ability to maintain its operations at this important juncture.

54. For the reasons set forth above, I believe that the relief requested in the First Day Motions is necessary to avoid immediate and irreparable harm to the Company and is in the best interests of the Company's estates, its creditors, and all other parties in interest. Accordingly, on behalf of the Company, I respectfully submit that each of the First Day Motions should be approved.

*[Remainder of Page Intentionally Left Blank]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: June 6, 2025  
Boston, Massachusetts

/s/ Mark A. Renzi  
Mark A. Renzi  
Chief Restructuring Officer of the Debtors

**Exhibit A**

**Plan Term Sheet**

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**MOSAIC SUSTAINABLE FINANCE CORPORATION, et al.,  
PLAN TERM SHEET**

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**THIS TERM SHEET (THE “TERM SHEET”) OUTLINES THE MATERIAL TERMS OF A PROPOSED REORGANIZATION OF MOSAIC SUSTAINABLE FINANCE CORPORATION AND ITS AFFILIATED DEBTORS-IN-POSSESSION IN THEIR JOINTLY ADMINISTERED BANKRUPTCY CASES (THE “CHAPTER 11 CASES”) TO BE FILED IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS (THE “BANKRUPTCY COURT”).**

**THIS TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF THE DEBTORS, NOR IS IT A SOLICITATION OF THE ACCEPTANCE OR REJECTION OF A PLAN FOR PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. THIS TERM SHEET AND THE TRANSACTIONS DESCRIBED HEREIN ARE SUBJECT IN ALL RESPECTS TO, AMONG OTHER THINGS, NEGOTIATION, EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION AND SATISFACTION OR WAIVER OF THE CONDITIONS PRECEDENT SET FORTH HEREIN AND THEREIN.**

**I. Parties**

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| <b>Debtors:</b>                       | Mosaic Sustainable Finance Corporation (“ <u>Mosaic</u> ” or “ <u>TopCo</u> ”) and its debtor affiliates: Solar Mosaic LLC (“ <u>Solar</u> ”), Modern Home LLC, Mosaic Funding Holdings LLC (“ <u>MFH</u> ”), and SMCTX LLC (collectively, the “ <u>Company</u> ” or the “ <u>Debtors</u> ”). |
| <b>DIP Agent:</b>                     | Forbright Bank (f/k/a Congressional Bank), in its capacity as administrative agent for the DIP Lenders under the DIP Credit Agreement.                                                                                                                                                        |
| <b>DIP Lenders:</b>                   | Those “Lenders” under the DIP Credit Agreement.                                                                                                                                                                                                                                               |
| <b>Prepetition Secured Agent:</b>     | Forbright Bank (f/k/a Congressional Bank), in its capacity as administrative agent for the Prepetition Secured Lenders under the Prepetition Secured Credit Agreement.                                                                                                                        |
| <b>Prepetition Secured Lenders:</b>   | Those “Lenders” under the Prepetition Secured Credit Agreement.                                                                                                                                                                                                                               |
| <b>Prepetition First Out Lenders:</b> | Shall have the meaning assigned to the term “First Out Lenders” in the AAL.                                                                                                                                                                                                                   |
| <b>Prepetition Last Out Lenders:</b>  | Shall have the meaning assigned to the term “Last Out Lenders” in the AAL.                                                                                                                                                                                                                    |

