IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
VIP CINEMA HOLDINGS, INC., *et al.*,[1]	)	Case No. 20-_____ (_____)
Debtors.	)	(Joint Administration Requested)

DISCLOSURE STATEMENT FOR THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF VIP CINEMA HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases, for which joint administration has been requested, along with the last four digits of their federal tax identification numbers, are as follows: VIP Cinema Holdings, Inc. (2049); HIG Cinema Intermediate Holdings, Inc. (4710); VIP Components, LLC (4648); VIP Cinema, LLC (7167); and VIP Property Management II, LLC (1421).

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126, 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS[2] INTEND TO SUBMIT THIS DISCLOSURE STATEMENT TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS' FILING FOR RELIEF UNDER CHAPTER 11 OF THE BANKRUPTCY CODE. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE AND SUBJECT TO THE RESTRUCTURING SUPPORT AGREEMENT AND THE RELATED TERM SHEETS. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT FOR SOLICITATION OF VOTES ON THE JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION OF VIP CINEMA HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE FROM THE HOLDERS OF OUTSTANDING:

VOTING CLASS	NAME OF CLASS UNDER THE PLAN
CLASS 3	FIRST LIEN CLAIMS

IF YOU ARE IN CLASS 3, YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN

DELIVERY OF BALLOTS

BALLOTS MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE, WHICH IS 5:00 P.M. (PREVAILING EASTERN TIME) ON FEBRUARY 25, 2020 VIA THE BALLOTING PORTAL USING THE LOGIN INFORMATION ON YOUR BALLOT AT:

HTTPS://OMNIAGENTSOLUTIONS.COM/VIPCINEMABALLOT

OR VIA EMAIL AT:

VIPBALLOTS@OMNIAGNT.COM
SUBJECT LINE: "VIP"

BALLOTS RECEIVED VIA MEANS OTHER THAN THESE ELECTRONIC MEANS

[2] The term "Debtor" as used hereunder shall mean each of VIP Cinema Holdings, Inc., HIG Cinema Intermediate Holdings, Inc., VIP Components, LLC, VIP Cinema, LLC, and VIP Property Management II, LLC (collectively, the "Debtors").

WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT OMNI AGENT SOLUTIONS, INC. (THE DEBTORS' SOLICITATION AGENT) AT:

866-680-8026 (TOLL FREE)

OR VIA EMAIL: VIPBALLOTS@OMNIAGNT.COM SUBJECT LINE: "VIP."

This disclosure statement (as may be amended, supplemented, or otherwise modified from time to time, this "Disclosure Statement") provides information regarding the *Joint Prepackaged Plan of Reorganization of VIP Cinema Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"),[3] which the Debtors are seeking to have confirmed by the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit A. The Debtors are providing the information in this Disclosure Statement to certain Holders of Claims for purposes of soliciting votes to accept or reject the Plan.

Pursuant to the Restructuring Support Agreement, the Plan is currently supported by the Debtors, Holders of more than 66.6% of the amount of First Lien Claims, and the Holder of 100% of the amount of Second Lien Claims. The Investor has also executed the Restructuring Support Agreement and, therefore, supports the Debtors' Plan.

The consummation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article VIII of the Plan. There is no assurance that the Bankruptcy Court will confirm the Plan or, if the Bankruptcy Court does confirm the Plan, that the conditions necessary for the Plan to become effective will be satisfied or, in the alternative, waived.

You are encouraged to read this Disclosure Statement (including "Certain Factors to Be Considered" described in Article VII hereof) and the Plan in their entirety before submitting your Ballot to vote on the Plan.

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

The Debtors strongly encourage Holders of Claims in Class 3 to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan. Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing.

RECOMMENDATION BY THE DEBTORS

3 Capitalized terms used but not defined herein have the meanings given to such terms elsewhere in this Disclosure Statement or in the Plan, as applicable.

EACH DEBTOR'S BOARD OF DIRECTORS, GENERAL PARTNER, MEMBER, OR MANAGER, AS APPLICABLE, HAS APPROVED THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT, AND EACH DEBTOR BELIEVES THAT THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF EACH OF THE DEBTOR'S ESTATES, AND PROVIDES THE BEST RECOVERY TO CLAIM HOLDERS. AT THIS TIME, EACH DEBTOR BELIEVES THAT THE PLAN AND RELATED TRANSACTIONS REPRESENT THE BEST ALTERNATIVE FOR ACCOMPLISHING THE DEBTORS' OVERALL RESTRUCTURING OBJECTIVES. EACH OF THE DEBTORS, THEREFORE, STRONGLY RECOMMENDS THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT NO LATER THAN FEBRUARY 25, 2020 AT 5:00 P.M. (PREVAILING EASTERN TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND IN THE BALLOTS.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

The Bankruptcy Court has not reviewed this Disclosure Statement or the Plan, and the securities to be issued on or after the Effective Date will be issued pursuant to a registration statement filed with the United States Securities and Exchange Commission (the "SEC") under the United States Securities Act of 1933 (as amended, the "Securities Act") or any securities regulatory authority of any state under any state securities law ("Blue Sky Laws"). The Plan has not been approved or disapproved by the SEC or any state regulatory authority and neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of the information contained in this Disclosure Statement or the Plan. Any representation to the contrary is a criminal offense. The Debtors are relying on section 4(a)(2) of the Securities Act, and similar Blue Sky Laws provisions, to exempt from registration under the Securities Act and Blue Sky Laws the offer to certain Holders of First Lien Claims, certain Holders of DIP New Money 2L Claims, and the Investor of new securities prior to the Petition Date, including in connection with the solicitation of votes to accept or reject the Plan (the "Solicitation").

After the Petition Date, the Debtors will rely on section 1145(a) of the Bankruptcy Code, Section 4(a)(2) of the Securities Act, or other exemptions under the Securities Act to exempt from registration under the Securities Act and Blue Sky Laws the offer, issuance, and distribution of Reorganized Preferred Stock and Reorganized Common Stock under the Plan. Neither the Solicitation nor this Disclosure Statement constitutes an offer to sell or the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized.

Except to the extent publicly available, this Disclosure Statement, the Plan, and the information set forth herein and therein are confidential. This Disclosure Statement and the Plan may contain material non-public information concerning the Debtors, their subsidiaries, and their respective debt and Securities. Each recipient hereby acknowledges that it (a) is aware that the federal securities laws of the United States prohibit any person

who has material non-public information about a company, which is obtained from the company or its representatives, from purchasing or selling Securities of such company or from communicating the information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such Securities and (b) is familiar with the United States Securities Exchange Act of 1934 (as amended, the "Securities Exchange Act") and the rules and regulations promulgated thereunder.

DISCLAIMER

This Disclosure Statement contains summaries of certain provisions of the Plan and certain other documents and financial information. The information included in this Disclosure Statement is provided solely for the purpose of soliciting acceptances of the Plan and should not be relied upon for any purpose other than to determine whether and how to vote on the Plan. All Holders of Claims entitled to vote are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting. The Debtors believe that these summaries are fair and accurate. The summaries of the financial information and the documents that are attached to, or incorporated by reference in, this Disclosure Statement are qualified in their entirety by reference to such information and documents. In the event of any inconsistency or discrepancy between a description in this Disclosure Statement, on the one hand, and the terms and provisions of the Plan or the financial information and documents incorporated in this Disclosure Statement by reference, on the other hand, the Plan or the financial information and documents, as applicable, shall govern for all purposes.

Except as otherwise provided in the Plan or in accordance with applicable law, the Debtors are under no duty to update or supplement this Disclosure Statement. The Bankruptcy Court's approval of this Disclosure Statement does not constitute a guarantee of the accuracy or completeness of the information contained herein or the Bankruptcy Court's endorsement of the merits of the Plan. The statements and financial information contained in this Disclosure Statement have been made as of the date hereof unless otherwise specified. Holders of Claims reviewing the Disclosure Statement should not assume at the time of such review that there have been no changes in the facts set forth in this Disclosure Statement since the date of this Disclosure Statement. No Holder of a Claim or Equity Interest should rely on any information, representations, or inducements that are not contained in or are inconsistent with the information contained in this Disclosure Statement, the documents attached to this Disclosure Statement, and the Plan. This Disclosure Statement does not constitute legal, business, financial, or tax advice. Any Person or Entity desiring any such advice should consult with their own advisors. Additionally, this Disclosure Statement has not been approved or disapproved by the Bankruptcy Court, the SEC, or any securities regulatory authority of any state under Blue Sky Laws. The Debtors are soliciting acceptances to the Plan prior to commencing any cases under chapter 11 of the Bankruptcy Code.

The financial information contained in or incorporated by reference into this Disclosure Statement has not been audited, except as specifically indicated otherwise. The Debtors' management, in consultation with their advisors, has prepared the financial projections attached hereto as **Exhibit E** and described in this Disclosure Statement. The financial projections, while presented with numerical specificity, necessarily were based on a variety of estimates and assumptions that are inherently uncertain and may be beyond the control of the Debtors' management. Important factors that may affect actual results and cause the management forecasts not to be achieved include, but are not limited to, risks and uncertainties relating to the Debtors' business (including their ability to achieve strategic goals, objectives, and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions, and other factors. The Debtors caution that no representations can be made as to the accuracy of these projections or to their ultimate performance compared to the information contained in the forecasts or that the forecasted results will be achieved. Therefore, the financial

projections may not be relied upon as a guarantee or other assurance that the actual results will occur.

Regarding contested matters, adversary proceedings, and other pending, threatened, or potential litigation or other actions, this Disclosure Statement does not constitute, and may not be construed as, an admission of fact, liability, stipulation, or waiver by the Debtors or any other party, but rather as a statement made in the context of settlement negotiations in accordance with Rule 408 of the Federal Rules of Evidence and any analogous state or foreign laws or rules. As such, this Disclosure Statement shall not be construed to be conclusive advice on the tax, securities, financial or other effects of the Plan to Holders of Claims against or Equity Interests in, the Debtors or any other party in interest. Please refer to Article VII of this Disclosure Statement, entitled "Certain Factors to Be Considered" for a discussion of certain risk factors that Holders of Claims voting on the Plan should consider.

Except as otherwise expressly set forth herein, all information, representations, or statements contained herein have been provided by the Debtors. No person is authorized by the Debtors in connection with this Disclosure Statement, the Plan, or the Solicitation to give any information or to make any representation or statement regarding this Disclosure Statement, the Plan, or the Solicitation, in each case, other than as contained in this Disclosure Statement and the exhibits attached hereto or as otherwise incorporated herein by reference or referred to herein. If any such information, representation, or statement is given or made, it may not be relied upon as having been authorized by the Debtors.

This Disclosure Statement contains certain forward-looking statements, all of which are based on various estimates and assumptions. Such forward-looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including, but not limited to, those summarized herein. When used in this Disclosure Statement, the words "anticipate," "believe," "estimate," "will," "may," "intend," and "expect" and similar expressions generally identify forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, they cannot be sure that they will be achieved. These statements are only predictions and are not guarantees of future performance or results. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward-looking statements attributable to the Debtors or Persons or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this Disclosure Statement. Forward-looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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EXECUTIVE SUMMARY

The Plan implements a prepackaged restructuring agreed to among the Debtors and the Debtors' major stakeholders, including an ad hoc committee comprised of holders of at least 66.6% of the First Lien Claims, the holder of 100% of the Second Lien Claims, and the Investor, the restructuring will result in a significant deleveraging of the Debtors' capital structure, as reflected in the chart below:

Capital Structure as of January 1, 2020

	Principal Outstanding[4]
First Lien Revolving Credit Facility	$20 million
First Lien Term Loan	$144 million
Second Lien Term Loan	$45 million
Total	**$209 million**

Post-Emergence Capital Structure

	Principal Outstanding
First Lien Exit Facility	$11 million
Second Lien Exit Facility	$20 million
Reorganized Preferred Stock	$69 million
Total	**$100 million**

[4] All values exhibited herein are approximate.

The anticipated benefits of the Plan include, without limitation, the following:

(a) Conversion of approximately $164 million of First Lien Claims to equity and an exit facility;

(b) Discharge of approximately $45 million of Second Lien Claims;

(c) A $13 million new money debtor in possession financing facility from the Consenting First Lien Lenders and the Second Lien Lenders;

(d) Prompt emergence from chapter 11; and

(e) A $7 million new money capital infusion upon emergence from the Investor.

The Plan provides for a comprehensive restructuring of the Debtors' prepetition obligations, preserves the going-concern value of the Debtors' business, maximizes all creditor recoveries, and protects the jobs of the Debtors' invaluable employees, including the management team. To evidence their support for the Debtors' restructuring, the Debtors and their key stakeholders executed the Restructuring Support Agreement, a copy of which is attached hereto as **Exhibit B**. As described in further detail below, under the terms of the Plan, among other things, each Holder of First Lien Claims will receive, on account of its First Lien Claims, its Pro Rata Share of (a) Reorganized Preferred Stock with an initial stated value of $60 million, and (b) 10% of the Reorganized Common Stock (prior to dilution from the Management Incentive Plan).

The purpose of this Disclosure Statement is to provide Holders of Claims entitled to vote to accept or reject the Plan with adequate information about (i) the Debtors' business and certain historical events, (ii) the Chapter 11 Cases, (iii) the rights of Holders of Claims and Equity Interests under the Plan, and (iv) other information necessary to enable each Holder of a Claim to make an informed judgment as to whether to vote to accept or reject the Plan.

ARTICLE I:

INTRODUCTION

The Debtors (together with VIP Cinema Seating International, LTD and HIG Cinema Holdings, Inc., the "Company") comprise a multinational enterprise that is one of the largest manufacturers, and a pioneer, of luxury seating products for movie theaters. The Company also offers an array of movie-theatre services, including seat cleaning and reupholstering, seat and slipcover installation, and the provision of replacement parts. With headquarters, offices, and services across the United States, the United Kingdom, and Dubai, and its provision of goods and services to many of the leading movie theatres across the world, the Company has a broad domestic and global reach.

Steve Simons started the Company in 2008 as a residential furniture manufacturer based in New Albany, Mississippi. Due to the proliferation of alternative movie and viewing experiences, including the development of online streaming services, domestic movie-theatre companies have experienced declines in attendance and started looking for ways to increase revenue and profitability. The Company recognized this dynamic, and was amongst the first in the U.S. to introduce and sell to exhibitors a premium, reclining movie theatre chair, to replace and upgrade existing low-profile, metal chairs.

Capitalizing on this market opportunity, in 2012 the Company began ramping up production and created a "first-mover advantage" by working closely with and becoming a key supplier to AMC Theatres ("AMC"). AMC experienced significant returns on investment for renovated auditoriums, driven by increases in (1) attendance, (2) ticket prices, and (3) concession up-take rates. As other exhibitors noticed AMC's success with this strategy and the customer feedback, demand for premium recliners increased significantly and the Company quickly expanded and started providing luxury seating to some of the other largest movie theatre companies—including Cinemark USA, Inc., Marcus Theatres and Cineplex Inc.—initially throughout North America and later in Europe.

In March of 2017, in a testament to the growing strength of the VIP brand, the Investor made a $62.5 million investment in the Company. In connection with such investment, the Company's executive management team was restructured to better align business units, improve accountability, and drive profitable growth. The Company continued to grow rapidly throughout 2017 and recorded its highest amount of sales ever in that year.

Since the end of 2017, however, the Company's revenues have significantly declined as the "penetration" opportunity for premium recliners started to plateau and exhibitors, particularly the larger ones that comprised a major portion of the Company's revenue, slowed down their renovation activities. Other factors driving the Company's recent revenue decline include (1) increased competition in the luxury movie-theatre seating market, which has put a pressure on price, (2) reduced capital investment spending by the Company's major customers, due to overall poor stock price performance and investor push-back on debt load and (3) a longer lifecycle for the Company's products than expected, which prevented the Company from being able to "fill" the headwinds from declines in new, first-time conversions.

As a result, in June 2019, the Company was unable to meet the maximum total leverage ratio (the "Maximum Total Leverage Ratio") required by the Existing First Lien Credit Agreement (defined below), triggering an event of default (the "Leverage Ratio Event of Default") under the Existing First Lien Credit Agreement. To facilitate restructuring negotiations, on August 20, 2019, the lenders under the Existing First Lien Credit Agreement (the "First Lien Lenders") entered into a forbearance agreement, restricting them from exercising their rights and remedies under the Existing First Lien Credit Agreement (the "Forbearance Agreement"). As further discussed herein, to permit continuing negotiations, the Forbearance Agreement was subsequently amended several times to lengthen the forbearance period, which expired on February 15, 2020.

The Forbearance Agreement provided the Company with the runway to drive consensus towards a comprehensive restructuring transaction, and in November 2019, the Debtors and their key stakeholders (the "Stakeholders"—the Consenting First Lien Lenders, the Second Lien Lenders, and the Investor—had agreed to terms on an out-of-court restructuring transaction (the "Out-of-Court Transaction"). Ultimately, however, due to further reduction in seating orders from a key customer (discussed further herein) and various other factors, the cash flow generated by the Company was no longer sufficient to support the proposed capital structure on which the Out-of-Court Transaction was based, and the parties abandoned the Out-of-Court Transaction.

The Company quickly pivoted to exploring all available strategic alternatives to improve the Debtors' liquidity position and recapitalize their balance sheets. Given the reduced cash flow of the Company, however, the Debtors' options were limited. Discussions with the Company's Stakeholders ultimately resulted in the form of the transaction embodied in the restructuring support agreement (the "Restructuring Support Agreement" and the parties thereunder, the "RSA Parties").

The Debtors and the RSA Parties worked diligently over the course of approximately two months to negotiate and consummate the terms of the restructuring support agreement attached hereto as **Exhibit B** (as amended, supplemented, or otherwise modified from time to time in accordance with its terms, and including any exhibits, schedules, or annexes attached thereto, the "Restructuring Support Agreement") before liquidity ran out and the market learned of a potential restructuring. Ultimately, on February 14, 2020, the Debtors and the RSA Parties executed the Restructuring Support Agreement. The Restructuring Support Agreement is supported by First Lien Lenders holding at least 66.6% in amount of First Lien Claims, and the Second Lien Lenders holding 100% in amount of Second Lien Claims as well as by the Investor. The transactions contemplated by the Restructuring Support Agreement will be implemented through the Plan, and will result in an expeditious balance sheet restructuring that will eliminate approximately $178 million of the Debtors' funded-debt obligations and minimize the time and expense associated with the Chapter 11 Cases. Furthermore, under the Restructuring Support Agreement, the Debtors have secured new equity financing of $7 million to fund the Reorganized Debtors' working capital and operational needs upon emergence from chapter 11.

Given the overwhelming support for the Debtors' restructuring by the RSA Parties, the Debtors elected to pursue a prepackaged restructuring in the weeks leading up to the solicitation period to maximize value by minimizing both the costs of restructuring and the impact on the Debtors' business. The Debtors believe that the Plan represents the most efficient route to consummate their restructuring and best position the Debtors, their trade partners, and other stakeholders going forward.

If confirmed and consummated, the Plan will: (i) provide the Debtors with working capital to fund ongoing operations post-emergence; (ii) distribute the Reorganized Preferred Stock and the Reorganized Common Stocks, as applicable, to the Holders of First Lien Claims and DIP New Money 2L Claims, as applicable, in satisfaction of their Claims; (iii) maintain the critical business relationship that the Debtors and the Investor have had over the last several years; (iv) maximize recoveries for all key stakeholders; and (v) significantly deleverage the Debtors' balance sheet.

The formulation of the Restructuring Support Agreement and Plan contemplated thereunder is a significant achievement for the Debtors in the face of their liquidity issues and operating environment. Each of the Debtors strongly believes that the Plan is in the best interests of each of their estates and represents the best available alternative for all of their stakeholders. Given the Debtors' core strengths, including their experienced management team, the Debtors are confident that they can implement the Plan's balance sheet restructuring to ensure the Debtors' long-term viability. To effectuate the Plan, the Debtors are pursuing a prepackaged chapter 11 plan of reorganization, and will seek to swiftly emerge from chapter 11 pursuant to the Plan.

ARTICLE II:

THE PLAN

2.1 Treatment of Claims and Equity Interests

The Plan provides for the treatment of Claims against and Equity Interests in the Debtors through, among other things, the following:

- Each Holder of an Allowed Administrative Claim will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the unpaid portion of such Allowed Administrative Claim;

- Each Holder of an Allowed Priority Tax Claim will be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code;

- Each Holder of an Allowed Other Priority Claim, in full and final satisfaction, settlement, release, and discharge and in exchange for each Other Priority Claim, shall (i) be paid in full in Cash, or (ii) receive such other recovery as is necessary to satisfy section 1129 of the Bankruptcy Code;

- DIP New Money 1L Claims, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Roll-Up DIP Claims, shall convert on a dollar-for-dollar basis into first lien loans under the First Lien Exit Facility pursuant to the First Lien Exit Facility Documents in the Exit Conversion Amount;

- Roll-Up DIP Claims, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Roll-Up DIP Claims, shall convert on a dollar-for-dollar basis into second lien loans under the Second Lien Exit Facility pursuant to the Second Lien Exit Facility Documents;

- DIP New Money 2L Claims, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all DIP New Money 2L Claims, shall be exchanged for (i) 25% of the Reorganized Common Stock prior to dilution for the Management Incentive Plan, and (ii); Reorganized Preferred Stock with an initial stated value equal to the aggregate principal amount of DIP New Money 2L Loans outstanding immediately prior to the Effective Date (which in no event shall exceed $2.0 million);

- Each Holder of an Other Secured Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim: (i) payment in full in Cash; (ii) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code;

- Each Holder of an Allowed First Lien Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed First Lien Claim, its Pro-Rata Share of (i) $60 million of Reorganized Preferred Stock, and (ii) 10% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan;

- All of the Second Lien Claims shall be discharged and will receive no distribution on account of such Claims;

- All of the General Unsecured Claims shall be discharged and will receive no distribution on account of such Claims; *provided* that if a Holder of an Allowed General Unsecured Claim elects to opt in and be bound by the Releases set forth in section 9.3 of the Plan by executing an Opt-In Form on or before the thirtieth (30) day following the Effective Date, such Holder shall receive the lesser of (i) the Allowed amount of its General Unsecured Claim and (ii) $5,000.

- Each Intercompany Claim shall, at the option of the Debtors, the Requisite Consenting First Lien Lenders, and the Second Lien Lenders, be (i) Reinstated or (ii) cancelled, released and discharged without any distribution on account of such Claims;

- All Subordinated Claims shall be cancelled, released, and discharged as of the Effective Date, and shall be of no further force or effect;

- All Equity Interests in Holdings shall be cancelled, released and discharged without any distribution on account of such Equity Interests; and

- The Intercompany Equity Interests shall be cancelled, released and discharged without any distribution on account of such Equity Interests; *provided, however,* that at the option of the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, the Intercompany Equity Interests may be Reinstated for administrative convenience.

As described below, you are receiving this Disclosure Statement because you are a Holder of a Claim entitled to vote to accept or reject the Plan. Prior to voting on the Plan, you are encouraged to read this Disclosure Statement and all documents attached to this Disclosure Statement in their entirety. As reflected in this Disclosure Statement, there are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be materially different from those they may project, and the Debtors undertake no obligation to update any such statement. Certain of these risks, uncertainties, and factors are described in Article VII of this Disclosure Statement, entitled "Risk Factors."

2.2 Compromise and Settlement of Claims, Interests, and Controversies

The Plan provides that, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classifications, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests, Causes of Action, and controversies resolved under the Plan, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Equity Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Equity Interests (as applicable) in any Class are intended to be and shall be final.