**II. Other Defined Terms**

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| <b>“Administrative Expense Claim”</b>          | Means any Claim (other than any DIP Claim) for costs and expenses of administration of the Chapter 11 Cases Allowed under Bankruptcy Code sections 503(b), 507(a)(2), 507(b), or, if applicable, 1114(e)(2), including, but not limited to: (a) any actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors (including, but not limited to, wages, salaries, commissions for services, and payments for inventories, leased equipment, and premises); (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under Bankruptcy Code sections 328, 330, 331, 363, or 503(b) to the extent incurred on or before the Effective Date; (c) all U.S. Trustee Fees; (d) any 503(b)(9) Claims; and (e) any Claims that have been designated “Administrative Claims” by Final Order of the Bankruptcy Court. |
| <b>“AAL”</b>                                   | Means that certain Agreement Among Lenders dated as of March 27, 2024 (as amended, restated or otherwise modified from time to time) by and among the Prepetition Secured Agent, the Prepetition First Out Lenders and the Prepetition Last Out Lenders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“DIP Claims”</b>                            | Means all obligations, including, without limitation, all interest, fees and expenses, owed under or in connection with any DIP Credit Agreement by the Debtors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“DIP Credit Agreement”</b>                  | Means any debtor-in-possession financing credit agreement entered into by and among the Debtors, the DIP Agent and the DIP Lenders (as amended, restated, supplemented or modified and in effect as of the date hereof) in connection with the Chapter 11 Cases.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Effective Date”</b>                        | Means (a) the first business day after the entry of the order confirming the Plan (the “ <u>Confirmation Order</u> ”) on which (i) no stay of the Confirmation Order is in effect and (ii) all conditions precedent to effectiveness of the Plan have been satisfied or waived or (b) such other date as may be mutually agreed to between the Debtors and the DIP Agent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“General Unsecured Claims”</b>              | Means any unsecured Claim, other than an Administrative Expense Claim, a DIP Claim, a Priority Non-Tax Claim, a Priority Tax Claim, a Prepetition Secured Loan Claim or an Intercompany Claim, including, without limitation, claims on account of rejection damages.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“General Unsecured Claims Distribution”</b> | Means, to the extent the Restructuring Transactions are consummated pursuant to a Sale Transaction, an amount equal to (a) the aggregate net cash sale proceeds (if any) allocable to any particular Debtor, less (b) the aggregate amount required to pay in full in cash all allowed Claims that are senior to General Unsecured Claims of that particular Debtor in priority of payment under the Bankruptcy Code (including the satisfaction in full of the DIP Claims and the Prepetition Secured Loan Claims, including any interest, fees, or premiums payable thereon) or applicable nonbankruptcy law.                                                                                                                                                                                                                                                                                                                                                                         |

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| <b>“GUC Recovery Pool”</b>                      | To be mutually agreed between the Debtors and the DIP Agent, as applicable.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Intercompany Interests”</b>                 | Means all shares of stock, units, options, warrants, rights and other instruments evidencing an ownership interest in any of the entities collectively constituting the Company existing prior to the Effective Date (whether fixed or contingent, matured or unmatured, disputed or undisputed), including any right, contractual, legal, equitable, or otherwise, to acquire any of the foregoing, in each case only to the extent held by any of the entities collectively constituting the Company. |
| <b>“Existing Equity Interests”</b>              | Means Equity Interests existing as of the Effective Date.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Existing Intercompany Equity Interests”</b> | Means any Existing Equity Interests in a Debtor or a subsidiary of a Debtor that are owned or held by another Debtor.                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Existing TopCo Equity Interests”</b>        | Means any Existing Equity Interests in TopCo.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Fee Claim”</b>                              | Means a Claim by a professional for compensation, indemnification or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103(a) of the Bankruptcy Code in connection with the Chapter 11 Cases.                                                                                                                                                                                                                                                                               |
| <b>“Management Incentive Plan”</b>              | Means, as applicable, a management incentive plan in connection with the Plan Equitization Transaction, the material terms of which shall be included in the Plan Supplement.                                                                                                                                                                                                                                                                                                                           |
| <b>“New Organizational Documents”</b>           | Means the new organizational documents of New TopCo and any other Debtor following the Effective Date, to be entered into on the Effective Date, including certificates of incorporation, limited liability company agreements, stockholders or shareholders agreements, operating agreements, equity subscription or purchase agreements, charters or by-laws, the material terms of which shall be included in the Plan Supplement.                                                                   |
| <b>“New TopCo”</b>                              | Means an entity designated in the Plan Supplement that will, directly or indirectly, own 100% of the Equity Interests in, or substantially all of the assets of, Mosaic upon consummation of the Plan Equitization Transaction, as applicable.                                                                                                                                                                                                                                                          |
| <b>“Other Secured Claims”</b>                   | Means any Secured Claim against a Debtor other than a DIP Claim, or a Prepetition Secured Loan Claim.                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Plan Equitization Transaction”</b>          | Means the equitization of (a) the DIP Claims into 100% of Reorganized Preferred Equity and (b) 80% to 100% of the Prepetition Secured Loan Claims into 100% of Reorganized Common Equity (subject to dilution from the Management Incentive Plan, if applicable), subject to the terms of the AAL.                                                                                                                                                                                                      |
| <b>“Plan Supplement”</b>                        | Means any compilation of documents and forms of documents (including term sheets), agreements, schedules, and exhibits to the Plan and any and all other documents necessary to effectuate the                                                                                                                                                                                                                                                                                                          |