2.3 New Capital Structure

On the Effective Date, the Debtors or Reorganized Debtors, as applicable, will effectuate the Restructuring Transactions by, among other things, entering into: (a) the Exit Facilities Documents; (b) the New Organization Documents; (c) the Stockholders' Agreement; (d) the Incentive Plans; and (e) the New MSA. All above-listed documents shall become effective in accordance with their terms and the Plan.

2.4 Stockholders' Agreement

On the Effective Date, the holders of Reorganized Common Stock and Reorganized Preferred Stock will enter into a stockholder's agreement (the "**Stockholders' Agreement**"), reflective of Exhibits E and F of the Restructuring Support Agreement. The Stockholders' Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of the Reorganized Common and Preferred Stock shall be bound thereby, in each case without the need for execution by any party thereto other than the Investor.

2.5 Incentive Plans

On and after the Effective Date, the Incentive Plans shall be deemed adopted by the Reorganized Board to provide (a) the new Chief Executive Officer of the Reorganized Company with 1% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan,

as further set forth in the CEO Incentive Plan, and (b) designated members of management and employees of the Reorganized Debtors with 23.00% of the fully-diluted shares of Reorganized Common Stock, as further set forth in the Management Incentive Plan.

2.6 New Equity Investment and New MSA

On the Effective Date, the Investor shall (a) provide the New Money Commitment and (b) enter into the New MSA, which shall be in form and substance substantially the same as the Professional Services Agreement dated as of March 1, 2017, by and among the Company and the Investor; *provided* that the New MSA shall include a transaction fee (which fee shall be identical to the transaction fee provided to the Investor under the existing professional services agreement between the Investor and the Company) payable after the Aggregate Liquidation Preference Amount has been paid to holders of Preferred Equity regardless of whether the New MSA has been terminated, so long as the Investor remains the controlling shareholder of, or otherwise controls the Reorganized Board of, the Reorganized Debtors at the time of a Liquidation Event, but shall not include an annual fee, and shall be for a term ending on the earlier of (x) the date the Investor no longer has a controlling interest in, or otherwise controls the Reorganized Board of, the Reorganized Debtors, and (y) the fourth (4^{th}) anniversary of the Effective Date. In exchange for the New Money Commitment and the New MSA, the Investor shall receive on the Effective Date (a) 51% of the Reorganized Common Stock, prior to dilution from the Management Incentive Plan, and (b) Reorganized Preferred Stock with an initial stated value of $7 million. The New MSA shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors.

Further, the Investor shall only be required to invest if the Reorganized Company has at least $1.5 million of available, unrestricted cash on the Effective Date after payment of, or reserving for the payment of, all outstanding checks and after giving effect to all distributions under the Plan, including but not limited to the payment in full of all fees and expenses related to the Restructuring Transaction (including, for the avoidance of doubt, all transactions, amounts, and reserves contemplated by the exhibits thereto).

2.7 Release Opt-In Form

Upon the Effective Date, notwithstanding the treatment in section 3.3(e) of the Plan, a Holder of an Allowed General Unsecured Claim shall receive the lesser of (a) the Allowed amount of its General Unsecured Claim or (b) $5,000, if such Holder elects to "opt-in" and be bound by the Releases set forth in section 9.3 of the Plan by executing an Opt-In Form on or before the thirtieth (30) day following the Effective Date.

2.8 Unclassified Claims

(a) Unclassified Claims Summary

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

Claim	Plan Treatment
Administrative Claims	Paid in Full in Cash
DIP New Money 1L Claims	Convert on a dollar-for-dollar basis into first lien loans under the First Lien Exit Facility
Roll-Up DIP Claims	Convert on a dollar-for-dollar basis into the second lien loans under the Second Lien Exit Facility
DIP New Money 2L Claims	Exchanged for (a) 25% of the Reorganized Common Stock prior to dilution for the Management Incentive Plan, and (b) Reorganized Preferred Stock with an initial stated value not to exceed $2.0 million.
Accrued Professional Fee Claims	Paid in Full in Cash
Priority Tax Claims	Treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code

(b) Unclassified Claims

(1) Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the applicable Debtor(s) or the Reorganized Debtor(s), as applicable, to the extent an Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim shall receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the unpaid portion of such Allowed Administrative Claim in Cash: (i) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Administrative Claim is due or as soon as reasonably practicable thereafter); (ii) if such Administrative Claim is Allowed after the Effective Date, on the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (iv) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

(2) Professional Fee Claims

On the Effective Date, the Reorganized Debtors shall establish (if not already established) and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve

Amount; *provided* that any amounts remaining in the Funded Reserve Account shall be used to fund the Professional Fee Escrow Account. The Professional Fee Escrow Account shall be maintained in trust solely for the benefit of the Retained Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. No Liens, Claims, or Equity Interests shall encumber the Professional Fee Escrow Account in any way. The Reorganized Debtors' obligations with respect to Professional Fee Claims shall not be limited by nor deemed limited to the balance of funds held in the Professional Fee Escrow Account. The amount of Professional Fee Claims owing to the Retained Professionals shall be paid in Cash to such Retained Professionals from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by an Order of the Bankruptcy Court; *provided* that in the event the Professional Fee Reserve Amount is insufficient to satisfy the Professional Fee Claims, the Reorganized Debtors shall be required to satisfy the Professional Fee Claims. When all such Allowed amounts owing to Retained Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court or any other Entity.

(3) **DIP Claims**

The DIP Claims will be Allowed Claims in the full amount outstanding under the DIP Credit Agreement as of the Effective Date, including principal, interest, fees, and expenses, and all other obligations related to the DIP Facility, if any.

In full and final satisfaction, settlement, release and discharge of and in exchange for release of all DIP New Money 1L Claims, on the Effective Date, the DIP New Money 1L Claims shall convert on a dollar-for-dollar basis into first lien loans under the First Lien Exit Facility pursuant to the First Lien Exit Facility Documents in the Exit Conversion Amount.

In full and final satisfaction, settlement, release and discharge of and in exchange for release of all Roll-Up DIP Claims, on the Effective Date, the Roll-Up DIP Claims shall convert on a dollar-for-dollar basis into second lien loans under the Second Lien Exit Facility pursuant to the Second Lien Exit Facility Documents.

In full and final satisfaction, settlement, release and discharge of and in exchange for release of all DIP New Money 2L Claims, on the Effective Date, the DIP New Money 2L Claims shall be exchanged for (i) 25% of the Reorganized Common Stock prior to dilution for the Management Incentive Plan, and (ii) Reorganized Preferred Stock with an initial stated value equal to the aggregate principal amount of DIP New Money 2L Loans outstanding immediately prior to the Effective Date (which in no event shall exceed $2.0 million).

(4) **Priority Tax Claims**

Except to the extent that each Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim will be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on or before the Effective Date, such Claim will be paid in accordance with the terms of any agreement between

the Debtors and the Holder of such Claim, or when such Allowed Priority Tax Claim becomes due and payable under applicable non-bankruptcy Law, or in the ordinary course of business.

(5) **Statutory Fees**

The Debtors and the Reorganized Debtors, as applicable, will pay all quarterly fees under 28 U.S.C § 1930(a), plus any interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' or Reorganized Debtors' business, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

(c) **Classified Claims and Equity Interests Summary**

The Plan establishes a comprehensive classification of Claims and Equity Interests. The table below summarizes the classification, treatment, voting rights, and estimated recoveries of the Claims and Equity Interests, by Class, under the Plan. Amounts in the far right column under the heading "Liquidation Recovery" are estimates only and are based on certain assumptions described herein and set forth in greater detail in the Liquidation Analysis (as defined below) attached hereto as **Exhibit C**. Accordingly, recoveries actually received by Holders of Claims and Equity Interests in a liquidation scenario may differ materially from the projected liquidation recoveries listed in the table below.

The "Projected Plan Recovery" figures included in the table below are shown prior to any impact of the Management Incentive Plan. The figures reflect the full range of the Debtors' valuation analysis.

Class	Claim	Treatment	Status/ Voting Right	Voting Right	Projected Plan Recovery [5]
1	Other Priority Claims	Paid in full in Cash or receive such other recovery as is necessary to satisfy section 1129 of the Bankruptcy Code.	Unimpaired	No (conclusively presumed to accept)	100%
2	Other Secured Claims	(i) Paid in full in Cash; (ii) Satisfied in full by delivery of the collateral securing the claim; (iii) Reinstated; or (iv) Such other treatment rendering such claims unimpaired.	Unimpaired	No (conclusively presumed to accept)	100%
3	First Lien Claims	On or as soon as is reasonably practicable after the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed First Lien Claim, each Holder thereof shall receive its Pro-Rata Share of (A) $60 million of Reorganized Preferred Stock (B) 10% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan.	Impaired	Yes	42.6%
4	Second Lien Claims	Discharged without any distribution.	Impaired	No (deemed not to accept)	0%
5	General Unsecured Claims	On the Effective Date, all of the General Unsecured Claims shall be discharged and will receive no distribution on account of such Claims. Notwithstanding the above treatment a Holder of an Allowed General Unsecured Claim will receive the lesser of (A) the Allowed amount of its General Unsecured Claim and (B) $5,000, if such Holder elects to "opt in" and agrees to the Releases by executing an Opt-In Form by not later than the thirtieth (30) day following the Effective Date.	Impaired	No (deemed not to accept)	0%
6	Intercompany	On the Effective Date, at the option of	Unimpaired	No	100%/0%

[5] Projected Recovery for each class is based on the implied valuation more fully described in Exhibit D.

	Claims	the Debtors, the Requisite Consenting First Lien Lenders, and the Second Lien Lenders, each Intercompany Claim shall be Reinstated or canceled and released without any distribution on account of such claims.	/Impaired	(conclusively presumed to accept/ deemed not to accept)	
7	Subordinated Claims	Discharged without any distribution.	Impaired	No (deemed not to accept)	0%
8	Equity Interests in Holdings	Cancelled without any distribution.	Impaired	No (deemed not to accept)	0%
9	Intercompany Equity Interests	Cancelled without any distribution; *provided, however*, that at the option of the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, the Intercompany Equity Interests may be Reinstated for administrative convenience.	Impaired	No (deemed not to accept)	0%

(d) **Classified Claims and Equity Interests Details**

(1) Class 1—Other Priority Claims.

A. *Classification*: Class 1 consists of all Other Priority Claims.

B. *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Other Priority Claim, each Holder of such Allowed Other Priority Claim shall (A) be paid in full in Cash on or as soon as reasonably practicable after (1) the Effective Date, (2) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, or (3) such other date as may be ordered by the Bankruptcy Court; or (B) receive such other recovery as is necessary to satisfy section 1129 of the Bankruptcy Code.

C. *Impairment and Voting:* Class 1 is Unimpaired and Holders of Other Priority Claims are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Allowed Other Priority Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Other Priority Claims.

(a) *Class 2—Other Secured Claims.*

(i) *Classification*: Class 2 consists of all Other Secured Claims.

(ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each Holder thereof shall receive: (A) payment in full in Cash; (B) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (C) Reinstatement of such Claim; or (D) other treatment rendering such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(iii) *Impairment and Voting*: Class 2 is Unimpaired and Holders of Other Secured Claims are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Allowed Other Secured Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Other Secured Claims.

(b) *Class 3—First Lien Claims.*

(i) *Classification*: Class 3 consists of First Lien Claims.

(ii) *Treatment*: Except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, on or as soon as is reasonably practicable after the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed First Lien Claim, each Holder thereof shall receive its Pro-Rata Share of (A) $60 million of Reorganized Preferred Stock and (B) 10% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan.

(iii) *Impairment and Voting*: First Lien Claims are Impaired and are entitled to vote to accept or reject the Plan.

(c) Class 4—*Second Lien Claims*.

(i) *Classification*: Class 4 consists of Second Lien Claims.

(ii) *Treatment*: On the Effective Date, all of the Second Lien Claims shall be discharged and shall receive no distribution on account of such Claims.

(iii) *Impairment and Voting*: Second Lien Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore,

Holders of Second Lien Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Second Lien Claims.

(d) *Class 5—General Unsecured Claims.*

(i) *Classification*: Class 5 consists of all General Unsecured Claims.

(ii) *Treatment*: On the Effective Date, all of the General Unsecured Claims shall be discharged and will receive no distribution on account of such Claims

(iii) *Impairment and Voting*: General Unsecured Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of General Unsecured Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such General Unsecured Claims.

(iv) *Release Opt-In:* Notwithstanding the above treatment a Holder of an Allowed General Unsecured Claim shall receive the lesser of (A) the Allowed amount of its General Unsecured Claim and (B) $5,000, if such Holder elects to "opt in" and be bound by the Releases set forth in section 9.3 of the Plan by executing an Opt-In Form on or before the thirtieth (30) day following the Effective Date.

(e) *Class 6—Intercompany Claims.*

(i) *Classification*: Class 6 consists of all Intercompany Claims.

(ii) *Treatment*: On the Effective Date, at the option of the Debtors, the Requisite Consenting First Lien Lenders, and the Second Lien Lenders, each Intercompany Claim shall be either (A) Reinstated or (B) canceled, released and discharged without any distribution on account of such Claims.

(iii) *Impairment and Voting*: Holders of Intercompany Claims that are Reinstated are conclusively presumed to accept the Plan pursuant to section 1126(f) and Holders of Intercompany Claims that are cancelled, released and discharged under the Plan without any distribution are deemed not to accept pursuant to section 1126(g) of the Bankruptcy Code, respectively. Therefore, Holders of Allowed Intercompany Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Allowed Intercompany Claims.

(f) *Class 7—Subordinated Claims.*

(i) *Classification*: Class 7 consists of all Subordinated Claims, if any.

(ii) *Treatment*: On the Effective Date, all Subordinated Claims shall be cancelled, released, and discharged as of the Effective Date, and shall be of no further force or effect. Therefore, Holders of Subordinated Claims shall not receive any distribution on account of such Subordinated Claims.

(iii) *Impairment and Voting*: Subordinated Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Subordinated Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Subordinated Claims.

(g) *Class 8—Equity Interests in Holdings.*

(i) *Classification*: Class 8 consists of all Equity Interests in Holdings.

(ii) *Treatment*: On the Effective Date, all Equity Interests in Holdings shall be cancelled without any distribution on account of such Equity Interests.

(iii) *Impairment and Voting*: Equity Interests in Holdings are Impaired and Holders of such Equity Interests are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Equity Interests in Holdings are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Equity Interests.

(h) *Class 9—Intercompany Equity Interests.*

(i) *Classification*: Class 9 consists of all Intercompany Equity Interests.

(ii) *Treatment*: On the Effective Date, the Intercompany Equity Interests shall be cancelled without any distribution on account of such Equity Interests; *provided, however,* that at the option of the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, the Intercompany Equity Interests may be Reinstated for administrative convenience.

(iii) *Impairment and Voting*: Holders of Intercompany Equity Interests are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of such Equity Interests are not entitled to vote to accept or reject the Plan, and the

votes of such Holders will not be solicited with respect to such Intercompany Equity Interests.

(e) **Special Provision Governing Unimpaired Claims**

Except as otherwise provided in the Plan, the DIP Orders, the DIP Facility Documents, or the Restructuring Support Agreement, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights with respect to any Unimpaired Claim, including all legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

(f) **Voting, Presumptions, Solicitation**

(1) *Acceptance by Certain Impaired Classes*. Only Holders of Allowed Claims in Class 3 are entitled to vote to accept or reject the applicable Plan. An Impaired Class of Claims shall have accepted the Plan if (i) the Holders of at least 66.6% in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. Holders of Claims in Class 3 have received Ballots containing detailed voting instructions.

(2) *Conclusively Presumed Acceptance by Unimpaired Classes*. Holders of Claims in Class 1 and Class 2, and certain Holders of Claims in Class 6 are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such Holders are not entitled to vote to accept or reject the Plan and the vote of such Holders shall not be solicited.

(3) *Deemed Not To Accept by Certain Impaired Classes*. Holders of Claims and Equity Interests in Class 4, Class 5, Class 7, Class 8, Class 9 and certain Holders of Claims in Class 6 are deemed not to accept the Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, such Holders are not entitled to vote to accept or reject the Plan and the vote of such Holders shall not be solicited.

(4) *Controversy Concerning Impairment*. If a controversy arises as to whether any Claims or Equity Interests, or any Class thereof, is Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

(g) **Confirmation Pursuant to Section 1129(a)(10) and 1129(b) of the Bankruptcy Code**

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any Class of Claims or Equity Interests that does not accept the Plan, including the Classes of Claims and Equity Interest that are deemed not to accept the Plan.

(h) **Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Equity Interests, and the respective distributions and treatments under the Plan, shall take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided in the Plan, the Debtors reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto.

(i) **Intercompany Equity Interests**

To the extent Reinstated under the Plan, distributions on account of Intercompany Equity Interests are not being received by Holders of such Intercompany Equity Interests on account of their Intercompany Equity Interests but for the purposes of administrative convenience and due to the importance of maintaining the corporate structure for the ultimate benefit of the Holders that receive Reorganized Common Stock or Reorganized Preferred Stock in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions on account of such Holders' Allowed Claims.

2.9 Liquidation Analysis

The Debtors, with the assistance of AlixPartners, LLP ("AlixPartners"), have prepared an unaudited liquidation analysis, which is attached hereto as **Exhibit C** (the "Liquidation Analysis"), to assist Holders of Claims and Equity Interests in evaluating the Plan. The Liquidation Analysis compares the projected recoveries that would result from the liquidation of the Debtors in a hypothetical case under chapter 7 of the Bankruptcy Code with the estimated distributions to Holders of Allowed Claims and Equity Interests under the Plan. The Liquidation Analysis is based on the value of the Debtors' assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, the Liquidation Analysis is subject to potentially material changes, including with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtors could vary materially from the estimate provided in the Liquidation Analysis.

As set forth in the Liquidation Analysis, the Debtors believe that the Plan provides a greater recovery for Holders of Allowed Claims than they would receive in liquidation under chapter 7 of the Bankruptcy Code. This belief is based on a number of factors, including, but not limited to: (a) the Debtors will have received DIP Loans and thus, will have incurred additional secured liabilities that prime all other Claims in such a hypothetical chapter 7 liquidation; and (b) the additional Administrative Claims that would be incurred in connection with a liquidation of the Debtors' estates in such a hypothetical chapter 7 liquidation.

2.10 Valuation Analysis

The Plan provides for the distribution of the Reorganized Preferred Stock and Reorganized Common Stock to the First Lien Claim Holders, DIP New Money 2L Claim Holders and Investor,

as applicable and as provided for in the Plan. Accordingly, UBS Investment Bank ("UBS"), at the request of the Debtors, has performed an analysis, which is attached hereto as **Exhibit D**, of the estimated implied value of the Debtors on a going-concern basis as of February 14, 2020 (the "Valuation Analysis"). The Valuation Analysis, including the procedures followed, assumptions made, qualifications, and limitations on review undertaken described therein, should be read in conjunction with Article VII of this Disclosure Statement, entitled "Certain Factors To Be Considered." The Valuation Analysis is based on data and information as of February 14, 2020. UBS makes no representations as to changes to such data and information that may have occurred since the date of the Valuation Analysis.

THE VALUATION ANALYSIS REPRESENTS A HYPOTHETICAL VALUATION OF THE REORGANIZED DEBTORS AND THEIR ASSETS AND BUSINESS. THE ESTIMATED VALUE SET FORTH IN THE VALUATION ANALYSIS DOES NOT PURPORT TO CONSTITUTE AN APPRAISAL OR NECESSARILY REFLECT THE ACTUAL MARKET VALUE THAT MIGHT BE REALIZED THROUGH A SALE OR LIQUIDATION OF THE REORGANIZED DEBTORS, THEIR SECURITIES OR THEIR ASSETS, WHICH MAY BE MATERIALLY DIFFERENT THAN THE ESTIMATES SET FORTH IN THE VALUATION ANALYSIS. ANY SUCH PRICES MAY BE MATERIALLY DIFFERENT THAN INDICATED BY THE VALUATION ANALYSIS.

2.11 Financial Information and Projections

In connection with planning and developing the Plan, the Debtors, with the assistance of their advisors, prepared projections for the fiscal years 2020 through 2024, which are attached hereto as **Exhibit E** (the "Financial Projections"), including management's assumptions related thereto. For purposes of the Financial Projections, the Debtors have assumed an Effective Date of March 31, 2020. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. The Debtors are unaware of any circumstances as of the date of this Disclosure Statement that would require the re-forecasting of the Financial Projections due to a material change in the Debtors' prospects.

The Financial Projections are based on forecasts of key economic variables and may be significantly impacted by, among other factors, changes in the competitive environment, commodity prices, regulatory changes, or a variety of other factors, including the factors listed in this Disclosure Statement. Accordingly, the estimates and assumptions underlying the Financial Projections are inherently uncertain and are subject to significant business, economic, and competitive uncertainties. Therefore, such projections, estimates, and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein. The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement.

ARTICLE III:

VOTING PROCEDURES AND REQUIREMENTS

3.1 Class Entitled to Vote on the Plan

The following Class is entitled to vote to accept or reject the Plan (the "Voting Class"):

Class	Claim or Interest	Status
3	First Lien Claims	Impaired

If your Claim or Interest is not included in the Voting Class, you are not entitled to vote and you will not receive a Solicitation Package (as defined below). If you are a Holder of a Claim in the Voting Class, you should read your ballot(s) and carefully follow the instructions included in the ballot(s). Please use only the ballot(s) that accompany the applicable Solicitation Package, if any, or the ballot(s) that the Debtors, or Omni Agent Solutions (the "Solicitation Agent") on behalf of the Debtors, otherwise provided to you.

3.2 Votes Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims and interests voting to accept, as a percentage of the allowed claims or interests, as applicable, that have voted. Acceptance by a class of claims requires an affirmative vote of more than one-half in number of total allowed claims that have voted and an affirmative vote of at least two-thirds in dollar amount of the total allowed claims that have voted. Acceptance by a class of interests requires an affirmative vote of at least two-thirds in amount of the total allowed interests that have voted.

3.3 Certain Factors to Be Considered Prior to Voting

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

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

- although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;

- the Debtors may request Confirmation without the acceptance of the Plan by all Impaired Classes in accordance with section 1129(b) of the Bankruptcy Code; and

- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims and Professional Claims.

While these factors could affect distributions available to Holders of Allowed Claims and Equity Interests under the Plan, the occurrence or impact of such factors may not necessarily affect the validity of the vote of the Voting Class or necessarily require a re-solicitation of the votes of Holders of Claims in the Voting Class pursuant to section 1127 of the Bankruptcy Code.

For a further discussion of risk factors, please refer to "Certain Factors to Be Considered" described in Article VII of this Disclosure Statement.

3.4 Classes Not Entitled To Vote on the Plan

Under the Bankruptcy Code, holders of claims and interests are not entitled to vote if their contractual rights are unimpaired by the proposed plan or if they will receive no property under the plan. Accordingly, the following Classes of Claims against and Equity Interests in the Debtors are ***not entitled to*** vote to accept or reject the Plan:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	No (conclusively presumed to accept)
2	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
4	Second Lien Claims	Impaired	No (deemed not to accept)
5	General Unsecured Claims	Impaired	No (deemed not to accept)
6	Intercompany Claims	Unimpaired/ Impaired	No (conclusively presumed to accept/ deemed not to accept)
7	Subordinated Claims	Impaired	No (deemed not to accept)
8	Equity Interests in Holdings	Impaired	No (deemed not to accept)
9	Intercompany Equity Interests	Impaired	No (deemed not to accept)

3.5 Solicitation Procedures

(a) Solicitation Agent

The Debtors have retained Omni Agent Solutions to act as, among other things, the Solicitation Agent in connection with the solicitation of votes to accept or reject the Plan.