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|                                               | Restructuring Transactions or that are contemplated by the Plan, which shall be filed by the Debtors in form and substance reasonably acceptable to the Debtors and the DIP Agent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Prepetition Secured Credit Agreement”</b> | Means that certain Credit Agreement, dated as of June 22, 2021, among Solar, the Prepetition Secured Agent, and the Prepetition Secured Lenders party thereto from time to time, as amended, restated, amended or restated, supplemented, or otherwise modified from time to time.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Prepetition Secured Loan Claims”</b>      | Means all obligations, including, without limitation, all interest, fees and expenses, owed under or in connection with the Prepetition Secured Credit Agreement by the Debtors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Priority Non-Tax Claims”</b>              | Means any Claim, other than a DIP Claim, an Administrative Expense Claim, a Fee Claim or a Priority Tax Claim, entitled to priority in payment as specified in section 507(a) of the Bankruptcy Code.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Priority Tax Claims”</b>                  | Means any claim of a “government unit” as defined in section 101(27) of the Bankruptcy Code that is entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Reorganized Common Equity”</b>            | Means the common Equity Interests of New TopCo authorized under the New Organizational Documents of the post-Effective Date Debtors and issued and/or distributed on the Effective Date in accordance with this Plan.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Reorganized Preferred Equity”</b>         | Means the preferred Equity Interests of New TopCo authorized under the New Organizational Documents of the post-Effective Date Debtors and issued and/or distributed on the Effective Date in accordance with this Plan.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Restructuring Transactions”</b>           | Means either (a) the Plan Equitization Transaction or (b) the Sale Transaction, or (c) both the Plan Equitization Transaction and the Sale Transaction, as the context requires.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Sale Transaction”</b>                     | Means a sale of all or substantially all of the remaining assets of the Debtors, which may be through one or more sales of the assets or equity interests of the Debtors, as further set forth herein, pursuant to sections 363 or 1129 of the Bankruptcy Code and the Bidding Procedures, solely if a Sufficient Bid is received by the Debtors.                                                                                                                                                                                                                                                                                                  |
| <b>“Subordinated Claim”</b>                   | Means any prepetition Claim that is subject to subordination pursuant to sections 510(b)–(c) of the Bankruptcy Code or otherwise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Subordinated Claims Distribution”</b>     | Means, to the extent the Restructuring Transactions are consummated pursuant to a Sale Transaction, an amount equal to (a) the aggregate net cash sale proceeds(if any) allocable to any particular Debtor, less (b) the aggregate amount required to pay in full in cash all allowed Claims that are senior to Subordinated Claims in priority of payment under the Bankruptcy Code (after taking into account all structurally senior allowed Claims) (including the satisfaction in full of the DIP Claims and the Prepetition Secured Loan Claims, including any interest, fees, or premiums payable thereon) or applicable nonbankruptcy law. |

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| <p><b>“Sufficient Bid”</b></p> | <p>Means a qualified bid for a Sale Transaction, or series of qualified bids (so long as each such qualified bid does not contemplate a sale of any assets covered by any such other qualified bid) for a Sale Transaction aggregated together, that the Debtors, in consultation with the DIP Agent, determine have satisfied, among other things, the following conditions: (a) be a good faith, bona fide, irrevocable bid, (b) be in writing and executed by a duly authorized representative of the bidder, (c) unless otherwise agreed by the DIP Agent and Prepetition Secured Agent in their applicable sole discretion, provide for receipt by the Debtors of aggregate cash consideration sufficient for the payment in full in cash at the closing of the Sale Transaction contemplated by such qualified bid(s) of: (1) all of the DIP Claims and (2) all of the Prepetition Secured Loan Claims, (d) be accompanied by a cash deposit equal to at least 10% of the purchase price, (e) include written evidence acceptable to the Debtors demonstrating appropriate corporate or similar governance authorization of the bidder(s) to consummate the Sale Transaction contemplated by the proposed bid(s), (f) include written evidence that demonstrates that the bidder has the necessary financial ability to timely close the Sale Transaction contemplated by the proposed qualified bid(s) (including written evidence of the bidder’s internal financial resources and ability to finance its bid with Cash on hand, available lines of credit, uncalled capital commitments or otherwise available funds), (g) not contain conditions or contingencies of any kind, relating to financing, internal approvals, due diligence, third party consents or approvals (other than governmental or regulatory consents that may be required to consummate the proposed Sale Transaction, including any antitrust approval that may be required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which shall be described in the bid together with evidence satisfactory to the Debtors of the ability to obtain such approvals or consents as soon as reasonably practicable), the satisfaction or achievement of any financial targets, thresholds or metrics, the absence of any material adverse effect since a date earlier than the date the bid was submitted, or any other conditions or contingencies other than conditions to closing that are customary for sales to non-“stalking horse” bidders in sales of assets under section 363 of the Bankruptcy Code (but, for the avoidance of doubt, excluding any of the conditions set forth in this clause (g)), (h) be reasonably likely to be consummated (if selected as the winning bid) promptly following entry of the sale order or Confirmation Order, as applicable, or otherwise within a time frame acceptable to the Debtors and the DIP Agent, and (j) in the case of a series of qualified bids (so long as each such qualified bid does not contemplate a sale of any assets covered by any such other qualified bid) for a Sale Transaction aggregated together, each qualified bid in such series is conditioned on the consummation of the other qualified bid(s) in such series at substantially the same time. Notwithstanding the foregoing, Forbrite Bank, in its capacity as the DIP Agent and the Prepetition Secured Agent, is automatically deemed a qualified bidder and may seek to credit bid all or a portion of (x) the DIP Claims and (y) the Prepetition Secured Loan Claims, and any such credit bid shall be deemed a</p> |
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|  | qualified bid without otherwise complying with the conditions set forth in clauses (a) through (j), including, without limitation, the requirement that qualified bids be accompanied by a cash deposit. |
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### **III. Effectuation of Plan with Treatment of Claims and Interests**