(b) **Solicitation Package**

The following materials constitute the solicitation package (collectively, the "Solicitation Package") distributed to Holders of Claims in the Voting Class:

- the form of the notice of the combined hearing to consider approval of the adequacy of the Disclosure Statement and confirmation the Plan;
- a Ballot and applicable voting instructions; and
- this Disclosure Statement and all exhibits hereto, including the Plan and all exhibits thereto.

(c) **Distribution of the Solicitation Package and Plan Supplement**

The Debtors will cause the Solicitation Agent to distribute the Solicitation Package to Holders of Claims in the Voting Class on February 15, 2020, which is ten days before the Voting Deadline (*i.e.*, 5:00 p.m. (prevailing Eastern Time) on February 25, 2020).

The Solicitation Package (except the Ballots) may also be obtained from the Solicitation Agent by: (i) calling the Solicitation Agent at 866-680-8026, (ii) emailing vipballots@omniagnt.com and referencing "VIP" in the subject line, or (iii) writing to the Solicitation Agent at VIP Ballot Processing, C/O Omni Agent Solutions, Inc., 5955 Desoto Avenue, Suite 100, Woodland Hills, CA 91367. After the Debtors file the Chapter 11 Cases, you may also obtain copies of any pleadings filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, www.omniagentsolutions.com/VIPCinemaHoldings, or for a fee via PACER at https://www.pacer.gov/.

The Debtors shall file the Plan Supplement with the Bankruptcy Court 14 calendar days prior to the Confirmation Hearing. If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement from the Solicitation Agent for free by: (i) calling the Solicitation Agent at the telephone numbers set forth above; (ii) visiting the Debtors' restructuring website, www.omniagentsolutions.com/VIPCinemaHoldings; or (iii) writing to the Solicitation Agent at VIP Ballot Processing, C/O Omni Agent Solutions, Inc., 5955 Desoto Avenue, Suite 100, Woodland Hills, CA 91367.

3.6 Voting Procedures

February 15, 2020 (the "Voting Record Date") is the date that was used for determining which Holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the solicitation procedures. Except as otherwise set forth herein, the Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors and other parties in interest.

In order for the Holder of a Claim in the Voting Class to have its Ballot counted as a vote to accept or reject the Plan, such Holder's Ballot must be properly completed, executed, and submitted via the balloting portal using the login information on the Holder's ballot at

https://omniagentsolutions.com/vipcinemaballot or via email at VIPBallots@OmniAgnt.com, so that such Holder's ballot is actually received by the Solicitation Agent on or before the Voting Deadline, which is February 25, 2020 at 5:00 p.m. (prevailing Eastern Time).

If a Holder of a Claim in a Voting Class transfers all of such Claim to one or more parties on or after the Voting Record Date and before the Holder has cast its vote on the Plan, such Claim Holder is automatically deemed to have provided a voting proxy to the purchasers of the Holder's Claim, and such purchasers shall be deemed to be the Holders thereof as of the Voting Record Date for purposes of voting on the Plan.

You may receive more than one Ballot if you hold Claims through one or more affiliated funds, in which case the vote cast by each such affiliated fund will be counted separately. Separate Claims held by affiliated funds in a particular Class shall not be aggregated, and the vote of each such affiliated fund related to its Claims shall be treated as a separate vote to accept or reject the Plan, as applicable. If you hold any portion of a single Claim, you and all other Holders of any portion of such Claim will be (a) treated as a single creditor for voting purposes and (b) required to vote every portion of such Claim collectively to either accept or reject the Plan.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE OR AS ORDERED BY THE BANKRUPTCY COURT.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM IN CLASS 3 MUST VOTE ALL OF ITS CLASS 3 CLAIMS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST OR, IF ANY OTHER BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLASS OF CLAIMS, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN. IF A HOLDER CASTS MULTIPLE BALLOTS WITH RESPECT TO THE SAME CLAIM AND THOSE BALLOTS ARE IN CONFLICT WITH EACH OTHER, SUCH BALLOTS WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

IT IS IMPORTANT THAT THE HOLDER OF A CLAIM IN THE VOTING CLASS FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT AND THE ACCOMPANYING INSTRUCTIONS. SUBJECT TO THE TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT, NO BALLOT MAY BE WITHDRAWN OR MODIFIED AFTER THE VOTING DEADLINE WITHOUT THE DEBTORS PRIOR CONSENT OR PERMISSION OF THE BANKRUPTCY COURT.

ARTICLE IV:

BUSINESS DESCRIPTIONS

4.1 Overview of the Company's Business

The Company's business focuses on the manufacturing and sale of luxury seating products to movie theatre exhibitors, which comprised approximately 92% of sales in 2019. In connection with such sales, the Company also offers a growing host of services for its clients, including seat and replacement-part manufacturing, seat installation, seat repair, seat and replacement-part shipping, the provision of "slip-covers," cleaning solutions, and other maintenance services.

Having sold approximately 1 million luxury seating products to customers, the Company is a leading player across the globe and has been the clear market leader in the U.S. The Company's seats drive significant value for its customers, as they provide a more premium viewing experience and attract new patrons, thereby increasing tickets sales, concession sales, and profits; average returns on theatre renovation investments for exhibitors have been 25% - 50%+. Given its expertise, the Company is able to provide value-added services and consultation, including initial assessments, analyses of seating layouts, product reviews, purchase orders, production, delivery, installation, and other support.

4.2 Organization and Capital Structure

(a) Organizational Structure

Each Debtor is a direct wholly-owned subsidiary of HIG Cinema, which did not commence its own chapter 11 case. The Company's foreign wholly-owned subsidiary has also not commenced a chapter 11 case. An organizational chart illustrating the corporate structure of the Debtors is annexed hereto as **Exhibit F**.

(b) The Debtors' Capital Structure

(1) Existing First Lien Credit Agreement

On March 1, 2017, the Company entered into that certain credit agreement by and among Holdings, the Borrower, guarantors party thereto, BNP Paribas, as administrative and collateral agent ("BNP"), and the First Lien Lenders (as amended, restated, supplemented, or otherwise modified, the "Existing First Lien Credit Agreement"). The Existing First Lien Credit Agreement governs both a senior secured term loan facility (the "First Lien Term Loan Facility") and a senior secured revolving credit facility (the "First Lien Revolving Credit Facility"). The First Lien Term Loan Facility and the First Lien Revolving Credit Facility are *pari passu* and guaranteed by each of the Debtors.

A. The First Lien Term Loan Facility

The First Lien Term Loan Facility was issued in an aggregate principal amount of $165 million and has a maturity date of March 21, 2023. Interest on the First Lien Term Loan Facility

accrues at LIBOR plus an applicable margin between 5.75% and 6.00% based on the First Lien Leverage Ratio (as that term is defined in the First Lien Credit Agreement) for the trailing four quarters. As of the Petition Date, approximately $144 million in principal amount remains outstanding on the First Lien Term Loan Facility.

B. The First Lien Revolving Credit Facility

The First Lien Revolving Credit Facility was issued in the amount of $20 million with a maturity date of March 21, 2022. Interest on the First Lien Revolving Credit Facility accrues at LIBOR plus an applicable margin between 5.75% and 6.00% based on the First Lien Leverage Ratio for the trailing four quarters. As of the Petition Date, approximately $20 million in principal amount remains outstanding on the First Lien Revolving Credit Facility.

(2) **Existing Second Lien Credit Agreement**

On March 1, 2017, the Company also entered into that certain credit agreement by and among Holdings, the Borrower, as borrower, guarantors party thereto, BNP, as administrative and collateral agent, and the Second Lien Lenders (as amended, restated, supplemented, or otherwise modified, the "Existing Second Lien Credit Agreement"). The Existing Second Lien Credit Agreement governs a senior secured second lien term loan facility (the "Second Lien Facility").

The Second Lien Facility was issued in the amount of $45 million with a maturity date of March 21, 2024. Interest on the Second Lien Facility accrues at LIBOR plus an applicable margin of 9.50%. As of the Petition Date, approximately $45 million in principal amount remains outstanding on the Second Lien Facility.

ARTICLE V:

EVENTS LEADING TO THE CHAPTER 11 CASES

As stated above, the Debtors intend to file the Chapter 11 Cases to implement a prepackaged chapter 11 plan of reorganization that provides for a comprehensive balance sheet restructuring of their funded debt obligations with the consent of the Stakeholders. Given the events described in greater detail below and other considerations, the Debtors have concluded in the exercise of their business judgment and as fiduciaries for all of the Debtors' stakeholders that the best path to maximize the value of their business is a strategic prepackaged chapter 11 filing to implement the Plan in accordance with the terms of the Restructuring Support Agreement.

5.1 Industry-Wide and Company-Specific Headwinds

The decline in the Company's performance has been driven by five main factors:

(1) *Saturation of premium recliner penetration in the U.S.* – In 2012, when the Company began growing its premium recliner sales, hardly any theatres in the U.S. had yet to upgrade to these types of seats, which meant the opportunity to sell them was very large. As exhibitors noticed AMC's early success with the recliner strategy, they all "raced to convert," and drove significant growth in the industry through 2017. In 2017, the U.S. industry quickly became significantly more penetrated with premium recliners and

reached a near "saturation point," given not all theatres have high return on investment potential. Since the number of screens in the U.S. has remained relatively flat, the overall annual market opportunity for premium recliners became significantly lower in 2018 and thereafter versus earlier years.

(2) *Continued proliferation of online streaming services and alternative viewing experiences, which has led to declining movie attendance, a poor outlook sentiment for the overall U.S. movie theatre industry and particularly put significant pressure on the stock price of AMC, a key customer for the Company* – After a record box office of $11.9 billion in the U.S. in 2018, attendance and box office declined approximately 5%, despite a high profile content lineup. This has led AMC and other exhibitors to pull-back on investment due to the long-term uncertainty of the industry.

(3) *Increased competition* – Due to the Company's success between 2012 and 2017, there have been a significant amount of new competitors who have emerged and introduced luxury seating products, which has put pressure on both price and market share, particularly with the smaller exhibitors.

(4) *Increased company costs* – The Company's margins have significantly deteriorated due to (1) an increase in raw material costs and tariffs and (2) needed investment in people and infrastructure to position the company for longer-term growth. In order to diversify the business and create growth opportunities, the Company has added a significant amount of operating costs to rebound from current levels.

(5) *Increased replacement cycle expectations* – Given the immaturity of the premium recliner market, how often the seats would be replaced and upgraded was unknown. The Company initially believed seats would need to be replaced every approximately 7 years on average; however, due to some of the industry-wide headwinds mentioned above, the Company expects the replacement cycle to be much longer. Seats sold in 2012 and 2013 were expected to be replaced in 2019 and 2020, but that has not occurred.

5.2 Regal Litigation.

In August of 2019, Regal Cinemas, Inc. ("Regal") filed a complaint (the "Complaint") in the Chancery Court for Knox County, Tennessee, against VIP Cinema, alleging, among other things, breach of contract, breach of the implied covenant of good faith and fair dealing, breach of express warranty, breach of implied warranty of fitness for particular purpose, negligent representation and fraud in the inducement (the "Regal Action"). In the Complaint, Regal asserts that it has suffered at least $898,840.54, and up to an additional $7.4 million, in damages associated with repairing or replacing VIP Cinema's products. The Company vigorously disputes Regal's allegation. In response to the Complaint, VIP Cinema filed a motion to dismiss for failure to state a claim on September 13, 2019, asserting that Regal did not allege facially plausible claims. The District Court has yet to rule on the motion to dismiss, but has scheduled a jury trial to commence

on April 13, 2021. In the event that VIP Cinema's motion to dismiss is not granted, the Debtors expect that the cost and expense of defending itself in the Regal Action could be millions of dollars.

5.3 Capital and Liquidity Constraints

As a result of the industry-wide and Company-specific headwinds mentioned above, the Company's net revenue and consolidated adjusted EBITDA have materially declined. In fiscal year 2019, the Company experienced a deterioration of $50 million of revenue and $35 million of EBITDA compared to fiscal year 2017. The reduction in client revenues has also impacted the Company's liquidity position; as of the Petition Date, the Company has approximately $1.5 million in liquidity.

As discussed, the Company was unable to meet the Maximum Total Leverage Ratio required by Section 7.11 of the Existing First Lien Credit Agreement, triggering the Leverage Ratio Event of Default under Section 8.01(b) of the Existing First Lien Credit Agreement. Pursuant to Section 8.02 of the Existing First Lien Credit Agreement, the Leverage Ratio Event of Default enabled BNP, as administrative and collateral agent, to, among other things, terminate—and demand immediate payment of all amounts owed for—each of the loans under the Existing First Lien Credit Agreement.

5.4 The Company's Discussions with Creditors and Forbearance Agreement

In light of the Company's Leverage Ratio Event of Default under the Existing First Lien Credit Agreement, the Company viewed a comprehensive debt restructuring as the necessary next step to best position the Company to maintain its market dominance in the movie-theatre seating industry. In June of 2019, the Company, with the assistance of its advisors, began negotiations regarding a comprehensive restructuring.

To provide more runway for negotiations, beginning in August 2019, the Company and its advisors engaged with its lenders regarding the Leverage Ratio Event of Default. On August 20, 2019, the Company, as borrower, BNP, and the First Lien Lenders (collectively, the "Forbearance Parties") entered into the Forbearance Agreement, whereby the First Lien Lenders agreed to forbear from exercising their rights and remedies under the First Lien Credit Agreement for a limited period expiring on September 25, 2019, which was subsequently extended to December 13, 2019 (such period of time, the "First Forbearance Period").

5.5 Out-of-Court Transaction

During the First Forbearance Period, the First Lien Lenders, the Second Lien Lenders, and the Investor reached an agreement on the Out-of-Court Transaction, pursuant to which the Investor and the Second Lien Lenders agreed to amend the Existing Second Lien Credit Agreement to collectively provide $10 million in cash to the Company (the "New Debt Funding") in exchange for (a) the incurrence of a new first-out second lien term loan and (b) the issuance of shares of newly issued common stock (such issuance, the "New Share Subscription") of a newly formed entity ("New VIP Parent"). The New Share Subscription would have represented 100% of the issued and outstanding shares of capital stock of New VIP Parent upon consummation of the transaction. The New Debt Funding and the New Share Subscription would have been conditioned on (a) amendments to the existing first and second lien credit facilities of the Debtors; (b) the

conversion of certain convertible promissory notes held at HIG Cinema into equity; and (c) certain steps required to consummate the merger. Pursuant to the Out-of-Court Transaction, and because of the contemplated value of the Company at the time of the Out-of-Court Transaction, the common stock of HIG Cinema would have been cancelled. The Company had nearly finalized documentation in connection with the Out-of-Court Transaction and even issued preemptive rights notices as required by the applicable governance documents.

Around the time the Company received responses to the preemptive notices, the Company received notice that Odeon Cinemas, the European subsidiary of AMC, would reduce its 2020 capital spend on seats. The attendant drop in projected revenues resulted in the parties to the Out-of-Court Transaction mutually agreeing to terminate the contemplated restructuring. The First Lien Lenders, recognizing that the value of the Company was lower than the total outstanding amount of First Lien Loan Claims, expressed an interest in rehabilitating the Company through the reduction in outstanding indebtedness, including their own.

5.6 Renewed Negotiations and Continued Forbearance

To provide additional runway for the Company to renew discussions regarding a restructuring, the First Lien Lenders agreed to continue to extend the Forbearance Agreement. On December 24, 2019, the Forbearance Parties agreed to amend the Forbearance Agreement to, among other things, provide for: (a) the continued forbearance from exercising remedies in connection with the Maximum Total Leverage Ratio Breach (the "Second Forbearance Period"), and (b) a waiver of the upcoming December 31, 2019 quarterly amortization payment.

The Forbearance Parties subsequently agreed to further amend the Forbearance Agreement to provide for, among other things, (a) continued forbearance from remedies in connection with the Maximum Total Leverage Ratio Breach being exercised (together with the First Forbearance Period and the Second Forbearance Period, the "Forbearance Periods"), (b) a reduction in the Minimum Liquidity Covenant to $1,000,000, and (c) a grant of a mortgage on certain after-acquired real property.

These amendments provided the Company and its debtholders with the runway needed to drive consensus toward a comprehensive restructuring transaction.

ARTICLE VI:

OTHER MATERIAL ASPECTS OF THE PLAN

6.1 Distributions

Under the Bankruptcy Code only claims and interests that are "allowed" may receive distributions under a chapter 11 plan. This term is used throughout the Plan and the descriptions below. In general, an Allowed Claim or Equity Interest means that the Debtors agree, or if there is a dispute, the Bankruptcy Court determines, that the Claim or Equity Interest, and the amount thereof, is in fact a valid Claim against or Equity Interest in the Debtors.

6.2 Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the Plan, on the Distribution Date each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. Except as otherwise provided in the Plan, or any order of the Bankruptcy Court, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

(a) Delivery of Distributions

(1) Delivery of Distributions on Account of First Lien Claims

The First Lien Agent shall be deemed to be the holder of all First Lien Claims for purposes of distributions to be made under the Plan, and all distributions on account of the First Lien Claims in Class 3 shall be made to the First Lien Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan (as applicable), the First Lien Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of Allowed First Lien Claims in Class 3 in accordance with the terms of the First Lien Documents and the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the First Lien Agent shall not have any liability to any Entity with respect to distributions made or directed to be made by the First Lien Agent.

(2) Delivery of Distributions on Account of DIP Claims

The DIP Agent shall be deemed to be the Holder of all DIP Claims for purposes of distributions to be made under the Plan, and all distributions on account of such DIP Claims shall be made to the DIP Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan (as applicable), the DIP Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of DIP Claims in accordance with the terms of the DIP Facility, subject to any modifications to such distributions in accordance with the terms of the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Agent shall not have any liability to any Entity with respect to distributions made or directed to be made by the DIP Agent.

(3) Distribution by Distribution Agent

The Debtors and the Reorganized Debtors, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the distributions required under the Plan. To the extent the Debtors and the Reorganized Debtors, as applicable, determine to utilize a Distribution Agent to facilitate the distributions under the Plan to Holders of Allowed Claims, any such Distribution Agent would first be required to: (i) affirm its obligation to facilitate the prompt distribution of any documents; (ii) affirm its obligation to facilitate the prompt distribution of any recoveries or distributions required under the Plan; (iii) waive any right or ability to setoff, deduct from or assert any lien or encumbrance against the distributions required under the Plan to be distributed by such Distribution Agent; and (iv) post a bond, obtain a surety or provide some other form of security for the performance of its duties, the

costs and expenses of procuring which shall be borne by the Debtors or the Reorganized Debtors, as applicable.

The Debtors or the Reorganized Debtors, as applicable, shall pay to the Distribution Agents all reasonable and documented fees and expenses of the Distribution Agents without the need for any approvals, authorizations, actions, or consents. The Distribution Agents shall submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Debtors or the Reorganized Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. In the event that the Debtors or the Reorganized Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtors or the Reorganized Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees or expenses. In the event that the Debtors or the Reorganized Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

(4) **Minimum Distributions**

Notwithstanding anything in the Plan to the contrary, the Reorganized Debtors and the Distribution Agents shall not be required to make distributions or payments of less than $250 (whether Cash or otherwise) and shall not be required to make partial distributions or payments of fractions of dollars. Whenever any payment or distribution of a fraction of a dollar or fractional share of Reorganized Common Stock under the Plan would otherwise be called for, the actual payment or distribution shall reflect a rounding of such fraction to the nearest whole dollar or share of Reorganized Common Stock (up or down), with half dollars and half shares of Reorganized Common Stock or less being rounded down.

(b) **Undeliverable Distributions**

If any distribution to a Holder of an Allowed Claim made in accordance with the Plan is returned to the Reorganized Debtors (or their Distribution Agent) as undeliverable, no further distributions shall be made to such Holder unless and until the Distribution Agent is notified in writing of such Holder's then-current address or other necessary information for delivery, at which time such undelivered distribution shall be made to such Holder within ninety (90) days of receipt of such Holder's then-current address or other necessary information; *provided* that any such undelivered distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 90 days after the date of the initial attempted distribution. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable non-bankruptcy escheat, abandoned, or unclaimed property laws to the contrary), and the right, title, and interest of any Holder to such property or interest in property shall be discharged and forever barred.

(c) **Manner of Payment**

At the option of the Distribution Agent, any Cash payment to be made under the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

(d) **No Postpetition or Default Interest on Claims**

Unless otherwise specifically provided for in the Plan or the Confirmation Order and notwithstanding any documents that govern the Debtors' prepetition indebtedness to the contrary, (1) postpetition or default interest shall not accrue or be paid on any Claims, and (2) no Holder of a Claim shall be entitled to (a) interest accruing on or after the Petition Date on any such Claim or (b) interest at the contract default rate, each as applicable.

(e) **Compliance with Tax Requirements/Allocations**

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

(f) **Surrender of Cancelled Instruments or Securities**

On the Effective Date or as soon as reasonably practicable thereafter, each Holder of a certificate or instrument evidencing a Claim or Equity Interest that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument to the Reorganized Debtors. Except as otherwise expressly provided in the Plan, such surrendered certificate or instrument shall be cancelled solely with respect to the Debtors and Reorganized Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such certificate or instrument, including with respect to any indenture or agreement that governs the rights of the Holder of a Claim or Equity Interests, which shall continue in effect. Notwithstanding anything to the contrary in the Plan, this paragraph shall not apply to certificates or instruments evidencing Claims that are Unimpaired under the Plan.

(g) **Claims Paid or Payable by Third Parties**

(1) **Claims Payable by Insurance**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy.

(2) **Applicability of Insurance Policies**

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

6.3 No Substantive Consolidation

The Plan is being proposed as a joint plan of reorganization of the Debtors for administrative purposes only and constitutes a separate chapter 11 plan of reorganization for each Debtor. The Plan does not contemplate substantive consolidation of any of the Debtors.

6.4 General Settlement of Claims and Equity Interests

As discussed further herein and as otherwise provided in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classifications, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests, Causes of Action, and controversies resolved under the Plan, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019. Distributions made to Holders of Allowed Claims in any Class are intended to be final.

6.5 Restructuring Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be reasonably necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and Restructuring Support Agreement and that satisfy the requirements of applicable Law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan, Restructuring Support Agreement, and the Definitive Documents; (c) the filing of appropriate certificates of formation or incorporation, merger, or consolidation with the appropriate governmental authorities pursuant to applicable Law; and (d) all other actions that the Reorganized Debtors reasonably determine are necessary or appropriate. For the purposes of effectuating the Plan, none of the Restructuring Transactions contemplated in the Plan shall constitute a change of control under any agreement, contract, or document of the Debtors.

(a) **Exit Facilities**

Confirmation of the Plan shall be deemed to constitute approval of the Exit Facilities and the Exit Facilities Documents (including all transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Facilities, and all actions to be taken,

undertakings to be made and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities and expenses provided for therein) and, subject to the occurrence of the Effective Date, assumption of the Restructuring Support Agreement and authorization for the Reorganized Debtors to enter into and perform their obligations under the Exit Facilities Documents and such other documents as may be reasonably required or appropriate, in each case, in accordance therewith.