| <b><u>Plan - Treatment of Claims and Interests</u></b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <b>i. <u>Unclassified Claims</u></b>                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Administrative Expense Claims and Priority Tax Claims:</b> | <p>On or as soon as practicable after the later to occur of (i) the Effective Date or as soon as reasonably practicable thereafter or (ii) in the ordinary course of business as and when due, each holder of an allowed Administrative Expense Claim and/or Priority Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Administrative Expense Claim and/or Priority Tax Claim (a) cash equal to the unpaid portion of such allowed claim, (b) treatment as is consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code, or (c) such other treatment as may be agreed by the holder of such allowed claim and the Debtors.</p> <p>Not classified – non-voting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Intercompany Claims:</b>                                   | <p>(i) <i>Plan Equitization Transaction.</i> In the event of the Plan Equitization Transaction, on or after the Effective Date, any and all Intercompany Claims between and among Mosaic and any of its direct or indirect subsidiaries shall, at the option of the Debtors and the DIP Agent, either be (i) extinguished, canceled and/or discharged on the Effective Date or (ii) reinstated and otherwise survive the Debtors' restructuring by virtue of such Intercompany Claims being left unimpaired. To the extent any such Intercompany Claim is reinstated, or otherwise adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid or continued as of the Effective Date, any such transaction may be effected on or after the Effective Date without any further action by the Bankruptcy Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.</p> <p>(ii) <i>Sale Transaction.</i> In the event of a Sale Transaction, any and all Intercompany Claims between and among any Debtors whose equity is not purchased by the Successful Bidder shall, at the option of the Debtors, either be (i) extinguished, canceled and/or discharged on the Effective Date or (ii) reinstated and otherwise survive the Debtors' restructuring by virtue of such Intercompany Claims being left unimpaired. To the extent any such Intercompany Claim is reinstated, or otherwise adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid or continued as of the Effective Date, any such transaction may be effected on or after the Effective Date without any further action by the Bankruptcy</p> |

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|                                                        | <p>Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.</p> <p>Not classified – non-voting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>i. <u>Other Classes of Claims and Interests</u></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Class 1 – Priority Non-Tax Claims</b>               | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each holder of an allowed Priority Non-Tax Claim, except to the extent that a Holder of an allowed Priority Non-Tax Claim agrees to a lesser treatment, shall receive either: (i) cash in an amount equal to such allowed Claim; or (ii) such other treatment that will render such allowed Priority Non-Tax Claim unimpaired pursuant to section 1124 of the Bankruptcy Code. In the event of a Sale Transaction, any allowed Priority Non-Tax Claim that has been expressly assumed by the applicable Successful Bidder under the applicable Sale Documents shall not be an obligation of the Debtors.</p> <p>Unimpaired – deemed to accept.</p>                                                                                                |
| <b>Class 2 – Other Secured Claims:</b>                 | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each holder of an allowed Other Secured Claim, except to the extent that a Holder of an allowed Other Secured Claim agrees to a lesser treatment, shall receive either: (i) cash in an amount equal to such allowed Claim; or (ii) such other treatment that will render such allowed Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code. In the event of a Sale Transaction, any allowed Other Secured Claim that has been expressly assumed by the applicable Successful Bidder under the applicable Sale Documents shall not be an obligation of the Debtors.</p> <p>Unimpaired – deemed to accept.</p>                                                                                                            |
| <b>Class 3 – DIP Claims</b>                            | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each DIP Claim, except to the extent that the DIP Agent or a Holder of a DIP Claim agrees to less favorable treatment with respect to such Holder's Claim, on the Effective Date, each DIP Lender shall receive, subject to the terms of this Plan, payment of all outstanding unreimbursed fees and expenses, if any, and its pro rata share of:</p> <p>(i) in the event the Restructuring Transactions are consummated through the Plan Equitization Transaction, its <i>pro rata</i> share of the Reorganized Preferred Equity; or</p> <p>(ii) in the event the Restructuring Transactions are consummated through the Sale Transaction, payment in full, in cash on account of its allowed DIP Claim.</p> <p>Impaired – entitled to vote.</p> |
| <b>Class 4 – Prepetition Secured Loan Claims</b>       | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each Prepetition Secured Loan Claim, except to the extent that the Prepetition Secured Credit Agreement Agent or a Holder of a Prepetition Secured Loan Claim agrees to less favorable treatment with respect to such Holder's Claim, on the Effective Date,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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|                                                         | <p>each Prepetition Secured Lender shall receive, subject to the terms of this Plan, payment of all outstanding unreimbursed fees and expenses, if any, and its pro rata share of:</p> <p>(i) in the event the Restructuring Transactions are consummated through the Plan Equitization Transaction, its <i>pro rata</i> share of the Reorganized Common Equity (subject to dilution by the Management Incentive Plan); or</p> <p>(ii) in the event the Restructuring Transactions are consummated through the Sale Transaction, payment in full, in Cash on account of its Allowed Prepetition Secured Loan Claim.</p> <p>Impaired – entitled to vote.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Class 5 – General Unsecured Claims:</b> <sup>1</sup> | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each allowed General Unsecured Claim, except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, on the Effective Date, or as soon as practicable thereafter, each Holder of an allowed General Unsecured Claim against the Debtors shall receive:</p> <p>(i) in the event the Restructuring Transactions are consummated through the Plan Equitization Transaction, the greater of (x) the recovery such claimant would be entitled to receive under section 1129(a)(7) of the Bankruptcy Code, and (y) its pro rata share of the GUC Recovery Pool; or</p> <p>(ii) in the event the Restructuring Transactions are consummated through the Sale Transaction, its pro rata share of the General Unsecured Claims Distribution, if any. If the proceeds of the Sale Transaction do not result in a General Unsecured Claims Distribution, then such Holder of a General Unsecured Claim shall receive no consideration on account of its General Unsecured Claim.</p> <p>Impaired –entitled to vote.</p> |
| <b>Class 6 – Subordinated Claims:</b>                   | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each Subordinated Claim, except to the extent that a Holder of a Subordinated Claim agrees to less favorable treatment, on the Effective Date, or as soon as practicable thereafter, each Holder of a Subordinated Claim shall receive:</p> <p>(i) in the event the Restructuring Transactions are consummated through the Plan Equitization Transaction, no distribution or recovery on account of its Subordinated Claim; or</p> <p>(ii) in the event the Restructuring Transactions are consummated through the Sale Transaction, its pro rata share of the Subordinated Claims Distribution, if any. If the proceeds of the Sale Transaction do not result in a Subordinated Claims Distribution, then such Holder of a Subordinated Claim shall receive no consideration on account of its Subordinated Claim.</p>                                                                                                                                                                                                                           |

<sup>1</sup> General Unsecured Claims classes subject to continued diligence.

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|                                                          | Impaired – entitled to vote.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Class 7 – Existing TopCo Equity Interests:</b>        | <p>In full and final satisfaction, compromise, settlement, release, and discharge of each allowed Existing TopCo Equity Interest, whether the Restructuring Transactions are consummated through the Plan Equitization Transaction or the Sale Transaction, on the Effective Date, all allowed Existing TopCo Equity Interest shall be cancelled, released, and extinguished, and will be of no further force or effect, and Holders of each allowed Existing TopCo Equity Interest shall not receive or retain any property or distributions under this Plan on account of such allowed Existing TopCo Equity Interest.</p> <p>Impaired – deemed to reject.</p> |
| <b>Class 8 – Existing Intercompany Equity Interests:</b> | <p>On the Effective Date, whether the Restructuring Transactions are consummated through the Plan Equitization Transaction or the Sale Transaction, each Holder of an allowed Existing Intercompany Equity Interest shall receive no distribution on account of its Existing Intercompany Equity Interest, which shall, at the election of the Debtors, be (i) extinguished, canceled and/or discharged on the Effective Date, or (ii) reinstated and otherwise survive the Debtors’ restructuring by virtue of such Existing Intercompany Equity Interest being left unimpaired.</p> <p>Impaired – deemed to reject.</p>                                        |