The Exit Facilities Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facilities Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy Law.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facilities Documents (i) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facilities Documents, (ii) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facilities Documents, and (iii) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy Law. The Reorganized Debtors and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other Law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

(b) **New Equity**

Shares of Reorganized Common Stock and Reorganized Preferred Stock shall be authorized under the New Organizational Documents, and shares of Reorganized Common Stock and Reorganized Preferred Stock shall be issued on the Effective Date and distributed as soon as practicable thereafter in accordance with the Plan. All of the Reorganized Common Stock and Reorganized Preferred Stock issuable in accordance with the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. The issuance of the Reorganized Common Stock and Reorganized Preferred Stock is authorized without the need for any further corporate action and without any further action by any Holder of a Claim or Equity Interest.

On the Effective Date, the Reorganized Debtors, the holders of Reorganized Common Stock, and the holders of Reorganized Preferred Stock shall enter into the Stockholders' Agreement in substantially the form included in the Plan Supplement and with material terms as

reflected in the Governance Term Sheet. The Stockholders' Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of Reorganized Common Stock and each holder of Reorganized Preferred Stock shall be bound thereby, in each case without the need for execution by any party thereto other than the Reorganized Debtors.

(c) **New Equity Investment and New MSA**

On the Effective Date, the Investor shall (a) provide the New Money Commitment and (b) enter into the New MSA, which shall be in form and substance substantially the same as the Professional Services Agreement dated as of March 1, 2017, by and among the Company and the Investor; *provided* that the New MSA shall include a transaction fee (which fee shall be identical to the transaction fee provided to the Investor under the existing professional services agreement between the Investor and the Company) payable after the Aggregate Liquidation Preference Amount has been paid to holders of Preferred Equity regardless of whether the New MSA has been terminated, so long as the Investor remains the controlling shareholder of, or otherwise controls the Reorganized Board of, the Reorganized Debtors at the time of a Liquidation Event, but shall not include an annual fee, and shall be for a term ending on the earlier of (x) the date the Investor no longer has a controlling interest in, or otherwise controls the Reorganized Board of, the Reorganized Debtors, and (y) the fourth (4^{th}) anniversary of the Effective Date. In exchange for the New Money Commitment and the New MSA, the Investor shall receive on the Effective Date (a) 51% of the Reorganized Common Stock, prior to dilution from the Management Incentive Plan, and (b) Reorganized Preferred Stock with an initial stated value of $7 million. The New MSA shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors.

Further, the Investor shall only be required to invest if the Reorganized Company has at least $1.5 million of available, unrestricted cash on the Effective Date after payment of, or reserving for the payment of, all outstanding checks and after giving effect to all distributions under the Plan, including but not limited to the payment in full of all fees and expenses related to the Restructuring Transaction (including, for the avoidance of doubt, all transactions, amounts, and reserves contemplated by the exhibits thereto).

6.6 Corporate Existence

Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist as of the Effective Date as a separate legal Entity with all of the powers available to such legal Entity under applicable Law and pursuant to the New Organizational Documents, without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) in accordance with such applicable Law. On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, in its sole discretion, without the need for approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, take such action as permitted by applicable Law, and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, without limitation, causing: (a) a Reorganized Debtor to be merged into another Reorganized Debtor or an Affiliate of a Reorganized Debtor; (b) a Reorganized Debtor to be dissolved; (c) the legal name of a Reorganized Debtor to be changed; (d) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter; or (e) the reincorporation of a

Reorganized Debtor under the Law of jurisdictions other than the Law under which the Debtor currently is incorporated.

6.7 Vesting of Assets

Except as otherwise provided in the Plan, the Plan Documents, or any Definitive Document, on the Effective Date, all Assets, including all claims, rights, and Causes of Action, and any property acquired by the Debtors under or in connection with the Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and interests. Subject to the terms of the Plan, on and after the Effective Date, the Reorganized Debtors may operate their business and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Claims), Equity Interests, and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

6.8 Cancellation of Existing Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (i) the obligations of the Debtors under any certificate, share, note, bond, agreement, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest, including the Existing First Lien Credit Agreement and Existing Second Lien Credit Agreement (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan, if any) shall be cancelled, terminated and of no further force or effect, without further act or action, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated or assumed pursuant to the Plan, if any) shall be released and discharged.

Notwithstanding such cancellation and discharge:

(1) The DIP Facility Documents shall continue in effect solely for purposes of allowing the DIP Agent to (a) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the DIP Claims on account of such Claims, as set forth in Article VI of the Plan; (b) enforce its rights, Claims and interests with respect to the DIP Lenders; and (c) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of DIP Claims, including any rights to priority of payment with respect to the DIP Lenders; and (d) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the DIP Agent or Holders of DIP Claims under the Plan.

(2) The First Lien Documents shall continue in effect solely for purposes of allowing the First Lien Agent to (a) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the First Lien Claims on account of such Claims, as set forth in Article VI of the Plan; and (b) enforce its rights, Claims and interests with respect to the First Lien Lenders; and (c) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of First Lien Claims, including any rights to priority of payment with respect to the First Lien Lenders; and (d) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the First Lien Agent or Holders of First Lien Claims under the Plan.

(3) The Second Lien Documents shall continue in effect solely for the purpose of allowing the Second Lien Agent to receive distributions from the Debtors under the Plan and to make further distributions to the Holder of the Second Lien Claims on account of such Claims, as set forth in Article VI of the Plan.

6.9 Sources for Plan Distributions and Transfers of Funds Among Debtors

The Debtors shall fund distributions under the Plan with (1) Cash on hand, including Cash from operations, (2) the proceeds of the DIP Loans, (3) the Exit Facilities; (4) the Reorganized Common Stock, and (5) the Reorganized Preferred Stock. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors. The Reorganized Debtors shall be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth in the Plan, any changes in intercompany account balances resulting from such transfers shall be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and shall not violate the terms of the Plan.

From and after the Effective Date, subject to any applicable limitations set forth in any post-Effective Date agreement (including, without limitation, the First Lien Exit Facility Documents, the Second Lien Exit Facility Documents, and the Shareholder's Agreement), the Reorganized Debtors shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing as the boards of directors of the applicable Reorganized Debtors deem appropriate.

6.10 Exemption from Registration Requirements

The issuance of the Reorganized Common Stock and Reorganized Preferred Stock under the Plan shall be exempt from registration under the Securities Act and any other applicable securities Laws pursuant to section 1145 of the Bankruptcy Code. These Securities may be resold without registration under the Securities Act or other federal securities Laws pursuant to the exemption provided by section 4(a)(1) of the Securities Act, unless the Holder is an "underwriter" with respect to such Securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such exempt Securities generally may be resold without registration under state securities Laws pursuant to various exemptions provided by the respective Laws of the several states.

6.11 Organizational Documents

Subject to Section 5.4 of the Plan, the Reorganized Debtors shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and provisions of the Plan. The New Organizational Documents shall comply with section 1123(a)(6) of the Bankruptcy Code

6.12 Exemption from Certain Transfer Taxes and Recording Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any Stamp or Similar Tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Unless the Bankruptcy Court orders otherwise, all sales, transfers and assignments of owned and leased property approved by the Bankruptcy Court on or before the Effective Date shall be deemed to have been in furtherance of, or in connection with, the Plan.

6.13 Directors and Officers of the Reorganized Debtors

In accordance with the New Organizational Documents, the initial Reorganized Board shall have such number of members as determined by the Investor and shall consist of (a) four members designated by the Investor; (b) the Chief Executive Officer of the Company; (c) one member selected by the Consenting First Lien Lenders; and (d) one member selected by the Second Lien Lenders. Except to the extent that a member of the board of directors or board of managers, or the sole manager, as applicable, of a Debtor continues to serve as a director, manager or sole manager of such Reorganized Debtor on the Effective Date, the members of the board of directors or board of managers, or the sole manager, as applicable, of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such director, manager, or sole manager shall be deemed to have resigned or shall otherwise cease to be a director, manager or sole manager of the applicable Debtor on the Effective Date. Each of the directors, managers, sole managers and officers of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable New Organizational Documents of such Reorganized Debtor and may be replaced or removed in accordance with such New Organizational Documents.

6.14 Insurance Policies

All insurance policies pursuant to which any Debtor has any obligations in effect as of the Effective Date shall be deemed and treated as Executory Contracts pursuant to the Plan and shall be assumed by the respective Reorganized Debtors and shall continue in full force and effect thereafter in accordance with such policy's respective terms.

6.15 Corporate Action

On the Effective Date, all actions contemplated by the Plan shall be deemed authorized, approved, and directed in all respects, including: (i) selection of the directors and officers of the Reorganized Debtors; (ii) the distribution of the Reorganized Common Stock as provided in the Plan; (iii) the distribution of the Reorganized Preferred Stock as provided in the Plan; (iv) the execution and entry into the Exit Facilities Documents, and (v) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date) and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court. All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have timely occurred and shall be in effect and shall be authorized and approved in all respects, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors or otherwise.

On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and, as applicable, directed, to issue, execute, and deliver the agreements, documents, securities, certificates of incorporation, operating agreements, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Reorganized Common Stock, the Reorganized Preferred Stock, the Exit Facilities Documents, and any and all agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by Section 4.5 of the Plan shall be effective notwithstanding any requirements under nonbankruptcy Law.

6.16 Effectuating Documents; Further Transactions

Prior to, on, and after the Effective Date, the Debtors and Reorganized Debtors and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of the Plan, the Restructuring Support Agreement, the DIP Facility Documents, the Exit Facilities Documents, the New Organizational Documents, and any securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant to the Plan.

6.17 Restructuring Expenses

The Restructuring Expenses incurred, or estimated to be incurred, up to and including the Effective Date, but not paid pursuant to the DIP Orders or DIP Facility Documents, shall be paid

in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to, the terms of the Restructuring Support Agreement (including any exhibits or annexes thereto) and the DIP Orders, without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, and without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least five Business Days before the anticipated Effective Date (or such shorter period as the Debtors may agree); *provided*, that such estimate shall not be considered an admission or limitation with respect to such Restructuring Expenses. On or as soon as reasonably practicable after the Effective Date, final invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. In addition, the Debtors and the Reorganized Debtors (as applicable) shall continue to pay pre- and post-Effective Date, when due and payable in the ordinary course, Restructuring Expenses related to implementation, consummation and defense of the Plan whether incurred before, on, or after the Effective Date.

6.18 Retained Causes of Action

Unless any Causes of Action or claims against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, the DIP Orders, or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action or claims in the ordinary course, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action and claims shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such retained Causes of Action or claims, and may exercise any and all rights, including, without limitation, with respect to the Debtors' Causes of Action or claims related to, arising under, or in connection with, the Regal Litigation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to section 4.21 of the Plan include any Claim or Cause of Action with respect to, or against, a Released Party.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided herein.

6.19 Treatment of Executory Contracts and Unexpired Leases

(a) Assumption and Rejection of Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases of the Debtors that are not (i) rejected by the Debtors prior to the Effective Date; (ii) subject to a motion seeking such rejection as of the Effective Date; or (iii) specifically deemed rejected by the Debtors pursuant to the Plan shall be deemed to have been assumed by the Debtors pursuant to sections 365 and 1123 of the Bankruptcy

Code without further notice or order of the Bankruptcy Court; *provided that* all Executory Contracts and Unexpired Leases, including warranties, of the Debtors related to and arising out of their relationship with Regal will be deemed rejected as of the Effective Date. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V but not assigned to a third party shall be deemed to be assigned to a Reorganized Debtor, and be fully enforceable by, the applicable contracting Reorganized Debtor(s) in accordance with the terms thereof, except as otherwise modified by the provisions of the Plan, or by any order of the Bankruptcy Court; *provided,* that notwithstanding anything to the contrary in the Plan, the Debtors shall not seek the rejection of any Executory Contract or Unexpired Lease, and no rejection of any Executory Contract or Unexpired Lease shall be effective, without the consent of the Consenting Stakeholders.

Entry of the Confirmation Order shall constitute approval of the assumptions, rejections, and, to the extent applicable, the assumptions and assignments of such Executory Contracts and Unexpired Leases as set forth in the Plan, all pursuant to Bankruptcy Code sections 365(a) and 1123. The Confirmation Order shall constitute an order of the Bankruptcy Court: (i) approving the assumption, assumption and assignment, or rejection, as the case may be, of Executory Contracts or Unexpired Leases, as described above, pursuant to Bankruptcy Code sections 365(a) and 1123(b)(2); (ii) providing that each assumption, assignment, or rejection, as the case may be, is in the best interest of the Reorganized Debtors, their Estates, and all parties in interest in the Chapter 11 Cases; and (iii) providing that the requirements for assumption or assumption and assignment of any Executory Contract or Unexpired Lease to be assumed have been satisfied. Unless otherwise indicated, all assumptions or rejections of Executory Contracts or Unexpired Leases pursuant to the Plan are effective as of the Effective Date.

Except as otherwise provided in the Plan or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

(b) **Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Cost in Cash on the Effective Date, subject to the limitation described in the following paragraph, or on such other terms as the parties to such

Executory Contract or Unexpired Lease may otherwise agree. No later than the Plan Supplement Filing Date, to the extent not previously filed with the Bankruptcy Court and served on affected counterparties, the Debtors shall provide for notices of proposed assumption and proposed Cure Costs to be filed and served upon applicable contract and lease counterparties (and upon such Entities' counsel, if known), together with procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a contract or lease counterparty to a proposed assumption, assumption and assignment, or related Cure Cost must be filed, served, and actually received by the Debtors by the date on which objections to Confirmation are due.

Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or Cure Cost shall be deemed to have assented to such assumption or Cure Cost. In the event of a dispute regarding (i) the amount of any Cure Cost, (ii) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365(b) of the Bankruptcy Code, if applicable, under the Executory Contract or the Unexpired Lease to be assumed or assumed and assigned, or (iii) any other matter pertaining to assumption or assignment, then the Bankruptcy Court shall hear such dispute prior to the assumption or assignment becoming effective, and the applicable Cure Costs associated therewith (if any) shall be made following entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment and shall not prevent or delay implementation of the Plan or Effective Date; *provided* that the Debtors may settle any dispute regarding the amount of any Cure Cost without any further notice to any party or any action, order, or approval of the Bankruptcy Court; *provided, further*, that notwithstanding anything to the contrary in the Plan, the Debtors reserve the right to either reject, or nullify the assumption of, any Executory Contract or Unexpired Lease within 30 days after the entry of a Final Order resolving an objection to assumption or assumption and assignment, determining the Cure Cost under an Executory Contract or Unexpired Lease that was subject to a dispute, or resolving any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease.

Assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, and the payment of the Cure Cost, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assumption and assignment. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned, and the Cure Cost paid, shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

(c) **Contracts and Leases Entered into After the Petition Date**

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, shall be performed by the Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) that have not been rejected as of the Confirmation Date shall survive and be assumed upon entry of the Confirmation Order.

(d) **Indemnification and Reimbursement Obligations**

Any and all Indemnification Obligations of the Debtors, including pursuant to their corporate charters, agreements, bylaws, limited liability company agreements, memorandum and articles of association, or other organizational documents, or board resolutions, employment contracts or other agreements for the directors, officers, managers, employees, attorneys, other professionals and agents employed by the Debtors to indemnify current and former officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors based upon any act or omission for or on behalf of the Debtors shall remain in full force and effect to the maximum extent permitted by applicable law and shall not be discharged, impaired, or otherwise affected by the Plan. All such obligations shall be deemed and treated as executory contracts that are assumed by the Debtors under the Plan and shall continue as obligations of the Reorganized Debtors. Any Claim based on the Debtors' obligations in this Section 5.3 herein shall not be a Disputed Claim or subject to any objection, in either case, by reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise.

6.20 Employee Compensation and Benefits

Except as otherwise provided in the Plan and except for any employee equity or equity-based compensation or incentive plans, on and after the Effective Date the Reorganized Debtors may, but are not required to, honor in the ordinary course of business: (i) any employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974) and any other contracts, agreements, policies, programs, and plans for, among other things, employment, compensation, health care, disability and other welfare benefits, deferred compensation benefits, severance policies and benefits, retirement benefits, workers' compensation insurance and accidental death and dismemberment insurance that as of immediately prior to the Petition Date are, and as of immediately prior to the Effective Date continue to be, sponsored, maintained, or contributed to by any of the Debtors for the directors, officers, employees and other service providers of any of the Debtors who served in such capacity at any time (collectively, "Debtor Benefit Plans"); and (ii) Claims of employees of any of the Debtors for any accrued but unused vacation time as of immediately prior to the Effective Time arising in accordance with the Debtors vacation policies as in effect as of immediately prior to the Petition Date. The Debtors' or Reorganized Debtors' performance under any Debtor Benefit Plan shall not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date (each an "Expired Benefit Plan"), or restore, reinstate, or revive any such Expired Benefit Plan or alleged entitlement under any such Expired Benefit Plan. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any Debtor Benefit Plan or Expired Benefit Plan.

Except as otherwise provided in the Plan, none of (i) the Debtors' emergence from chapter 11 of the Bankruptcy Code as contemplated by the Plan; (ii) the execution and delivery of the Restructuring Support Agreement; or (iii) the consummation of the transactions provided in the Restructuring Support Agreement and the Plan (or otherwise contemplated by the Restructuring Support Agreement, Restructuring Transactions, and the Plan to occur prior to or on or about the Effective Date), in each case alone or together with any other event, will (A) entitle any current or former director, officer, employee or other service provider of any of the Debtors to any payment

or benefit, (B) accelerate the time of payment or vesting or trigger any payment or funding of compensation or benefits under, or increase the amount payable or trigger any other obligation under, any Debtor Benefit Plan or Expired Benefit Plan or (C) limit or restrict the right of the Debtors or Reorganized Debtors to merge, amend or terminate any Debtor Benefit Plan, in each case including as a result of a "change in control" or similar provision or as a result of giving rise to any person to terminate his or her service with the Debtors or Reorganized Debtors for "good reason" or similar provision. Any Claims arising from the rejection of any employment agreement, severance plans or agreements, incentive plans, or other compensation agreement, plan or arrangement shall be deemed waived by the Holder thereof and discharged pursuant to the Plan.

6.21 Release, Injunction, and Related Provisions

(a) **Discharge of Claims and Termination of Equity Interests; Compromise and Settlement of Claims, Equity Interests, and Controversies**

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Equity Interests and Claims of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against the Debtors, the Reorganized Debtors or any of their Assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, including demands, liabilities, and causes of action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim or Equity Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Equity Interest is Allowed; or (iii) the Holder of such Claim or Equity Interest has accepted or rejected, or been deemed to accept or reject, the Plan. For the avoidance of doubt, such discharge shall include Claims, including Claims based on warranties, related to, arising under, or in connection with, the Regal Litigation. Except as otherwise provided in the Plan, any default by the Debtors or their Affiliates with respect to any Claim or Equity Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan. For the avoidance of doubt, nothing in Article IX.A of the Plan shall affect the rights of Holders of Claims and Interests to seek to enforce the Plan, including the distributions to which Holders of Allowed Claims and Interests are entitled under the Plan.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made on account of such Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests, and

controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Equity Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against the Debtors and their Estates and Causes of Action against other Entities.

(b) **Releases by the Debtors**

PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE SERVICE OF THE RELEASED PARTIES TO FACILITATE THE EXPEDITIOUS REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, PURSUANT TO THE CONFIRMATION ORDER AND ON AND AFTER THE EFFECTIVE DATE, EACH RELEASED PARTY SHALL BE DEEMED FOREVER RELEASED AND DISCHARGED BY EACH AND ALL OF THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR ESTATES FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, OR THEIR ESTATES, AS APPLICABLE, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THOSE THAT ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES OR THEIR AFFILIATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST, OR EQUITY INTEREST IN, A DEBTOR OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY RELEASED PARTY, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS (OTHER THAN ANY INTERCOMPANY CLAIMS THAT HAVE BEEN REINSTATED AS CONTEMPLATED ABOVE), THE RESTRUCTURING, THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THE PLAN, THE PLAN SUPPLEMENT, THE RESTRUCTURING SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY DOCUMENTS, THE FIRST LIEN FORBEARANCE AGREEMENT, THE EXIT FACILITIES DOCUMENTS, OR

OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; *PROVIDED* THAT THE FOREGOING RELEASE SHALL NOT APPLY TO ANY EXPRESS CONTRACTUAL OR FINANCIAL OBLIGATIONS OR ANY RIGHT OR OBLIGATION ARISING UNDER OR THAT IS PART OF THE PLAN OR ANY AGREEMENTS ENTERED INTO PURSUANT TO, IN CONNECTION WITH, OR CONTEMPLATED BY THE PLAN, AND ANY RIGHT TO ENFORCE THE PLAN AND CONFIRMATION ORDER IS NOT SO RELEASED; *PROVIDED FURTHER* THAT THE FOREGOING RELEASE SHALL NOT APPLY TO EXCLUDED CLAIMS.

(c) **Releases by Holders of Claims and Equity Interests**

AS OF THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EACH OF THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A RELEASED PARTY) SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER, RELEASED AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR AND EACH OTHER RELEASED PARTY FROM ANY AND ALL CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, EACH OTHER RELEASING PARTY OR THEIR ESTATES, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY RELEASED PARTY, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THE RESTRUCTURING SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, THE DIP FACILITY DOCUMENTS, THE FIRST LIEN FORBEARANCE AGREEMENT, THE EXIT FACILITIES DOCUMENTS, OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR

RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; *PROVIDED THAT* THE FOREGOING RELEASE SHALL NOT APPLY TO EXCLUDED CLAIMS.

(d) **Exculpation and Limitation of Liability**

UPON AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE DEBTORS AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS, INVESTMENT BANKERS, FINANCIAL ADVISORS, RESTRUCTURING CONSULTANTS AND OTHER PROFESSIONAL ADVISORS AND AGENTS SHALL BE DEEMED TO HAVE SOLICITED ACCEPTANCES OF THE PLAN IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING SECTION 1125(E) OF THE BANKRUPTCY CODE.

EXCEPT WITH RESPECT TO ANY ACTS OR OMISSIONS EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS, THE EXCULPATED PARTIES SHALL NEITHER HAVE, NOR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH, OR RELATED TO FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING, IMPLEMENTING, ADMINISTERING, CONFIRMING, OR EFFECTING THE PLAN OR ANY CONTRACT, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN OR ANY OTHER PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OF THE DEBTORS; *PROVIDED* THAT THE FOREGOING "EXCULPATION" SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY ENTITY THAT RESULTS FROM ANY SUCH ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; *PROVIDED, FURTHER,* THAT TO THE EXTENT PERMITTED BY APPLICABLE LAW EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL CONCERNING HIS, HER OR ITS DUTIES PURSUANT TO, OR IN CONNECTION WITH, THE PLAN OR ANY OTHER RELATED DOCUMENT, INSTRUMENT, OR AGREEMENT.

THE EXCULPATED PARTIES HAVE, AND UPON CONFIRMATION, SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING WITH REGARD TO THE DISTRIBUTIONS OF REORGANIZED COMMON STOCK AND REORGANIZED PREFERRED STOCK PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT AND SHALL NOT BE LIABLE AT ANY TIME FOR THE VIOLATIONS OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THE PLAN.

(e) **Injunction**

THE SATISFACTION, RELEASE AND DISCHARGE PURSUANT TO THIS ARTICLE IX OF THE PLAN SHALL ALSO ACT AS AN INJUNCTION AGAINST ANY PERSON BOUND BY SUCH PROVISION AGAINST COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET, OR RECOVER ANY CLAIM OR CAUSE OF ACTION SATISFIED, RELEASED, OR DISCHARGED UNDER THE PLAN OR THE CONFIRMATION ORDER TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING, WITHOUT LIMITATION, TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY SECTIONS 524 AND 1141 THEREOF.