#### **IV. Miscellaneous**

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| <b>Third Party Consents:</b> | To the extent applicable, the Debtors shall use their commercially reasonable efforts to obtain any third-party consents, including with respect to any licensing agreements, required in connection with the Restructuring Transactions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Exit Documentation:</b>   | In the case of the Plan Equitization Transaction, the Debtors shall be capitalized following the Effective Date with exit credit facilities to be mutually agreed as between the Debtors and the DIP Agent, the material terms of which shall be included in the Plan Supplement.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Corporate Governance:</b> | In the case of the Plan Equitization Transaction, the post-Effective Date Debtors’ governance structure to be mutually agreed as between the Debtors and the DIP Agent, the material terms of which shall be included in the Plan Supplement.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Releases:</b>             | The Plan shall provide for customary releases (including consensual third party releases) and/or waivers, including standard carve-outs, and such other carve-outs acceptable to the Debtors and the DIP Agent in their applicable sole discretion, among the Debtors, each of the DIP Agent, the DIP Lenders, the Prepetition Secured Agent, the Prepetition Secured Lenders, and their respective affiliates, in any capacity, and each of their respective current and former directors, officers, funds, affiliates, members, employees, partners, managers, agents, representatives, principals, consultants, and professional advisors (each in their capacity as such) (collectively, the “Released |

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|                                   | Parties”) of any and all claims, obligations (contractual or otherwise), suits, judgments, damages, rights, liabilities, or causes of action, whether known or unknown, foreseen or unforeseen, relating to any actions, transactions, events, or omissions on or before the Effective Date in any way relating to the Debtors, the Restructuring Transactions, this Term Sheet and any related transactions.                                                                                                                           |
| <b>Exculpation:</b>               | Customary exculpation provisions, including all Released Parties who are estate fiduciaries (including, without limitation, all current and former officers and directors of the Debtors), including standard carve-outs, and such other carve-outs acceptable to the Debtors and the DIP Agent in their applicable sole discretion.                                                                                                                                                                                                    |
| <b>Injunction:</b>                | Customary injunction provisions, including all Released Parties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Tax Issues</b>                 | The Debtors and the DIP Agent will work together in good faith and will use commercially reasonable efforts to structure and implement the Plan and the Restructuring Transactions related thereto in a tax efficient and cost-efficient manner. The parties also intend to structure the restructuring to preserve favorable tax attributes to the extent it is practicable and not materially adverse to the parties.                                                                                                                 |
| <b>Documentation:</b>             | This Term Sheet does not include a description of all of the terms, conditions, and other provisions that will be contained in the definitive documentation governing the Plan and the Restructuring Transactions related thereto and the material documents shall be materially consistent with this Term Sheet and shall be reasonably acceptable to the Debtors and the DIP Agent.                                                                                                                                                   |
| <b>Conditions Precedent</b>       | Customary closing conditions for transactions of this type, including, but not limited to the following conditions all being met to the satisfaction of the Debtors and the DIP Agent: (i) an order approving the solicitation and disclosure statement shall have been entered for the Plan, (ii) the applicable Confirmation Order shall have been entered, without any material modification that would require re-solicitation, and shall not be subject to any stay, and (iii) execution and delivery of the Definitive Documents. |
| <b>Other Terms and Conditions</b> | The Plan, the Definitive Documents and other material agreements relating to the Plan and the transactions related thereto shall be in form and substance reasonably satisfactory to the Debtors and the DIP Agent, and shall contain such other terms and conditions consistent with this Term Sheet as are customary for transactions of this type.                                                                                                                                                                                   |

**Exhibit B**

**Organizational Chart**



**Legend / Notes:**

- Non-Debtors 
- Borrower under Prepetition Credit Agreement 
- Guarantors under Prepetition Credit Agreement 
- Entities not currently active or in use 

All ownership interests are 100%

All entities, unless otherwise noted, are incorporated or organized in Delaware