6.22 Setoffs and Recoupment

Except as otherwise provided in the Plan or in the DIP Orders, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or non-bankruptcy Law, or as may be agreed to by the Holder of an Allowed Claim, may set off or recoup against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the applicable Debtor or Reorganized Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan, a Final Order or otherwise); provided that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action.

In no event shall any Holder of Claims be entitled to set off or recoup any Claim against any Claim, right, or Cause of Action of a Debtor or a Reorganized Debtor, as applicable, unless such Holder has timely filed a Proof of Claim with the Bankruptcy Court preserving such setoff or recoupment in such Proof of Claim.

6.23 Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the applicable Reorganized Debtor and its successors and assigns.

To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such Holder, has filed or recorded publicly any Liens or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Debtors or the Reorganized Debtors that are necessary or desirable to record or effectuate the cancellation or extinguishment of such Liens or security interests, including the making of any

applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

6.24 Modification of Plan

Subject to the limitations contained in the Plan, the Debtors reserve the right, in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement: (a) to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan; *provided* that any amendments or modifications that affect the rights, obligations, liabilities and duties of the DIP Agent or the First Lien Agent shall require the consent of the DIP Agent or the First Lien Agent, as applicable.

6.25 Effect of Confirmation on Modifications

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

6.26 Certain Technical Amendments

Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; *provided* that such technical adjustments and modifications do not adversely affect the treatment of Holders of Claims or Equity Interests under the Plan.

6.27 Revocation or Withdrawal of Plan

Subject to the conditions to the Effective Date, and the terms and conditions of the Restructuring Support Agreement, the Debtors reserve the right to revoke or withdraw the Plan, including the right to revoke or withdraw the Plan for any Debtor or all Debtors, prior to the entry of the Confirmation Order and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if entry of the Confirmation Order or the Effective Date does not occur, then: (a) the Plan with respect to such Debtor or Debtors shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void with respect to such Debtor or Debtors; and (c) nothing contained in the Plan with respect to such Debtor or Debtors shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any other Entity; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission of any sort by the Debtors or any other Entity.

6.28 Reservation of Rights

The Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

6.29 Conditions Precedent to the Effective Date

The Effective Date shall not occur unless and until each of the following conditions have occurred or been waived in accordance with the terms of the Plan:

1. the Bankruptcy Court shall have approved the Disclosure Statement, in a form reasonably acceptable to the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code and the order approving the Disclosure Statement shall not have been stayed;

2. the Confirmation Order shall have been entered in a form reasonably acceptable to the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor (and with respect to those provisions thereof that affect the rights, obligations, liabilities and duties of the DIP Agent or the First Lien Agent, to the DIP Agent or the First Lien Agent, as applicable), which consent shall not be unreasonably withheld, conditioned, or delayed, and the Confirmation Order shall not have been stayed;

3. all documents, certificates, and agreements necessary to implement the Plan (including, without limitation, the Definitive Documents, as applicable) shall have been executed and tendered for delivery to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable Laws, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

4. all actions necessary to implement the Plan shall have been effected;

5. all governmental and material third party approvals and consents necessary in connection with the Restructuring shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on the Restructuring;

6. there shall be no ruling, judgment or order issued by any Governmental Unit making illegal, enjoining or otherwise preventing or prohibiting the consummation of the Restructuring;

7. the Restructuring Support Agreement shall not have been terminated (other than, for the avoidance of doubt, termination of the Restructuring Support Agreement pursuant to Section 12.08 thereof) and shall remain in full force and effect and be binding;

8. all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay all Professional Fee Claims that become Allowed after the Effective Date shall have been placed in the Professional Fee Escrow Account, which shall have been established and funded;

9. the Debtors shall have established and funded the Professional Fee Reserve;

10. the Debtors shall have paid in full in Cash all Restructuring Expenses incurred or estimated to be incurred, through the Effective Date; and

11. the conditions to effectiveness of the Exit Facilities Documents have been satisfied or waived in accordance with the terms thereof, and the Exit Facilities Documents are in full force and effect and binding on all parties thereto.

6.30 Waiver of Conditions Precedent

The Debtors or the Reorganized Debtors, as applicable, with the consent of the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor (and the DIP Agent and the First Lien Agent, solely with respect to the conditions set forth in section 8.1(b)), which consent shall not be unreasonably withheld, conditioned, or delayed, may waive any of the conditions to the Effective Date set forth above at any time, without any notice to parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than a proceeding to confirm the Plan. The failure of the Debtors or Reorganized Debtors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of such rights or any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

6.31 Effect of Failure of Conditions Precedent

If the Effective Date does not occur, then upon notice by the Debtors to the Bankruptcy Court (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan, the Confirmation Order, or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims, Equity Interests, or Causes of Action; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

ARTICLE VII:

CERTAIN FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS THAT ARE IMPAIRED AND ENTITLED TO VOTE SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT.

ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESS OR THE PLAN AND ITS IMPLEMENTATION.

7.1 General

The following provides a summary of various important considerations and risk factors associated with the Plan; however, it is not exhaustive. In considering whether to vote to accept or reject the Plan, Holders of Claims should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise incorporated by reference in this Disclosure Statement.

7.2 Risks Relating to the Plan and Other Bankruptcy Law Considerations

(a) A Holder of a Claim or Equity Interest May Object to, and the Bankruptcy Court May Disagree with, the Debtors' Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created nine (9) Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. However, a Holder of a Claim or Interest could challenge the Debtors' classification. In such an event, the cost of the Chapter 11 Cases and the time needed to confirm the Plan may increase, and there can be no assurance that the Bankruptcy Court will agree with the Debtors' classification. If the Bankruptcy Court concludes that the classifications of Claims and Equity Interests under the Plan do not comply with the requirements of the Bankruptcy Code, the Debtors may need to modify the Plan. Such modification could require re-solicitation of votes on the Plan. The Plan may not be confirmed if the Bankruptcy Court determines that the Debtors' classification of Claims and Equity Interests is not appropriate.

(b) **The Debtors May Not Be Able to Satisfy the Voting Requirements for Confirmation of the Plan**

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors may seek, as promptly as practicable thereafter, Confirmation. If the Plan does not receive the required support from Class 3, the Debtors may elect to amend the Plan, seek to sell their assets pursuant to section 363 of the Bankruptcy Code, or proceed with liquidation. There can be no assurance that the terms of any such alternative chapter 11 plan or sale pursuant to section 363 of the Bankruptcy Code would be similar or as favorable to the Holders of Allowed Claims as the Restructuring Transactions contemplated by the Plan.

(c) **Parties in Interest May Object to the Debtors' Classification of Claims and Interests**

Bankruptcy Code section 1122 provides that a debtor may place a claim or an equity interest in a particular class under a plan of reorganization only if such claim or equity interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Equity Interests in the Plan complies with the Bankruptcy Code requirements because the Debtors classified Claims and Equity Interests that are substantially similar to the other Claims and Equity Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(d) **The Bankruptcy Court May Not Confirm the Plan or May Require the Debtors to Re-Solicit Votes with Respect to the Plan**

The Debtors cannot assure you that the Plan will be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code, which sets forth the requirements for confirmation of a plan of reorganization, requires, among other things, a finding by the Bankruptcy Court that the plan of reorganization is "feasible," that all claims and interests have been classified in compliance with the provisions of section 1122 of the Bankruptcy Code, and that, under the plan of reorganization, each holder of a claim or interest within each impaired class either accepts the plan of reorganization or receives or retains cash or property of a value, as of the date the plan of reorganization becomes effective, that is not less than the value such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. With respect to any impaired Classes of Claims and Equity Interests that do not accept the plan or are deemed not to accept the Plan, section 1129(b) requires that the plan be fair and equitable (including, without limitation, with respect to the "absolute priority rule") and not discriminate unfairly with respect to such classes. There can be no assurance that the Bankruptcy Court will conclude that the feasibility test and other requirements of section 1129 of the Bankruptcy Code (including, without limitation, finding that the Plan satisfies the "new value" exception to the absolute priority rule, if applicable) have been met with respect to the Plan. If and when the Plan is filed, there can be no assurance that modifications to the Plan would not be required for Confirmation, or that such modifications would not require a re-solicitation of votes on the Plan.

The Bankruptcy Court could fail to approve this Disclosure Statement and determine that the votes in favor of the Plan should be disregarded. The Debtors then would be required to recommence the solicitation process, which would include re-filing a plan of reorganization and

disclosure statement. This process includes a Bankruptcy Court hearing with respect to the required approval of a disclosure statement, followed (after Bankruptcy Court approval) by solicitation of claim and equity interest holder votes for the plan of reorganization, followed by a confirmation hearing at which the Bankruptcy Court will determine whether the requirements for confirmation have been satisfied, including the requisite claim and interest holder acceptances.

If the Plan is not confirmed, the Chapter 11 Cases may be converted into cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and Equity Interests and the Debtors' analysis thereof are set forth in the unaudited Liquidation Analysis, attached hereto as **Exhibit C**. The Debtors believe that liquidation under chapter 7 of the Bankruptcy Code would result in, among other things, smaller distributions being made to creditors and interest holders than those provided for in the Plan because of:

- the likelihood that the Debtors' assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner, affecting the business as a going concern;

- additional administrative expenses involved in the appointment of a chapter 7 trustee; and

- additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation.

(e) **Even if the Debtors Receive All Necessary Acceptances for the Plan to Become Effective, the Debtors May Fail to Meet All Conditions Precedent to Effectiveness of the Plan**

Although the Debtors believe that the Effective Date would occur very shortly after the Confirmation Date, there can be no assurance as to such timing.

The Confirmation and effectiveness of the Plan are subject to certain conditions that may or may not be satisfied. The Debtors cannot assure you that all requirements for Confirmation and effectiveness required under the Plan will be satisfied. If each condition precedent to Confirmation is not met or waived, the Plan will not be confirmed, and if each condition precedent to consummation is not met or waived, the Effective Date will not occur. In the event that the Plan is not Confirmed or is not consummated, the Debtors may seek Confirmation of an alternative plan of reorganization.

(f) **The Bankruptcy Court May Find the Solicitation of Acceptances Inadequate**

Usually, votes to accept or reject a plan of reorganization are solicited after the filing of a petition commencing a chapter 11 case. Nevertheless, a debtor may solicit votes prior to the commencement of a chapter 11 case in accordance with sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018(b).

Bankruptcy Rule 3018(b) provides that a holder of a claim or interest who has accepted or rejected a plan before the commencement of the case under the Bankruptcy Code will not be deemed to have accepted or rejected the plan if the court finds after notice and a hearing that the plan was not transmitted in accordance with reasonable solicitation procedures. Section 1126(b) of the Bankruptcy Code provides that a holder of a claim or interest that has accepted or rejected a plan before the commencement of a case under the Bankruptcy Code is deemed to have accepted or rejected the plan if (i) the solicitation of such acceptance or rejection was in compliance with applicable nonbankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation or (ii) there is no such law, rule, or regulation, and such acceptance or rejection was solicited after disclosure to such holder of adequate information (as defined by section 1125(a) of the Bankruptcy Code). While the Debtors believe that the requirements of sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018(b) will be met, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(g) **There is a Risk of Termination of the Restructuring Support Agreement**

To the extent that events giving rise to termination of the Restructuring Support Agreement occur, the Restructuring Support Agreement may terminate prior to the Confirmation or Consummation of the Plan, which could result in the loss of support for the Plan by important creditor constituencies and could result in the loss of use of cash collateral by the Debtors under certain circumstances. Any such loss of support could adversely affect the Debtors' ability to confirm and consummate the Plan.

(h) **The Bankruptcy Court May Dismiss Some or All of the Chapter 11 Cases**

Certain parties in interest may contest the Debtors' authority to commence or prosecute the Chapter 11 Cases. If, pursuant to any such proceeding, the Bankruptcy Court finds that some or all of the Debtors could not commence the Chapter 11 Cases for any reason, the Debtors may be unable to consummate the transactions contemplated by the Restructuring Support Agreement and the Plan, and any parties providing exit financing may be unwilling to proceed with such funding. If some or all of the Chapter 11 Cases are dismissed, the Debtors may be forced to cease operations due to insufficient funding or liquidate their business in another forum to the detriment of all parties in interest.

(i) **The United States Trustee or Other Parties May Object to the Plan on Account of the Debtors Releases, Third-Party Releases, Exculpations, or Injunction Provisions**

Any party in interest, including the United States Trustee for the District of Delaware (the "U.S. Trustee"), could object to the Plan on the grounds that, among other things, the (i) debtor release contained Article IX of the Plan is to be given without adequate consideration, (ii) third-party release contained in Article IX of the Plan is not given consensually or in a permissible non-consensual manner, (iii) exculpation contained in Article IX of the Plan cannot extend to non-estate fiduciaries, or (iv) the injunction contained in Article IX of the Plan is overly broad. In response to such an objection, the Bankruptcy Court could determine that any of these provisions are not valid under the Bankruptcy Code. If the Bankruptcy Court makes such a determination, the Plan could not be confirmed without modifying the Plan to alter or remove the applicable

provision. This could result in substantial delay in Confirmation of the Plan or the Plan not being confirmed at all.

(j) **The Debtors May Seek To Amend, Waive, Modify, or Withdraw the Plan at Any Time Prior to Confirmation**

The Debtors reserve the right, in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement, and consistent with the terms of the Plan, to amend the terms of the Plan or waive any conditions thereto if and to the extent such amendments or waivers are consistent with the terms of the Restructuring Support Agreement and necessary or desirable to consummate the Plan. The potential impact of any such amendment or waiver on the Holders of Claims and Equity Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes. All Holders of Claims and Equity Interests will receive notice of such amendments or waivers required by applicable law and the Bankruptcy Court. If, after receiving sufficient acceptances, but prior to Confirmation of the Plan, the Debtors seek to modify the Plan, the previously solicited acceptances will be valid only if (1) all classes of adversely affected creditors and interest holders accept the modification in writing, or (2) the Bankruptcy Court determines, after notice to designated parties, that such modification was *de minimis* or purely technical or otherwise did not adversely change the treatment of Holders of accepting Claims and Equity Interests or is otherwise permitted by the Bankruptcy Code.

(k) **The Plan May Have Material Adverse Effects on the Debtors' Operations**

The solicitation of acceptances of the Plan and commencement of the Chapter 11 Cases could adversely affect the relationships between the Debtors and their respective customers, employees, partners, and other parties. While the Debtors expect to continue normal operations during the chapter 11 case, such adverse effects could materially impair the Debtors' operations and adversely affect the Debtors' ability to reorganize and emerge.

(l) **The Debtors Cannot Predict the Amount of Time Spent in Bankruptcy for the Purpose of Implementing the Plan, and Lengthy Bankruptcy Cases Could Disrupt the Debtors' Business, as Well as Impair the Prospect for Reorganization on the Terms Contained in the Plan**

While the Debtors anticipate the Effective Date will occur within 35 days of the Petition Date, there can be no assurance to such timing and it could last considerably longer if, for example, Confirmation is contested or the conditions to Confirmation or Consummation are not satisfied or waived.

Although the Plan is designed to minimize the length of the bankruptcy proceedings, it is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy, and the Debtors cannot be certain that the Plan will be confirmed. Even if confirmed on a timely basis, a bankruptcy proceeding to confirm the Plan could itself have an adverse effect on the Debtors' business. There is a risk, due to uncertainty about the Debtors' futures that, among other things:

- customers could move to the Debtors' competitors;

- employees could be distracted from performance of their duties or more easily attracted to other career opportunities; and

- suppliers, vendors, or other business partners could terminate their relationships with the Debtors or demand financial assurances or enhanced performance, any of which could impair the Debtors' future prospects.

A lengthy bankruptcy case also would involve additional expenses and divert the attention of management from the operation of the Debtors' business.

The disruption that the bankruptcy process would have on the Debtors' business could increase with the length of time it takes to complete the Chapter 11 Cases. If the Debtors are unable to obtain Confirmation of the Plan on a timely basis, because of a challenge to the Plan or otherwise, the Debtors may be forced to operate in bankruptcy for an extended period of time while they try to develop a different plan of reorganization that can be confirmed. A protracted bankruptcy case could increase both the probability and the magnitude of the adverse effects described above.

(m) **Other Parties in Interest Might Be Permitted to Propose Alternative Plans of Reorganization That May Be Less Favorable to Certain of the Debtors' Constituencies Than the Plan**

Other parties in interest could seek authority from the Bankruptcy Court to propose an alternative plan of reorganization to the Plan. Under the Bankruptcy Code, a debtor in possession initially has the exclusive right to propose and solicit acceptances of a plan of reorganization for a period of 120 days from the Petition Date. However, such exclusivity period can be reduced or terminated upon order of the Bankruptcy Court. If such an order were to be entered, parties in interest other than the Debtors would then have the opportunity to propose alternative plans of reorganization.

If another party in interest were to propose an alternative plan of reorganization following expiration or termination of the Debtors' exclusivity period, such a plan may be less favorable to existing Holders of Claims and Equity Interests and may seek to exclude such Holders from retaining any equity under their proposed plan.

(n) **The Debtors May Be Unsuccessful in Obtaining First Day Orders To Permit Them to Pay Their Vendors or Employees, or Continue Operating in the Ordinary Course of Business**

The Debtors have attempted to address potential concerns of their customers, vendors, employees and other key parties in interest that might arise from the filing of the Plan through a variety of provisions incorporated into or contemplated by the Plan, including the Debtors' intention to seek appropriate Bankruptcy Court orders to permit the Debtors to pay their prepetition and postpetition accounts payable to parties in interest in the ordinary course. However, there can be no guarantee that the Debtors will be successful in obtaining the necessary approvals of the Bankruptcy Court for such arrangements or for every party in interest the Debtors may seek to treat in this manner, and, as a result, the Debtors' business might suffer.

(o) **The Bankruptcy Court May Not Approve the Debtors' Use of Cash Collateral or the DIP Facility**

Upon commencing the Chapter 11 Cases, the Debtors will ask the Bankruptcy Court to authorize the Debtors to enter into postpetition financing arrangements or use cash collateral to fund the Chapter 11 Cases and to provide customary adequate protection to the First Lien Lenders and the Second Lien Lenders under the applicable prepetition debt documents, which requests will be in accordance with the terms of the Restructuring Support Agreement. Such access to postpetition financing or cash collateral will provide liquidity during the pendency of the Chapter 11 Cases. There can be no assurance that the Bankruptcy Court will approve the DIP Facility or such use of cash collateral on the terms requested. Moreover, if the Chapter 11 Cases take longer than expected to conclude, the Debtors may exhaust their available cash collateral. There is no assurance that the Debtors will be able to obtain an extension of the right to obtain further postpetition financing or use cash collateral, in which case, the liquidity necessary for the orderly functioning of the Debtors' business may be impaired materially.

(p) **Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations**

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Debtors' filing of their Petitions or before confirmation of the plan of reorganization (a) would be subject to compromise or treatment under the plan of reorganization or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through a plan of reorganization could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations on a post-reorganization basis.

7.3 Risks Relating to the Restructuring Transactions

(a) **The Debtors Will Be Subject to Business Uncertainties and Contractual Restrictions Prior to the Effective Date**

Uncertainty about the effects of the Plan on employees may have an adverse effect on the Debtors. These uncertainties may impair the Debtors' ability to retain and motivate key personnel and could cause customers and others that deal with the Debtors to defer entering into contracts with the Debtors or making other decisions concerning the Debtors or seek to change existing business relationships with the Debtors. In addition, the Debtors are highly dependent on the efforts and performance of their senior management team. If key employees depart because of uncertainty about their future roles and potential complexities of the Restructuring Transactions, the Debtors' business, financial condition, liquidity, and results of operations could be adversely affected.

(b) **The Support of the RSA Parties Is Subject to the Terms of the Restructuring Support Agreement Which Is Subject to Termination in Certain Circumstances**

Pursuant to the Restructuring Support Agreement, the RSA Parties have agreed to support the restructuring transactions set forth in the Plan. Nevertheless, the Restructuring Support

Agreement is subject to termination upon the occurrence of certain termination events. Accordingly, the Restructuring Support Agreement may be terminated after the date of this Disclosure Statement, and such a termination would present a material risk to Confirmation or consummation of the Plan because the Plan may no longer have the support of the RSA Parties.

(c) **There Is Inherent Uncertainty in the Debtors' Financial Projections Such that the Reorganized Debtors May Not Be Able to Meet the Projections**

The Financial Projections attached hereto as **Exhibit E** includes projections covering the Debtors' operations through 2023. These projections are based on assumptions that are an integral part of the projections, including Confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of the Debtors, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize.

In addition, unanticipated events and circumstances occurring after the date hereof may affect the actual financial results of the Debtors' operations. These variations may be material and may adversely affect the value of the Reorganized Common Stock and the Reorganized Preferred Stock and the ability of the Debtors to make payments with respect to their indebtedness. Because the actual results achieved may vary from projected results, perhaps significantly, the Financial Projections should not be relied upon as a guarantee or other assurance of the actual results that will occur.

Further, during the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as restructuring activities and expenses significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date. In addition, if the Debtors emerge from the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

Lastly, the business plan was developed by the Debtors with the assistance of their advisors. There can be no assurances that the Debtors' business plan will not change, perhaps materially, as a result of decisions that the Board of Directors may make after reevaluating the strategic direction of the Debtors and their business plan. Any deviations from the Debtors' existing business plan would necessarily cause a deviation from the Financial Projections, and could result in materially different outcomes from those projected.

(d) **Failure to Implement the Restructuring Transactions and Confirm and Consummate the Plan Could Negatively Impact the Debtors**

If the Restructuring Transactions are not implemented, the Debtors may consider other restructuring alternatives available at that time, which may include the filing of an alternative

chapter 11 plan, conversion to chapter 7, commencement of section 363 sales of the Debtors' assets, or any other transaction that would maximize value of the Debtors' estates. Any alternative restructuring proposal may be on terms less favorable to Holders of Claims against and Equity Interests in the Debtors than the terms of the Plan.

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

If the Plan is not confirmed and consummated, the ongoing business of the Debtors may be adversely affected and there may be various consequences, including:

- the adverse impact to the Debtors' business caused by the failure to pursue other beneficial opportunities due to the focus on the Restructuring Transactions, without realizing any of the anticipated benefits of the Restructuring Transactions;

- the incurrence of substantial costs by the Debtors in connection with the Restructuring Transactions, without realizing any of the anticipated benefits of the Restructuring Transactions;

- the possibility, for the Debtors, of being unable to repay indebtedness when due and payable; and

- the Debtors pursuing traditional chapter 11 or chapter 7 proceedings, resulting in recoveries for creditors and interest holders that are less than contemplated under the Plan, or resulting in no recovery for certain creditors and interest holders.

(e) **Even if the Restructuring Transactions are Successful, the Debtors Will Continue to Face Risks**

The Restructuring Transactions are generally designed to reduce the amount of the Debtors' cash interest expense and improve the Debtors' liquidity and financial and operational flexibility to generate long-term growth. Even if the Restructuring Transactions are implemented, the Debtors will continue to face a number of risks, including certain risks that are beyond the Debtors' control, such as changes in economic conditions, changes in the Debtors' industry, and changes in commodity prices. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

7.4 Risks Relating to the Reorganized Preferred Stock and Reorganized Common Stock

(a) **The Value of the Reorganized Preferred Stock and Reorganized Common Stock Cannot Be Stated With Certainty**

Despite the Debtors' best efforts to value the Reorganized Common Stock and Reorganized Preferred Stock, various uncertainties and contingencies, including market conditions, the Debtors' potential inability to implement their business plan or lack of a market for the

Reorganized Common Stock and Reorganized Preferred Stock may cause fluctuations or variations in value of the Reorganized Common Stock and Reorganized Preferred Stock not fully accounted for in the Plan. All of these factors are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets and other factors that generally influence the prices of securities. Actual market prices of such securities also may be affected by other factors not possible to predict. Additionally, dividends on the Reorganized Preferred Stock will be paid in kind and grow in value each year which will dilute the value of the Reorganized Common Stock.

(b) **The Plan Exchanges Senior Indebtedness for Junior Securities**

If the Plan is confirmed and consummated, certain Holders of Claims will receive the Reorganized Common Stock and Reorganized Preferred Stock, as applicable. Thus, in agreeing to the Plan, certain of such Holders will be consenting to the exchange of their interests in senior debt, which has, among other things, a stated interest rate, a maturity date, and a liquidation preference over equity securities, for the Reorganized Common Stock and Reorganized Preferred Stock, which will be subordinate to all future creditor claims.

(c) **A Liquid Trading Market for the Reorganized Common Stock and Reorganized Preferred Stock May Not Develop**

The Debtors make no assurance that liquid trading markets for the Reorganized Common Stock and Reorganized Preferred Stock will develop. The liquidity of any market for the Reorganized Common Stock and Reorganized Preferred Stock will depend, among other things, upon the number of Holders of Reorganized Common Stock and Reorganized Preferred Stock, the Reorganized Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Therefore, the Debtors cannot assure that an active trading market will develop or, if a market develops, what the liquidity or pricing characteristics of that market will be.

7.5 Risks Relating to the Debtors' Business

(a) **The Debtors May Not Be Able To Implement the Business Plan**

The Debtors may not achieve their business plan and financial restructuring strategy. In such event, the Reorganized Debtors may be unable to restructure their funded debt or be forced to sell all or parts of their business, develop and implement further restructuring plans not contemplated in this Disclosure Statement, or become subject to further insolvency proceedings.

(b) **The Debtors' Financial Projections Are Subject to Inherent Uncertainty Due to the Numerous Assumptions Upon Which They Are Based**

The Debtors' Financial Projections are based on numerous assumptions including: timely Confirmation and Consummation pursuant to the terms of the Plan; the anticipated future performance of the Debtors; industry performance; general business and economic conditions; and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the date that the Disclosure Statement is approved by the Bankruptcy Court may affect the actual

financial results of the Debtors' operations. These variations may be material and may adversely affect the ability of the Debtors to make payments with respect to indebtedness following consummation. Because the actual results achieved throughout the periods covered by the projections may vary from the projected results, the projections should not be relied upon as an assurance of the actual results that will occur. Except with respect to the projections and except as otherwise specifically and expressly stated, the Disclosure Statement does not reflect any events that may occur subsequent to the date of the Disclosure Statement. Such events may have a material impact on the information contained in the Disclosure Statement. The Debtors do not intend to update the Financial Projections and therefore the Financial Projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Financial Projections.

(c) **The Debtors May Not Be Able to Generate Sufficient Cash to Service All of Their Indebtedness**

The Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Debtors' control. The Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Debtors to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, borrowings in connection with emergence.

(d) **Existing and Increased Competition in the Industry or Decreasing Demand for the Debtors' Products May Adversely Affect the Debtors' Business and Results of Operations**

The Debtors compete with numerous other companies in the industry that offer similar products and provide similar services as those offered by the Debtors. The Debtors' competitors may be able to adopt more aggressive pricing and promotional policies, adapt to changes in customer tastes or requirements more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products than the Debtors. In addition, the Debtors' competitors may seek to emulate facets of the Debtors' business strategy, which could result in a reduction of any competitive advantage or special appeal that the Debtors might possess. An inability to overcome potential competitive disadvantages or effectively market the Debtors' products relative to the Debtors' competitors could have an adverse effect on the Debtors' business and results of operations. Further, the decline in movie-theatre attendance could continue to decrease and could have an adverse effect on the Debtors' business and results of operations.

(e) **The Debtors' Reliance on Suppliers May Impact the Debtors' Operation and Performance**

The Debtors rely significantly on their suppliers. Adverse changes in any of the relationships with their suppliers, or the inability to enter into new relationships with suppliers, could negatively impact the Debtors' operations and performance. The Debtors' current arrangements with suppliers may not remain in effect on current or similar terms, and the impact of changes to those arrangements may adversely impact the Debtors' revenue.

(f) **The Debtors Must Continue to Retain, Motivate, and Recruit Executives and Other Key Employees, Which May Be Difficult in Light of Uncertainty Regarding the Plan, and Failure To Do So Could Negatively Affect the Debtors' Business**

The Reorganized Debtors' success will depend, in part, on the efforts of their executive officers, their management team, and other key employees. These individuals possess sales, marketing, financial, administrative, and technological skills that are critical to the operation of the Debtors' business. If the Reorganized Debtors lose or suffer an extended interruption in the services of one or more of their executive officers, managers, or other key employees, the Reorganized Debtors' business, operational results, and financial condition may be negatively impacted.

(g) **The Reorganized Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases**

In the future, the Debtors may become a party to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' business and financial stability, however, could be material.

7.6 Certain Tax Implications of the Chapter 11 Cases and the Plan

Holders of Allowed First Lien Claims should carefully review Article X of the Disclosure Statement, "Certain U.S. Federal Income Tax Consequences," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors, Reorganized Debtors, and Holders of such Claims.

7.7 Disclosure Statement Disclaimer

(a) **Information Contained Herein Is Solely for Soliciting Votes**

The information contained in this Disclosure Statement is for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purpose. Specifically, this Disclosure Statement is not legal advice to any Person or Entity. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each reader should consult its own legal counsel and accountant with regard to any legal, tax, and other matters concerning its Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote to accept or reject the Plan and whether to object to Confirmation.

(b) **Disclosure Statement May Contain Forward-Looking Statements**

This Disclosure Statement may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-

looking terminology such as "may," "expect," "anticipate," "estimate," or "continue," the negative thereof, or other variations thereon or comparable terminology.

The Debtors consider all statements regarding anticipated or future matters, including the following, to be forward-looking statements:

- any future effects as a result of the filing or pendency of the Chapter 11 Cases;
- financing plans;
- competitive position;
- business strategy;
- budgets;
- projected cost reductions;
- projected dividends;
- projected price increases;
- effect of changes in accounting due to recently issued accounting standards;
- projected and estimated liability costs;
- growth opportunities for existing products and services;
- results of litigation;
- disruption of operations;
- contractual obligations;
- projected general market conditions;
- plans and objectives of management for future operations;
- off-balance sheet arrangements;
- the Debtors' expected future financial position, liquidity, results of operations, profitability, and
- cash flows; and growth opportunities for existing products and services.

Statements concerning these and other matters are not guarantees of the Debtors' future performance. The reader is cautioned that all forward-looking statements are necessarily speculative. The Valuation Analysis, the Liquidation Analysis, the recovery projections, and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to Holders of Allowed Claims and Equity Interests may be affected by many factors that cannot be predicted. Forward-looking statements represent the Debtors' estimates and assumptions only as of the date such statements were made. There are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be materially different from those they may project, and the Debtors undertake no obligation to update any such statement.

(c) No Legal, Business, or Tax Advice Is Provided to You by This Disclosure Statement

THIS DISCLOSURE STATEMENT IS NOT LEGAL, BUSINESS, OR TAX ADVICE TO YOU. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her

Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation.

(d) **No Admissions Made**

The information and statements contained in this Disclosure Statement will neither (1) constitute an admission of any fact or liability by any entity (including the Debtors) nor (2) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, Holders of Allowed Claims or Equity Interests, or any other parties-in-interest.

(e) **Failure to Identify Litigation Claims or Projected Objections**

No reliance should be placed on the fact that a particular litigation Claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. All Parties, including the Debtors, reserve the right to continue to investigate Claims and Equity Interests and file and prosecute objections to Claims and Equity Interests.

(f) **No Waiver of Right to Object or Right to Recover Transfers and Assets**

The vote by a Holder of an Allowed Claim or Equity Interest for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtors to object to that Holder's Allowed Claim or Equity Interest, or to bring Causes of Action or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

(g) **Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors**

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained herein.

(h) **The Potential Exists for Inaccuracies and the Debtors Have No Duty to Update**

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

(i) **No Representations Outside of the Disclosure Statement Are Authorized**

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. In deciding whether to vote to accept or reject the Plan, you should not rely upon any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, unless otherwise indicated herein. You should promptly report unauthorized representations or inducements to the counsel to the Debtors and the U.S. Trustee.

ARTICLE VIII:

CONFIRMATION PROCEDURES

The following is a brief summary of the Confirmation process. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

8.1 The Confirmation Hearing

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a plan of reorganization. The Debtors will request, on the Petition Date, that the Bankruptcy Court approve the Plan and Disclosure Statement at a joint hearing. The Confirmation Hearing may, however, be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules, without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to section 1127 of the Bankruptcy Code and the Restructuring Support Agreement, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. The Debtors, in the same motion requesting a date for the Confirmation Hearing, will request that the Bankruptcy Court set a date and time for parties in interest to file objections to Confirmation of the Plan. An objection to Confirmation of the Plan must be filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the applicable order of the Bankruptcy Court so that it is actually received on or before the deadline to file such objections as set forth therein.

8.2 Confirmation Standards

Among the requirements for Confirmation of the Plan pursuant to Bankruptcy Code section 1129 are: (i) the Plan is in the "best interests" of holders of Claims; (ii) the Plan is feasible and (iii) the Plan is accepted by all Impaired Classes of Claims, or if rejected by an Impaired Class or if an Impaired Class is deemed to reject, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the Class.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of Bankruptcy Code section 1129. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11; (ii) the Debtors have complied or will have complied with all of the necessary requirements of chapter 11; and (iii) the Plan has been proposed in good faith.

8.3 Best Interests Test/Liquidation Analysis

As described above, section 1129(a)(7) of the Bankruptcy Code requires that each Holder of an Impaired Claim or Interest either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Based on the unaudited Liquidation Analysis attached hereto as **Exhibit C**, the Debtors believe that the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be no greater than the value of distributions under the Plan. As a result, the Debtors believe Holders of Claims and Equity Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

THE LIQUIDATION ANALYSIS HAS BEEN PREPARED SOLELY FOR USE IN THIS DISCLOSURE STATEMENT AND DOES NOT REPRESENT VALUES THAT ARE APPROPRIATE FOR ANY OTHER PURPOSE. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION BY OR ADMISSION OF ANY DEBTOR FOR ANY PURPOSE.

8.4 Feasibility

The Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan of reorganization is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial Projections, which, together with the assumptions on which they are based, are attached hereto as **Exhibit E**. Based on such Financial Projections, the Debtors believe that they will be able to make all payments required under the Plan while conducting ongoing business operations. Therefore, Consummation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

8.5 Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code permits confirmation of a plan even if it is not accepted by all impaired classes, as long as (a) the plan otherwise satisfies the requirements for confirmation, (b) at least one impaired class of claims has accepted the plan without taking into consideration the votes of any insiders in such class and (c) the plan is "fair and equitable" and does not "discriminate unfairly" as to any impaired class that has not accepted the plan. These so-called "cram down" provisions are set forth in section 1129(b) of the Bankruptcy Code.

(a) **No Unfair Discrimination**

The no "unfair discrimination" test applies to Classes of Claims or Equity Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Equity Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Equity Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation.

(b) **Fair and Equitable Test**

The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in the class. As to the dissenting (or deemed rejecting) class, the test sets different standards depending upon the type of claims or equity interests in the class. A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all. A plan is fair and equitable as to a class of interests that rejects a plan if the plan provides (a) for each holder of an interest included in the rejecting class to receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of (i) the allowed amount of any fixed liquidation preference to which such interest holder is entitled, (ii) any fixed redemption price to which such interest holder is entitled, or (iii) the value of such interest; or (b) the holder of any interest that is junior to the interests of the rejecting class will not receive or retain any property under the plan on account of such junior interest.

The Debtors submit that Confirmation of the Plan pursuant to the "cramdown" provisions of Bankruptcy Code section 1129(b), if necessary, is proper, as the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

8.6 Alternatives to Confirmation and Consummation of the Plan

If the Plan cannot be confirmed, subject to the requirements of the Restructuring Support Agreement, the Debtors may seek to (a) prepare and present to the Bankruptcy Court an alternative chapter 11 plan for confirmation, (b) effect a merger or sale transaction, including, potentially, a sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (c) liquidate their assets and business under chapter 7 of the Bankruptcy Code. If the Debtors were to pursue a liquidation of their assets and business in chapter 7, the Debtors would convert the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, and a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on creditors' recoveries and the Debtors is described in the unaudited Liquidation Analysis attached hereto as **Exhibit C**.

ARTICLE IX:

IMPORTANT SECURITIES LAW DISCLOSURE

9.1 Reorganized Common Stock and Reorganized Preferred Stock

As discussed herein, the Plan provides for the Reorganized Preferred Stock and the Reorganized Common Stock to be distributed to Holders of First Lien Claims in accordance with Article III of the Plan. The Reorganized Common Stock will also be distributed to the Investor on account of the New Money Commitment and the New MSA.

The Debtors believe that the class of Reorganized Preferred Stock and the Reorganized Common Stock will be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable Blue Sky Law. The Debtors further believe that the offer and sale of the Reorganized Preferred Stock and the Reorganized Common Stock pursuant to the Plan is, and subsequent transfers of the Reorganized Preferred Stock and the Reorganized Common Stock by the Holders thereof that are not "underwriters" (as defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code) will be, exempt from federal and state securities registration requirements under the Bankruptcy Code and any applicable state Blue Sky Law as described in more detail below.

9.2 Issuance and Resale of Reorganized Preferred Stock and the Reorganized Common Stock

All shares of the Reorganized Preferred Stock and the Reorganized Common Stock issued pursuant to the Plan on account of Claims will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on Section 1145(a) of the Bankruptcy Code. Section 1145 of the Bankruptcy Code provides that Section 5 of the Securities Act and any state law requirements for the offer and sale of a security do not apply to the offer or sale of stock, options, warrants or other securities by a debtor if (a) the offer or sale occurs under a plan of reorganization, (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor, and (c) the securities are issued in exchange for a claim against or interest in a debtor or are issued principally in such exchange or partly for cash and property. The Debtors believe that the offer and sale of the Reorganized Preferred Stock and the Reorganized Common Stock in exchange for the Claims described above satisfy the requirements of section 1145(a) of the Bankruptcy Code. Accordingly, no registration statement will be filed under the Securities Act or any state securities laws. Recipients of the Reorganized Preferred Stock and the Reorganized Common Stock are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state Blue Sky Law. As discussed below, the exemptions provided for in section 1145(a) do not apply to an entity that is deemed an "underwriter" as such term is defined in section 1145(b) of the Bankruptcy Code.

9.3 Resales of Reorganized Preferred Stock and the Reorganized Common Stock

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor,

if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all "affiliates," which are all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in rule 405 of the Securities Act, means to possess, directly or indirectly, the power to direct or cause to direct management and policies of a Person, whether through owning voting securities, contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor may be deemed to be a "controlling person" of the debtor or successor under a plan of reorganization, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities.

Resales of the Reorganized Preferred Stock and the Reorganized Common Stock offered, issued and distributed pursuant to the Plan in reliance on Section 1145 of the Bankruptcy Code by entities deemed to be "underwriters" are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law.

Under certain circumstances, Holders of Reorganized Preferred Stock and the Reorganized Common Stock, issued and distributed pursuant to the Plan in reliance on Section 1145 of the Bankruptcy Code who are deemed to be "underwriters" may be entitled to resell their Reorganized Preferred Stock and their Reorganized Common Stock pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act.

Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such Person if the required holding period has been met and, under certain circumstances, current information regarding the issuer is publicly available and volume limitations, manner of sale requirements and certain other conditions are met. Whether any particular Person would be deemed to be an "underwriter" with respect to the Reorganized Preferred Stock and the Reorganized Common Stock would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the Reorganized Preferred Stock and Reorganized Common Stock and, in turn, whether any Person may freely resell Reorganized Preferred Stock and the Reorganized Common Stock. However, the Debtors do not intend to make publicly available the requisite information regarding the Debtors, and, as a result, after the holding period, Rule 144 will not be available for resales of the Reorganized Preferred Stock and the Reorganized Common Stock by Persons deemed to be underwriters or otherwise.

Accordingly, the Debtors recommend that potential recipients of the Reorganized Preferred Stock and the Reorganized Common Stock consult their own counsel concerning their ability to freely trade such securities without compliance with the federal law and any applicable state Blue Sky Law. In addition, these securities will not be registered under the Exchange Act or listed on any national securities exchange. The Debtors make no representation concerning the ability of a person to dispose of the Reorganized Preferred Stock and the Reorganized Common Stock.

9.4 Reorganized Common Stock & Management Incentive Plan

The Management Incentive Plan shall reserve no less than 23% of the fully diluted Reorganized Common Stock to be awarded to participants on terms to be determined in accordance with the terms and conditions contained in the Plan. The Management Incentive Plan shall be included in the Plan Supplement. The Confirmation Order shall authorize the New Board to adopt and enter into the Management Incentive Plan. The Reorganized Common Stock issued pursuant to the Management Incentive Plan shall dilute the Reorganized Common Stock outstanding at the time of such issuance.

ARTICLE X:

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

10.1 Tax Background

The following discussion summarizes certain United States ("U.S.") federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors, and certain U.S. Holders (which, solely for purposes of this discussion, means the beneficial owners for U.S. federal income tax purposes) of certain Claims entitled to vote on the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published administrative rules, and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof (collectively, "Applicable Tax Law"). Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. The Debtors have not requested, and do not intend to request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address foreign, state, local, gift, or estate tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules (such as Persons who are related to the Debtors within the meaning of the Tax Code, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, pass-through

entities, beneficial owners of pass-through entities, trusts, governmental authorities or agencies, dealers and traders in securities, subchapter S corporations, Persons who hold Claims or who will hold consideration received under the Plan as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, Holders that are not U.S. Holders (as defined below), and Holders of Claims who are themselves in bankruptcy). Furthermore, this summary assumes that a Holder of a Claim holds only Claims in a single Class and holds a Claim only as a "capital asset" (within the meaning of Section 1221 of the Tax Code). This summary also assumes that the various debt and other arrangements to which any of the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form. This summary does not discuss differences in tax consequences to Holders of Claims that act or receive consideration in a capacity other than any other Holder of a Claim of the same Class or Classes, and the tax consequences for such Holders may differ materially from that described below. This summary does not discuss the consequences of holding and disposing of the Roll-Up Loans other than to the limited extent discussed herein. This summary does not address the U.S. federal income tax consequences to Holders (a) whose Claims are Unimpaired or otherwise entitled to payment in full in Cash under the Plan, or (b) that are deemed to reject the Plan.

For purposes of this discussion, a "U.S. Holder" is a Holder of a Claim that is: (a) an individual citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the U.S., any state thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (d) a trust (i) if a court within the U.S. is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Tax Code) have authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of Section 7701(a)(30) of the Tax Code).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder of a Claim, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are Holders of Claims should consult their tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME, ESTATE, AND OTHER TAX CONSEQUENCES OF THE PLAN.

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

(a) Tax Consequences to the Debtors

The tax consequences of the implementation of the Plan to the Debtors will differ depending on whether the Restructuring Transactions are structured as a taxable sale of the assets or stock of any Debtor (a "Taxable Transaction") or as a recapitalization of the Debtors (a "Recapitalization Transaction"). It has not yet been determined how the Restructuring Transactions will be structured under Applicable Tax Law. Such decision will depend on, among other things, whether assets being sold (or deemed to be sold) pursuant to any Taxable Transaction have an aggregate fair market value in excess of their aggregate tax basis (i.e., a "built-in gain") or an aggregate fair market value less than their aggregate tax basis (i.e., a "built-in loss"), the amount of the expected reduction in the aggregate tax basis of such assets by excluded cancellation of indebtedness income ("COD Income"), whether sufficient tax attributes are available to offset any such built-in gain, future tax benefits associated with a step-up (if any) in the tax basis of the Debtors' assets as a result of a Taxable Transaction, whether any excess loss account of deferred intercompany transaction would be triggered, and the amount and character of any losses with respect to the stock of any applicable Debtor, in each case for U.S. federal, state, and local income tax purposes.

If the transactions undertaken pursuant to the Plan are structured as a Taxable Transaction, the Debtors would realize gain or loss upon the transfer (or deemed transfer) in an amount equal to the difference between the fair market value of the assets transferred (or deemed to be transferred) by the Debtors and the Debtors' tax basis in such assets. Realized gains, if any, may be offset by current-year losses and deductions, which may include interest deductions that may be (or become) available under Section 163(j) of the Tax Code, and losses that may be available with respect to the stock of the Debtors; provided that any such gain that is ordinary in nature may not be offset by capital losses. Any taxable gain remaining after such offsets would result in a cash tax obligation. The Debtors do not anticipate utilizing a Taxable Transaction if it would give rise to any material cash tax obligation; however, because the amount of gain recognized and availability of losses are subject to some uncertainty, the Debtors cannot be certain that only an immaterial cash tax liability would arise in a Taxable Transaction. If a Reorganized Debtor purchases (or is deemed to purchase) assets or stock of any Debtor pursuant to a Taxable Transaction, the Reorganized Debtor will take a fair market value basis in the transferred assets or stock. However, if a Taxable Transaction involves a purchase of stock, the Debtor whose stock is transferred will retain its basis in its assets, unless the Debtors and/or Reorganized Debtors timely make certain elections provided for under the Tax Code to treat such stock purchase as the purchase of the Debtors' assets.

The Debtors do not currently believe they have any material federal net operating losses, net capital loss carry forwards ("NOLs") or other tax attributes, other than interest deductions that have been deferred under Section 163(j) of the Tax Code (the "163(j) Deductions") and tax basis in assets. A portion of the 163(j) Deductions may be available to offset taxable gain in a Taxable Transaction. In a Taxable Transaction, the Reorganized Debtors will not be able to utilize any remaining 163(j) Deductions.

If the transactions contemplated by the Plan are structured as a Recapitalization Transaction, the Debtors would not be expected to recognize any taxable gain or loss as a result of the implementation of the Plan. Subject to the discussion below regarding attribute reduction as a result of COD Income, the Debtors' tax basis in its assets would remain unchanged. Further, the 163(j) Deductions may remain available for use following the implementation of the Plan, subject to the discussion below regarding Section 382 of the Tax Code.

(b) **Cancellation of Indebtedness Income and Reduction of Tax Attributes**

In general, absent an exception, the Debtors will realize and recognize COD Income upon satisfaction of their outstanding indebtedness for total consideration with a value less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the amount of Cash and the fair market value (or adjusted issue price, in the case of debt instruments) of other consideration received in satisfaction of such indebtedness at the time of the exchange.

Under Section 108 of the Tax Code, the Debtors will not be required to include any amount of COD Income in gross income if the Debtors are under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, the Debtors must reduce certain of their tax attributes by the amount of COD Income that they excluded from gross income pursuant to Section 108 of the Tax Code. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards, (b) general business credit carryovers, (c) capital loss carryovers, (d) tax basis in assets (but not below the amount of liabilities to which the applicable Reorganized Debtor will remain subject immediately after the discharge) as further described in the following two paragraphs, (e) passive activity loss and credit carryovers, and (f) foreign tax credit carryovers. Alternatively, the Debtors may elect first to reduce the basis of their depreciable assets pursuant to Section 108(b)(5) of the Tax Code. Although not free from doubt, in the absence of contrary guidance, it appears to be the case that the 163(j) Deductions are not subject to reduction under these rules. Any excess COD Income over the amount of available tax attributes generally will not give rise to U.S. federal income tax and generally will have no other U.S. federal income tax impact.

Treasury Regulations applicable to an affiliated group of corporations, like the Debtors, provide that the tax attributes of each member that is excluding COD Income are first subject to reduction before reducing tax attributes of other members of such group. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group. Any excess COD Income over the amount of available tax attributes is not subject to U.S. federal income tax and generally has no other U.S. federal income tax impact.

The amount of COD Income, if any, and, accordingly, the amount of tax attributes required to be reduced, will depend on the fair market value (or, in the case of debt instruments, the adjusted issue price) of various forms of consideration to be received by Holders of Claims under the Plan.

These amounts cannot be known with certainty until after the Effective Date and, as a result, the total amount of attribute reduction as a result of the Plan cannot be determined until after the Effective Date.

The attribute reduction rules described above would not be expected to apply to the tax basis of the assets of the Reorganized Debtors if a Taxable Transaction is consummated.

(1) *Limitation on 163(j) Deduction and Other Tax Attributes*

After giving effect to the reduction in tax attributes pursuant to excluded COD Income described above, the Reorganized Debtors' ability to use any remaining tax attributes post-emergence will be subject to certain limitations under Sections 382 and 383 of the Tax Code.

Under Sections 382 and 383 of the Tax Code, if the Debtors undergo an "ownership change," the amount of any remaining NOL carryforwards, tax credit carryforwards, 163(j) Deductions, net unrealized built-in losses, and possibly certain other attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Debtors allocable to periods prior to the Effective Date (collectively, the "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10 million , or (b) 15% of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of Sections 382 and 383 of the Tax Code are complicated, but as a general matter, the Debtors anticipate that the issuance of Reorganized Preferred Stock and Reorganized Common Stock pursuant to the Plan will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of Section 382 of the Tax Code applies.

Section 382 is not expected to be relevant to the tax attributes of a Reorganized Debtor immediately after emergence in the event that the transactions undertaken pursuant to the plan are structured as a Taxable Transaction involving the acquisition of the assets of the Debtors.

A. General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments),

and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the ownership change occurs, currently 1.63% for February 2020. The annual limitation may be increased to the extent that the Reorganized Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65, as modified by IRS Notice 2018-30, to the extent that such safe harbors continue to be available pending the finalization of proposed regulations that would curtail such safe harbors. Section 383 of the Tax Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

B. Special Bankruptcy Exceptions

Special rules may apply in the case of a corporation that experiences an "ownership change" as a result of a bankruptcy proceeding. An exception to the foregoing annual limitation rules generally applies when shareholders and so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50% of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). If the requirements of the 382(l)(5) Exception are satisfied, a debtor's Pre-Change Losses would not be limited on an annual basis, but, instead, NOL carryforwards would be reduced by the amount of any interest deductions claimed by the debtor during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock pursuant to the reorganization. If the 382(l)(5) Exception applies and the Reorganized Debtors undergo another "ownership change" within two years after the Effective Date, then the Reorganized Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety.

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

The Debtors have not determined whether the 382(l)(5) Exception will be available or, if it is available, whether the Reorganized Debtors will elect out of its application. As noted above,

Section 382 of the Tax Code is not expected to be relevant to the tax attributes of a Reorganized Debtor immediately after emergence in the event that the transactions undertaken pursuant to the Plan are structured as a Taxable Transaction involving the acquisition of the assets of the Debtors.

10.3 Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders

The following discussion assumes that the Debtors will undertake the restructuring transactions currently contemplated by the Plan. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Plan based on their individual circumstances.

(a) **Tax Consequences of the Consummation of the Plan.**

(1) *Receipt by Consenting First Lien Lenders of Exit Facility Credit Agreements*

In exchange for a portion of their First Lien Loans, each Consenting First Lien Lender will receive Roll-Up Loans, which, pursuant to the Plan, shall be exchanged, in full and final satisfaction, compromise, settlement, release, and discharge, for loans under the Second Lien Exit Facility.

Both the exchange of First Lien Loans for the Roll-Up Loans, and the exchange of the Roll-Up Loans for the loans arising under the Second Lien Exit Facility Credit Agreement (the "Second Lien Exit Facility Agreement Loans") will be treated as a taxable exchange under Section 1001 of the Tax Code.

A U.S. Holder of a First Lien Claim who is subject to this treatment should recognize gain or loss equal to (a) in the case of the exchange of the First Lien Claims for Roll-Up Loans: (i) the fair market value (which shall be the issue price as determined for U.S. federal income tax purposes) of the Roll-Up Loan received in exchange for a portion of the First Lien Claims, minus (ii) the Holder's adjusted tax basis in its First Lien Claims so exchanged; and (b) upon consummation of the Plan, in the case of the exchange of the Roll-Up Loans for the Second Lien Exit Facility Agreement Loans, (i) the fair market value (which shall be the issue price as determined for U.S. federal income tax purposes) of the Second Lien Exit Facility Agreement Loans received in exchange for the Roll-Up Loans minus (ii) the Holder's adjusted tax basis in the Roll-Up Loans so exchanged. Such U.S. Holder should obtain a tax basis in the Roll-Up Loan or Second Lien Exit Facility Agreement Loan received in exchange for a portion of their First Lien Claims or Roll-Up Loans, as applicable, other than with respect to any amounts received that are attributable to accrued but unpaid interest (or original issue discount ("OID")), and subject to the rules relating to market discount, equal to the fair market value of the Roll-Up Loans or Second Lien Exit Facility Agreement Loans, as applicable, received as of the date such consideration is distributed to the U.S. Holder in exchange for its First Lien Claims or Roll-Up Loans, as applicable.

The character of such gain or loss will be determined by a number of factors, including, among other things, the tax status of the U.S. Holder, the rules regarding market discount and accrued but unpaid interest, and whether and to what extent the U.S. Holder had previously claimed a bad-debt deduction with respect to its Claim. If recognized gain or loss is capital in nature, it generally would be long-term capital gain or loss if the U.S. Holder held its Claim for more than one year as of the Effective Date.

The holding period for the Roll-Up Loans and the Second Lien Exit Facility Loans should begin on the day following the receipt of the relevant consideration.

For the treatment of the exchange to the extent the Roll-Up Loans or Second Lien Exit Facility Loans received is allocable to accrued but unpaid interest, OID or market discount, see the sections entitled "Accrued Interest" and "Market Discount" below.

(2) *Receipt by First Lien Lenders of Reorganized Preferred Stock and Reorganized Common Stock*

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their First Lien Claims, each Holder of First Lien Claims will receive its Pro Rata share (as determined as a percentage of all First Lien Claims not exchanged for the Roll-Up Loans) of: (a) $60 million of the total Reorganized Preferred Stock and (b) 10% of the total Reorganized Common Stock, subject to dilution from the Management Incentive Plan.

A U.S. Holder of the First Lien Claims will be treated as receiving, as applicable, its Pro Rata share of the Reorganized Preferred Stock and Reorganized Common Stock in a taxable exchange under Section 1001 of the Tax Code. Other than with respect to any amounts received that are attributable to accrued but unpaid interest, each U.S. Holder should recognize gain or loss in an amount equal to the difference between (x) the fair market value of the Reorganized Preferred Stock and Reorganized Common Stock received in respect of the First Lien Claims exchanged therefor and (y) such U.S. Holder's adjusted basis, if any, in such Claims. The character of such gain or loss will be determined by a number of factors, including, among other things, the tax status of the U.S. Holder, the rules regarding market discount and accrued but unpaid interest, and whether and to what extent the U.S. Holder had previously claimed a bad-debt deduction with respect to its Claim. If recognized gain or loss is capital in nature, it generally would be long-term capital gain or loss if the U.S. Holder held its Claim for more than one year as of the Effective Date. Such U.S. Holder's tax basis in the Reorganized Preferred and Reorganized Common Stock received, as applicable, should equal the fair market value of such property as of the Effective Date, and such U.S. Holder's holding period in such consideration should begin on the day after the Effective Date.

(3) *Accrued Interest*

A portion of the consideration received by U.S. Holders of Claims may be attributable to accrued but unpaid interest on such Claims. Such amount should be taxable to that U.S. Holder as ordinary interest income if such accrued interest has not been previously included in the Holder's gross income for U.S. federal income tax purposes. Conversely, U.S. Holders of Claims may be able to recognize a deductible loss to the extent that any accrued interest on the Claims was previously included in the Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder pursuant to the Plan is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid

interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan. Holders of Claims should consult their respective tax advisors regarding the proper allocation of the consideration received by them under the Plan between principal and accrued but unpaid interest in such event.

(4) *Market Discount*

Under the "market discount" provisions of the Tax Code, some or all of any gain realized by a U.S. Holder of a Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with OID, its adjusted issue price, in each case, by at least a de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining complete years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such Claim was considered to be held by the Holder (unless the Holder elected to include market discount in income as it accrued). Holders should consult their own tax advisors concerning the application of the market discount rules to their Claims.

(5) *Limitation of Use of Capital Losses*

U.S. Holders who recognize capital losses as a result of the distributions under the Plan will be subject to limits on their use of capital losses. For non-corporate U.S. Holders, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. Non-corporate U.S. Holders may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. U.S. Holders who have more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

(b) **Consequences of Holding and Disposing of the Second Lien Credit Agreements that Form Part of the Exit Facility Credit Agreements**

(1) *Effect of Certain Contingencies*

This discussion assumes that the Reorganized Debtor will take the position that the Second Lien Exit Facility Agreement Loans received by Consenting First Lien Lenders in exchange for Roll-Up DIP Claims are not subject to the Treasury Regulations applicable to contingent payment debt instruments. The Reorganized Debtor's position is binding on a U.S. Holder unless such Holder discloses its contrary position in the manner required by applicable U.S. Treasury Regulations. However, the Reorganized Debtors' may take the position that such loans are contingent payment debt instruments and, in any event, the IRS may take a position contrary to the Reorganized Debtor's position, which could adversely affect the amount, timing, and character of a U.S. Holder's income with respect to the Second Lien Exit Facility Agreement Loans. If the Second Lien Exit Facility Agreement Loans were treated as contingent payment debt instruments, each U.S. Holder would be requird to take into account interest using a constant yield method based on the issuer's "comparable yield," which generally is the rate at which the issuer could issue a fixed rate debt instrument with terms and conditions otherwise similar to the Second Lien Exit Facility Agreement Loans. In addition, any gain recognized by a U.S. Holder in respect of a Second Lien Exit Facility Agreement Loan would be treated as ordinary interest income. U.S. Holders should consult their own tax advisors regarding the potential application to the Second Lien Exit Facility Agreement Loans of the contingent payment debt instrument rules and the consequences thereof. This discussion assumes that the Second Lien Exit Facility Agreement Loans are not treated as contingent payment debt instruments.

(2) *Acquisition Premium and Bond Premium*

If a U.S. Holder of a Roll-Up DIP Claim receives an initial tax basis in any Second Lien Exit Facility Agreement Loan that is less than or equal to the stated redemption price at maturity of such debt instrument, but greater than the adjusted issue price of such instrument, the U.S. Holder should be treated as acquiring such debt instruments with an "acquisition premium." Unless an election is made, the U.S. Holder generally should reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in such debt instrument over such debt instrument's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on such debt instrument over its adjusted issue price.

If a U.S. Holder of a Roll-Up DIP Claim receives an initial tax basis in any Second Lien Exit Facility Agreement Loan that exceeds the stated redemption price at maturity of such debt instrument, such U.S. Holder should be treated as acquiring such debt instrument with "bond premium." Such U.S. Holder generally may elect to amortize the bond premium over the term of such debt instrument on a constant yield method as an offset to interest (including any OID) when includible in income under such U.S. Holder's regular accounting method. If a U.S. Holder does not elect to amortize the premium, that premium may decrease the gain or increase the loss such U.S. Holder would otherwise recognize on disposition of such debt instrument.

(3) *OID and Interest with Respect to the Exit Facility Agreements*

Because the Second Lien Exit Facility Agreement Loans provide for the payment of some or all of the interest on such Second Lien Exit Facility Agreement Loans in the form of PIK Interest, no stated interest (as further described below) on the Second Lien Exit Facility Agreement Loans will be qualified stated interest for U.S. federal income tax purposes (even if stated interest is expected to be paid, and actually is paid, in cash). As a result, the Second Lien Exit Facility Agreement Loans will be treated as issued with OID for U.S. federal income tax purposes.

In addition, a debt instrument, such as a Second Lien Exit Facility Agreement Loan, is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually, other than in debt of the issuer. Because no interest on the Second Lien Exit Facility Agreement Loans is unconditionally payable in cash at least annually, the Second Lien Exit Facility Agreement Loans may be considered to be issued with OID. Moreover, the Second Lien Exit Facility Agreement Loans could be treated as issued with OID to the extent the allocation rules described above in "—Receipt by Consenting First Lien Lenders of Second Lien Exit Facility Agreement Loans" result in the Second Lien Exit Facility Agreement Loans having an issue price that is less than their stated redemption price at maturity.

A U.S. Holder generally will be required to include OID in income before the receipt of the associated cash payment, regardless of the U.S. Holder's accounting method for tax purposes. The amount of OID with respect to a Second Lien Exit Facility Agreement Loan that a U.S. Holder must include in income is the sum of the ''daily portions'' of the OID for the Second Lien Exit Facility Agreement Loan for each day during the taxable year (or portion of the taxable year) in which the U.S. Holder held the Second Lien Exit Facility Agreement Loan. The daily portion is determined by allocating a pro rata portion of the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the Second Lien Exit Facility Agreement Loan, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between (1) the product of the ''adjusted issue price'' of the Second Lien Exit Facility Agreement Loan at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period) and (2) the amount of any stated interest allocable to the accrual period. The "adjusted issue price" of a Second Lien Exit Facility Agreement Loan at the beginning of any accrual period is the sum of the issue price of the Second Lien Exit Facility Agreement Loan plus the amount of OID allocable to all prior accrual periods reduced by any payments on the Second Lien Exit Facility Agreement Loan that were not stated interest.

Any PIK Interest generally will not be treated as a payment of interest on an original Second Lien Exit Facility Agreement Loan for U.S. federal income tax purposes. Instead, any PIK Interest together with the original Second Lien Exit Facility Agreement Loan will be treated as a single debt instrument for U.S. federal income tax purposes.

Under these rules, a U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods. Under applicable U.S. Treasury Regulations, a U.S. Holder of a Second Lien Exit Facility Agreement Loan with OID may elect to include in gross income all interest that accrues on the Second Lien Exit Facility Agreement Loan using the constant yield method described above. Once made with respect to the Second Lien Exit Facility Agreement Loan, the election cannot be revoked without the consent of the IRS. A U.S. Holder considering an election under these rules should consult its own tax advisor.

If interest other than qualified stated interest is paid in cash on the Second Lien Exit Facility Agreement Loans, a U.S. Holder should not be required to adjust its OID inclusions. Instead, each payment made in cash under the Second Lien Exit Facility Agreement Loans should be treated first as a payment of any accrued OID that has not been allocated to prior payments and second as a payment of principal. A U.S. Holder generally should not be required to include separately in income cash payments received on the Second Lien Exit Facility Agreement Loans to the extent such payments constitute payments of previously accrued OID.

The rules regarding OID are complex and the rules described above may not apply in all cases. If other rules apply instead, U.S. Holders of the Second Lien Exit Facility Agreement Loans could be treated differently than described above. Consenting First Lien Lenders are urged to consult their own tax advisors regarding the potential application of the OID rules to the Second Lien Exit Facility Agreement Loans and the consequences thereof.

(4) *Sale, Exchange, Retirement or Other Disposition by a U.S. Holder.*

A U.S. Holder's adjusted tax basis in a Second Lien Exit Facility Agreement Loan received in exchange for a portion of its First Lien Claims generally will be its tax basis calculated as described under "—Receipt by Consenting First Lien Lenders of Second Lien Exit Facility Agreement Loans" increased by the amount of any OID previously included in income and decreased by payments other than stated interest made with respect to the Second Lien Exit Facility Agreement Loans. Although not free from doubt, a U.S. Holder's adjusted tax basis in a Second Lien Exit Facility Agreement Loan should be allocated between the original Second Lien Exit Facility Agreement Loan and any new loans received in respect of PIK Interest thereon ("PIK Loan") in proportion to their relative principal amounts. A U.S. Holder's holding period in any PIK Loan received in respect of PIK Interest would likely be identical to its holding period for the original Second Lien Exit Facility Agreement Loans with respect to which the PIK Loan was received.

A U.S. Holder generally will recognize capital gain or loss on the sale, exchange, retirement or other taxable disposition of a Second Lien Exit Facility Agreement Loan equal to the difference, if any, between the amount realized on the sale, exchange, retirement or other disposition of the Second Lien Exit Facility Agreement Loan (less any amounts attributable to accrued but unpaid interest, which will be subject to tax in the manner described above under "—Stated interest" to the extent not previously so taxed), and the U.S. Holder's adjusted tax basis in the Second Lien Exit Facility Agreement Loan.

Any gain or loss recognized on the sale, exchange, retirement, or other disposition of a Second Lien Exit Facility Agreement Loan will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the Second Lien Exit Facility Agreement Loan for more than one year as of the date of disposition. Long-term capital gain of a non-corporate U.S.

Holder generally is taxed at preferential rates. The ability of a U.S. Holder to offset capital losses against ordinary income is limited.

The deductibility of capital losses is subject to certain limitations. Prospective investors should consult their own tax advisors as to the U.S. federal income tax consequences of disposing, in separate transactions, of the original Second Lien Exit Facility Agreement Loans and any PIK Loans issued as PIK Interest with respect to such original Second Lien Exit Facility Agreement Loans.

(c) **Consequences of Owning and Disposing of Reorganized Preferred Stock and Reorganized Common Stock**

(1) *Distributions on Reorganized Common Stock and Reorganized Preferred Stock*

Any distributions made on account of the Reorganized Common Stock, and any cash distributions made on account of the Reorganized Preferred Stock, will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Debtor as determined under U.S. federal income tax principles.

Under section 305 of the Tax Code, distributions in kind of additional Reorganized Preferred Stock pursuant to the terms of the Reorganized Preferred Stock may not constitute dividends, but, as described below, if the Reorganized Preferred Stock is treated as "preferred" stock under Section 305 of the Tax Code, there is a risk that such distributions and the resulting increases in the liquidation preference of the Reorganized Preferred Stock will be treated as a deemed dividend to the extent of Reorganized Debtor's earnings and profits. To the extent that a U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares (determined on a share-by-share basis). Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain. Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for a dividends-received deduction.

(2) *Potential Constructive Distributions With Respect to Reorganized Preferred Stock*

Under Section 305 of the Tax Code, holders of Reorganized Preferred Stock may be treated as receiving distributions with respect to their Reorganized Preferred Stock under Tax Code Section 301 under a variety of circumstances.

As an initial matter, certain provisions of Section 305 of the Tax Code apply only if the Reorganized Preferred Stock constitutes "preferred" stock for purposes of Section 305 of the Tax Code (as opposed to "common" stock for purposes of Section 305 of the Tax Code). The determination of whether stock constitutes "preferred" or "common" stock for purposes of Section 305 of the Tax Code depends in large part upon whether the stock participates significantly in corporate growth (such stock colloquially being referred to as "participating preferred stock"). Participating preferred stock is treated as common stock for purposes of Section 305 of the Tax

Code and, accordingly, certain of the deemed distribution provisions of Section 305 of the Tax Code are generally inapplicable to such stock.

If the Reorganized Preferred Stock is treated as "common" stock for purposes of Section 305 of the Tax Code, any ordinary payment-in-kind distributions and preferred original issue discount ("Preferred OID") (i.e., the excess of redemption price over issue price), if any, should not be subject to the deemed distribution provisions of Section 305 of the Tax Code. In such case, the treatment of dividends made simultaneously to Reorganized Common Stock and Reorganized Preferred Stock is subject to potential uncertainty and could result in a deemed distribution under Section 305 of the Tax Code.

If the Reorganized Preferred Stock is treated as "preferred" stock under Section 305 of the Tax Code, any Preferred OID on the Reorganized Preferred Stock will generally be required to be recognized as a dividend over the term of the Reorganized Preferred Stock on a constant-yield-to-maturity basis to the extent of the Reorganized Debtors' earnings and profits (and thereafter first as a return of capital which reduces basis and then, generally, capital gain, under the same rules applicable to distributions in respect of the Reorganized Common Stock, though any such amounts treated as a dividend will generally be ineligible for the reduced rate applicable to qualified dividend income or the dividends received deduction available to qualified corporations).

Further, if the Reorganized Preferred Stock is treated as "preferred" stock under Section 305 of the Tax Code, there is a risk that payment-in-kind distributions and the resulting increases in the liquidation preference of the Reorganized Preferred Stock will be treated as a deemed dividend to the extent of Reorganized Debtor's earnings and profits (as described above).

In addition to the above rules, under certain circumstances, the payment-in-kind distributions with respect to the Reorganized Preferred Stock could be subject to treatment as a deemed distribution, even if the Reorganized Preferred Stock otherwise constitutes "common stock" for purposes of Section 305 of the Tax Code. Such treatment could apply in the event distributions are made with respect to the Reorganized Common Stock, because such distributions on the Reorganized Common Stock, in conjunction with the payment-in-kind distributions with respect to the Reorganized Preferred Stock, could implicate Treasury Regulation Section 1.305-7 and the disproportionate distribution rule of Section 305 of the Tax Code.

Holders of Claims receiving the Reorganized Preferred Stock are urged to consult their own tax advisors regarding the treatment of the Reorganized Preferred Stock under Section 305 of the Tax Code.

(3) *Sale, Redemption, or Repurchase of Reorganized Common Stock and Reorganized Preferred Stock*

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the Reorganized Common Stock or Reorganized Preferred Stock. A U.S. Holder should recognize gain or loss in an amount equal to the difference between (x) the amount realized and (y) such U.S. Holder's adjusted basis in the Reorganized Preferred Stock or Reorganized Common Stock, as applicable, as determined in "—Receipt by Holders of Claims and Equity Interests of Exit Facility Credit Agreements".

Such capital gain will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder held the Reorganized Common Stock or Reorganized Preferred Stock, as applicable, for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described above.

If, however, there are unpaid accrued and declared dividends on the Reorganized Preferred Stock at the time of the sale, redemption, or other taxable disposition of the Reorganized Preferred Stock, then, generally, the portion of the consideration attributable to those dividends will be treated as a dividend to the extent of the current or accumulated earnings and profits of Reorganized Debtor as determined under U.S. federal income tax principles (and, thereafter, first as a return of capital which reduces basis and then, generally, capital gain, under the same rules applicable to distributions in respect of the Reorganized Common Stock).

10.4 FATCA

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30% on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

FATCA withholding rules were previously scheduled to take effect on January 1, 2019 that would have applied to payments of gross proceeds from the sale or other disposition of property of a type that can produce U.S. source interest or dividends. However, such withholding has effectively been suspended under proposed Treasury Regulations that may be relied on until final regulations become effective. Nonetheless, there can be no assurance that a similar rule will not go into effect in the future.

10.5 Information Reporting and Backup Withholding

The Debtors will withhold all amounts required by law to be withheld from payments of interest and dividends. The Debtors will comply with all applicable reporting requirements of the Tax Code. In general, information reporting requirements may apply to distributions or payments made to a Holder of a Claim under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless a U.S. Holder provides a properly executed IRS Form W-9. The current backup withholding rate is 24 percent. Backup withholding is not an additional tax but is, instead, an advance payment that may entitle the Holder to a refund from the IRS to the extent it results in an overpayment of tax, provided that the required information is provided to the IRS.

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of

transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

10.6 Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular holder of a Claim in light of such holder's circumstances and tax situation and is not a substitute for consultation with a tax professional. The above discussion is for informational purposes only and is not tax advice. The tax consequences of the Plan are complex and are in many cases uncertain and may vary depending on a claimant's particular circumstances. Accordingly, all holders of Claims and Equity Interests are strongly urged to consult their own tax advisors about the U.S. federal, state, local, and non-U.S. income and other tax consequences to them under the Plan.

ARTICLE X:

CONCLUSION AND RECOMMENDATION

The Debtors believe that Confirmation and Consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urge all Holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their ballots so they will be received by the Solicitation Agent no later than 5:00 p.m. (prevailing Eastern Time) on February 25, 2020.

Dated: February 15, 2020

Respectfully submitted,

VIP Cinema Holdings, Inc.
on behalf of itself and each of its Debtor affiliates

By: _____
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EXHIBIT A

Joint Prepackaged Chapter 11 Plan of Reorganization

SOLICITATION VERSION

IMPORTANT: THE SOLICITATION MATERIALS ACCOMPANYING THIS PLAN OF REORGANIZATION HAVE NOT BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF 11 U.S.C. § 1125(a). THE DEBTORS EXPECT TO SEEK AN ORDER OR ORDERS OF THE BANKRUPTCY COURT, AMONG OTHER THINGS: (1) APPROVING THE SOLICITATION OF VOTES AS HAVING BEEN IN COMPLIANCE WITH 11 U.S.C. § 1126(b); AND (2) CONFIRMING THE PLAN OF REORGANIZATION PURSUANT TO 11 U.S.C. § 1129.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
VIP CINEMA HOLDINGS, INC., *et al.*,[1]	)	**Case No. 20-_____ (_____)**
Debtors.	)	**(Joint Administration Requested)**

JOINT PREPACKAGED PLAN OF REORGANIZATION OF VIP CINEMA HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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[1] The Debtors in these chapter 11 cases, along with the last four digits of their federal tax identification numbers, include: VIP Cinema Holdings, Inc. (2049); HIG Cinema Intermediate Holdings, Inc. (4710); VIP Components, LLC (4648); VIP Cinema, LLC (7167); and VIP Property Management II, LLC (1421).

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JOINT PREPACKAGED PLAN OF REORGANIZATION OF VIP CINEMA HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

VIP Cinema Holdings, Inc., HIG Cinema Intermediate Holdings, Inc., VIP Components, LLC, VIP Cinema, LLC, and VIP Property Management II, LLC (each a "Debtor" and, collectively, the "Debtors") propose this joint prepackaged plan of reorganization (the "Plan") for the resolution of the outstanding Claims against and Equity Interests in the Debtors pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used in the Plan and not otherwise defined have the meanings ascribed to such terms in Section 1.1 of this Plan.

Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims and Equity Interests pursuant to the Bankruptcy Code. The Debtors seek to consummate the Restructuring Transactions on the Effective Date of the Plan. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The classifications of Claims and Equity Interests set forth in Article III of this Plan shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. The Plan does not contemplate substantive consolidation of any of the Debtors.

Reference is made to the Disclosure Statement, filed contemporaneously with the Plan, for a discussion of the Debtors' history, businesses, results of operations, historical financial information, projections and future operations, as well as a summary and analysis of the Plan and certain related matters, including distributions to be made under this Plan.

ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE STRONGLY ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

Section 1.1 *Defined Terms.*

The following terms shall have the respective meanings specified below when used in capitalized form in the Plan:

1. "***Accrued Professional Compensation***" means, at any date, all accrued fees and reimbursable expenses (including success fees) for services rendered by all Retained Professionals in the Chapter 11 Cases through and including such date, to the extent that such fees and expenses have not been previously paid and regardless of whether a fee application has been filed for such fees and expenses and to the extent not disallowed under a Final Order.

2. "***Ad Hoc Group of First Lien Lenders***" means that certain ad hoc group of First Lien Lenders represented by Davis Polk & Wardwell LLP.

3. "***Administrative Claims***" means any and all requests for payment of costs or expenses (other than DIP Claims) of the kind specified in Bankruptcy Code section 503(b) and entitled to priority under Bankruptcy Code section 507, including, but not limited to: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Bankruptcy Fees; and (c) Cure Costs.

4. "***Administrative Claims Bar Date***" means the first Business Day that is the 30th day after the Effective Date.

5. "***Affiliate***" means an affiliate as defined in section 101(2) of the Bankruptcy Code, including non-Debtor Entities.

6. "***Allowed***" means, with respect to any Claim or Equity Interest, (a) any Claim or Equity Interest arising on or before the Effective Date (i) as to which no objection to allowance, priority, or secured status, and no request for estimation or other challenge, including pursuant to section 502(d) of the Bankruptcy Code or otherwise, has been interposed by the applicable objection deadline, or (ii) as to which any objection has been determined in favor of the respective Holder by Final Order, but only to the extent allowed by Final Order; (b) any Claim or Equity Interest that is compromised, settled, or otherwise resolved pursuant to the authority of the Debtors or the Reorganized Debtors; (c) any Claim or Equity Interest as to which the liability of the Debtors or Reorganized Debtors, as applicable, and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court; or (d) any Claim or Equity Interest expressly allowed hereunder; *provided* that notwithstanding the foregoing, (x) unless expressly waived by the Plan, the Allowed amount of Claims or Equity Interests shall be subject to the limitations under or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable, and (y) the Reorganized Debtors shall retain all claims and defenses with respect to Claims.

7. "***Assets***" means, with respect to any Debtor, all of such Debtor's right, title and interest of any nature in property of any kind, wherever located, including as specified in section 541 of the Bankruptcy Code.

8. "***Ballot***" means the ballots accompanying the Disclosure Statement upon which certain Holders of Impaired Claims entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process.

9. "***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended.

10. "***Bankruptcy Court***" means the United States Bankruptcy Court for the District of Delaware, or such other court having jurisdiction over the Chapter 11 Cases or any proceeding within, or appeal of an order entered in, the Chapter 11 Cases.

11. "***Bankruptcy Fees***" means any and all fees or charges assessed against the Debtors' estates under section 1930 of title 28 of the United States Code.

12. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, promulgated under section 2075 of title 28 of the United States Code, the Official Bankruptcy Forms or the local rules of the Bankruptcy Court, together with any amendments made thereto subsequent to the Petition Date, to the extent that any such amendments are applicable to the Chapter 11 Cases, and the general, local, and chambers rules of the Bankruptcy Court.

13. "***Business Day***" means any day, other than a Saturday, Sunday or a "legal holiday" (as such term is defined in Bankruptcy Rule 9006(a)).

14. "***Cash***" means the legal tender of the United States of America or the equivalent thereof.

15. "***Causes of Action***" means any and all actions, causes of action, suits, claims, interests, damages, remedies, demands, rights, debts, dues, sums of money, accounts, reckonings, rights to legal remedies, rights to equitable remedies, rights to payment and claims, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, demands, obligations, liabilities, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, franchises and trespasses of any kind or character whatsoever of, or belonging to, the Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, matured, unmatured, suspected, unsuspected, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or indirectly or derivatively, in Law, equity or otherwise. For the avoidance of doubt, "Causes of Action" includes, but is not limited to, (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by Law; (b) the right to object to or otherwise contest Claims or Equity Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state or foreign Law fraudulent transfer or similar claim.

16. "***CEO Incentive Plan***" means the CEO incentive plan, the terms of which shall be deemed adopted by the Reorganized Board on the Effective Date, pursuant to which 1% of Reorganized Common Stock, prior to dilution from the Management Incentive Plan, will be reserved for issuance to the new Chief Executive Officer of the Reorganized Company in accordance with the terms set forth in the MIP Term Sheet.

17. "***Chapter 11 Cases***" means, collectively, (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and (b) when used with reference to all Debtors, the jointly-administered cases pending for the Debtors in the Bankruptcy Court.

18. "***Claim***" means a claim as defined in section 101(5) of the Bankruptcy Code against any Debtor, including Administrative Claims and DIP Claims, in each case whether or not asserted.

19. "***Claims Bar Date***" means, as applicable, the Administrative Claims Bar Date and any other date or dates to be established by an Order of the Bankruptcy Court by which Proofs of Claim must be filed.

20. "***Claims Register***" means the official register of Claims maintained by the Notice and Claims Agent.

21. "***Class***" means a group of Claims or Equity Interests classified together pursuant to section 1122(a)(1) of the Bankruptcy Code.

22. "***Company***" means HIG Cinema, Holdings, VIP, VIP Cinema, VIP Property Management II, LLC, VIP Components, LLC, and any other direct or indirect subsidiary of VIP.

23. "***Confirmation***" means the entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 11 Cases.

24. "***Confirmation Date***" means the date upon which the Confirmation Order is entered on the docket maintained by the Bankruptcy Court pursuant to Bankruptcy Rule 5003.

25. "***Confirmation Hearing***" means the hearing to be held by the Bankruptcy Court to consider confirmation of the Plan under section 1129 of the Bankruptcy Code.

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

27. "***Consenting First Lien Lenders***" means those certain Holders of First Lien Claims party to that certain Restructuring Support Agreement, dated as of February 14, 2020, entered into by and among the Debtors, the Consenting First Lien Lenders, the Second Lien Lenders, the Investor, and any person or Entity that subsequently becomes a party thereto, as it may be amended, supplemented or modified from time to time in accordance with the terms thereof, holding more than 66.6% of the aggregate amount of all outstanding First Lien Claims.

28. "***Consenting Stakeholders***" means, collectively, the Consenting First Lien Lenders, the Second Lien Lenders, the Investor, and any other person or Entity that subsequently becomes a party to the Restructuring Support Agreement.

29. "***Consummation***" means the occurrence of the Effective Date.

30. "***Covered Persons***" means any and all directors, officers and other employees of the Debtors, as of the Petition Date, other than such directors, officers and other employees who are expelled or terminated for cause between the Petition Date and the Effective Date.

31. "***Cure Cost***" means all amounts, including an amount of $0.00, required to cure any monetary defaults under any Executory Contract or Unexpired Lease (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) and other

obligations required to cure any non-monetary defaults (the performance required to cure such non-monetary defaults and the timing of such performance will be described in reasonable detail in a notice of proposed assumption and assignment) under any Executory Contract or Unexpired Lease that is to be assumed by the Debtors pursuant to sections 365 and 1123 of the Bankruptcy Code.

32. "***Debtor***" has the meaning set forth in the introductory paragraph of the Plan.

33. "***Definitive Documents***" has the meaning set forth in the Restructuring Support Agreement.

34. "***DIP 1L Lenders***" means the Consenting First Lien Lenders that agree to provide the DIP New Money 1L Loans on the terms set forth in the DIP Facility Term Sheet.

35. "***DIP 2L Lenders***" means the Second Lien Lenders providing the DIP New Money 2L Loans on the terms set forth in the DIP Facility Term Sheet.

36. "***DIP Agent***" means Wilmington Savings, as administrative and collateral agent under the DIP Facility, or any successor agents thereunder.

37. "***DIP Claims***" means, collectively, the Roll-Up DIP Claims, the DIP New Money 1L Claims, and the DIP New Money 2L Claims.

38. "***DIP Credit Agreement***" means that certain credit agreement evidencing the DIP Facility by and among VIP, as borrower, Holdings and its direct and indirect domestic subsidiaries, as guarantors, the DIP Agent, and the DIP Lenders, including all agreements, notes, instruments, and any other document delivered pursuant thereto or in connection therewith (in each case as consistent with the terms set forth in the DIP Facility Term Sheet), as may be amended, modified or supplemented from time to time, in accordance with the terms thereof.

39. "***DIP Facility***" means that senior-secured superpriority debtor-in-possession facility in an aggregate principal amount of up to $33 million, consisting of the DIP Loans.

40. "***DIP Facility Documents***" means the DIP Credit Agreement together with all documentation executed or delivered in connection therewith (in each case as consistent with the terms set forth in the DIP Facility Term Sheet) as may be amended, modified or supplemented from time to time, in accordance with the terms and conditions set forth therein.

41. "***DIP Facility Term Sheet***" means that certain term sheet setting forth the principal terms of the DIP Facility annexed to the Restructuring Support Agreement as **Exhibit B**.

42. "***DIP Lenders***" means the DIP 1L Lenders and the DIP 2L Lenders.

43. "***DIP Loans***" means, together, the New Money DIP Loans and the Roll-Up Loans.

44. "***DIP New Money 1L Claims***" means any and all claims against any Debtor related to, arising out of, arising under, or arising in connection with, the DIP New Money 1L Loans under the DIP Facility.

45. "***DIP New Money 1L Loans***" means the new money term loans to be provided by certain Consenting First Lien Lenders in a principal amount of $11 million in accordance with the terms and conditions set forth in the DIP Facility Term Sheet.

46. "***DIP New Money 2L Claims***" means any and all claims against any Debtor related to, arising out of, arising under, or arising in connection with, the DIP New Money 2L Loans under the DIP Facility.

47. "***DIP New Money 2L Loans***" means the new money term loans to be provided by the Second Lien Lenders in a principal amount of $2 million in accordance with the terms and conditions set forth in the DIP Facility Term Sheet.

48. "***DIP Orders***" means any orders entered by the Bankruptcy Court in these Chapter 11 Cases approving the DIP Facility.

49. "***Disclosure Statement***" means the disclosure statement for the Plan, including all exhibits and schedules thereto, that is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018, and other applicable Law.

50. "***Disclosure Statement Order***" means the order of the Bankruptcy Court approving the Disclosure Statement.

51. "***Disputed***" means, with respect to any Claim or Equity Interest, except as otherwise provided herein, a Claim or Equity Interest that is not yet Allowed.

52. "***Distribution Agent***" means the Debtors or the Reorganized Debtors, or any Person designated by the Debtors or the Reorganized Debtors, in the capacity as distribution agent under the Plan.

53. "***Distribution Date***" means the date on which Holders of Claims are eligible to receive distributions under the Plan.

54. "***D&O Liability Insurance Policies***" means all insurance policies of any of the Debtors for directors', managers', and officers' liability.

55. "***Effective Date*****"** means the date that is the first Business Day selected by the Debtors on which all conditions to the effectiveness of the Plan set forth in Section 8.1 hereof have been satisfied or waived in accordance with the terms of the Plan.

56. "***Entity***" means an "entity" as defined in section 101(15) of the Bankruptcy Code.

57. "***Equity Interest***" means any issued, unissued, authorized, or outstanding shares of common stock, preferred stock or other instrument evidencing an ownership interest in a Debtor, whether or not transferable, together with any warrants, equity-based awards or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto that existed immediately before the Effective Date.

58. "***Estates***" means, as to each Debtor, the estate created for the Debtor pursuant to section 541 of the Bankruptcy Code upon the commencement of the Debtor's Chapter 11 Cases.

59. "***Excluded Claims***" means any claims or Causes of Action (a) against Regal Cinemas, Inc. that relate to, arise under, or are in connection with that certain litigation commenced by Regal Cinemas, Inc., by complaint, filed on July 26, 2019, in the Chancery Court for Knox County, Tennessee, against VIP Cinema, LLC, and subsequently removed to the District Court for the Eastern District of Tennessee at Knoxville, styled *Regal Cinemas, Inc. v. VIP Cinema, LLC*, Civil Action No. 3:19-CV-333 (E.D. Tenn. Aug. 27, 2019); or (b) against the stockholders holding a minority share in the Company on the Petition Date who are not parties to the Restructuring Support Agreement or current officers or directors of the Company on such date.

60. "***Exculpated Parties"*** means, collectively, in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) each of the Released Parties; and (d) with respect to each of the foregoing Entities in clauses (a) through (c), such Entity's current affiliates, and such Entities' and their current affiliates, directors, managers, members, officers, principals, equity holders, (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, restructuring advisors, and other professionals.

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

62. "***Existing First Lien Credit Agreement***" means that certain First Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time), by and among VIP, as borrower, Holdings, the other guarantors from time to time party thereto, the First Lien Lenders, the First Lien Agent, in its capacities as successor administrative agent and collateral agent, and the other Entities party thereto from time to time.

63. "***Existing Second Lien Credit Agreement***" means that certain Second Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time), by and among VIP, as borrower, Holdings, the other guarantors party thereto from time to time, the Second Lien Lenders, the Second Lien Agent, as successor administrative agent and collateral agent, and the other Entities party thereto from time to time.

64. "***Exit Conversion Amount***" means an amount equal to the aggregate principal amount of the loan outstanding under the DIP Facility on the Effective Date, which amount shall not exceed $11 million in aggregate principal amount.

65. ***"Exit Facilities***" means, together, the First Lien Exit Facility and Second Lien Exit Facility.

66. "***Exit Facilities Credit Agreements***" means, together, the First Lien Exit Facility Credit Agreement and the Second Lien Exit Facility Credit Agreement, in each case as consistent with the terms set forth in the Exit Facilities Term Sheets, and as may be amended, modified or supplemented from time to time, in accordance with the terms thereof.

67. "***Exit Facilities Documents***" means, together, the First Lien Exit Facility Documents and the Second Lien Exit Facility Documents.

68. "***Exit Facilities Term Sheets***" means, together, the First Lien Exit Facility Term Sheet and the Second Lien Exit Facility Term Sheet annexed to the Restructuring Support Agreement as **Exhibit C** and **Exhibit D**, respectively.

69. "***Final Order***" means, as applicable, an order, ruling or judgment of the Bankruptcy Court or any other court of competent jurisdiction, as applicable, which has not been reversed, vacated or stayed and as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or motion for reargument or rehearing is pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear has been waived in writing in form and substance satisfactory to the Debtors or, on and after the Effective Date, the Reorganized Debtors or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court, or other court of competent jurisdiction (as applicable) has been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing has been denied and the time to take any further appeal, petition for certiorari or move for reargument or rehearing has expired; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state or provincial court rules of civil procedure, may be filed with respect to such order, ruling, or judgment shall not cause an order, ruling, or judgment not to be a Final Order.

70. "***First Lien Agent***" means the administrative agent and collateral agent for the First Lien Lenders under the First Lien Documents or any successor agent thereof.

71. "***First Lien Claims***" means any and all Claims against any Debtor related to, arising out of, arising under, or arising in connection with, the First Lien Facility and the First Lien Documents.

72. "***First Lien Documents***" means the Existing First Lien Credit Agreement together with all documentation executed or delivered in connection therewith (including, without

limitation, the First Lien Forbearance Agreement, in each case, as amended, modified or supplemented from time to time).

73. "***First Lien Exit Agent***" means the administrative and collateral agent for the First Lien Exit Lenders under the First Lien Exit Facility Credit Agreement or any successor agent thereof.

74. "***First Lien Exit Facility***" means the senior-secured first lien term loan facility in an aggregate principal amount equal to the Exit Conversion Amount comprised of the DIP New Money 1L Loans converted into loans under the First Lien Exit Facility on a dollar-for-dollar basis, on the terms and conditions set forth in the First Lien Exit Facility Documents.

75. "***First Lien Exit Facility Credit Agreement***" means that certain credit agreement by and among VIP, the other guarantors from time to time party thereto, the First Lien Exit Lenders, the First Lien Exit Agent, as administrative agent and collateral agent, and the other Entities party thereto from time to time.

76. "***First Lien Exit Facility Documents***" means the First Lien Exit Facility Credit Agreement and all other related agreements, notes, certificates, documents and instruments, and all exhibits, schedules and annexes thereto, entered into or delivered in connection with the First Lien Exit Facility Credit Agreement, in each case as consistent with the terms set forth in the First Lien Exit Facility Term Sheet, and as may be amended, modified or supplemented from time to time, in accordance with the terms and conditions set forth in the First Lien Exit Facility Documents (as applicable).

77. "***First Lien Exit Facility Term Sheet***" means the term sheet setting forth the material terms and conditions of the First Lien Exit Facility Credit Agreement annexed to the Restructuring Support Agreement as **Exhibit C**.

78. "***First Lien Exit Lenders***" means the DIP 1L Lenders (together with their permitted assignees), in their capacity as lenders under the First Lien Exit Facility Credit Agreement.

79. "***First Lien Exit Term Loans***" means the loans issued under the First Lien Exit Facility.

80. "***First Lien Facility***" means the term loan facility provided for under the Existing First Lien Credit Agreement.

81. "***First Lien Forbearance Agreement***" means that certain Forbearance Agreement, dated as of August 20, 2019, by and among VIP, Holdings, the other guarantors party thereto, Wilmington Savings, as successor administrative agent and the lenders party thereto, as amended by that certain First Amendment to Forbearance Agreement, dated as of December 24, 2019 and that certain Second Amendment to Forbearance Agreement, dated as of January 23, 2020 (as may be further amended, restated, amended and restated or otherwise supplemented or modified from time to time).

82. "***First Lien Lenders***" means the lenders party to the First Lien Documents.

83. "***First Lien Loans***" means the loans issued pursuant to the First Lien Documents.

84. "***Funded Reserve Account***" means the segregated account established pursuant to the DIP Documents for purposes of funding the Carve-Out (as defined in the DIP Documents).

85. "***General Unsecured Claim***" means any unsecured Claim (other than an Administrative Claim, a DIP Claim, an Intercompany Claim, a Priority Tax Claim, or an Other Priority Claim) against one or more of the Debtors, including (a) Claims arising from the rejection of unexpired leases and executory contracts to which a Debtor is a party; or (b) Claims arising from any litigation or other court, administrative, or regulatory proceeding, including damages or judgments entered against, or settlement amounts owing by a Debtor related thereto.

86. "***Governance Term Sheet***" means that corporate governance term sheet annexed to the Restructuring Support Agreement as **Exhibit F**.

87. "***Governmental Unit***" means a "governmental unit" as defined in section 101(27) of the Bankruptcy Code.

88. "***HIG Cinema***" means HIG Cinema Holdings, Inc.

89. "***Holder***" means the beneficial holder of any Claim or Equity Interest.

90. "***Holdings***" means HIG Cinema Intermediate Holdings, Inc.

91. "***Impaired***" means, with respect to a Claim or Equity Interest, such Claim or Equity Interest that falls within a Class of Claims or Equity Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

92. "***Incentive Plans***" means, together, the CEO Incentive Plan and the Management Incentive Plan.

93. "***Indemnification Obligation***" means a Debtor's obligation to indemnify, reimburse, or otherwise hold financially harmless its Indemnified Parties with respect to or based upon any act or omission taken or omitted in any of the relevant capacities, or for or on behalf of any Debtor, pursuant to and to the maximum extent provided by such Debtor's respective certificates of incorporation, certificates of formation, bylaws, similar corporate documents, and applicable law, as in effect as of the Effective Date.

94. "***Indemnified Parties***" means the Debtors' current directors, officers, managers, employees, attorneys, other professionals, and agents, and such current directors', officers', managers', and employees' respective Affiliates to the extent set forth herein, that were employed or served in such capacity on or after the Petition Date and that are entitled to be indemnified by the Debtors pursuant to, among other things, the Debtors' bylaws, certificates of incorporation (or other formation documents), board resolutions, employment contracts, or other agreements.

95. "***Intercompany Claims***" means any and all Claims held by any Debtor against any other Debtor.

96. "***Intercompany Equity Interests***" means any and all Equity Interests in a Debtor held by another Debtor.

97. "***Investor***" means H.I.G. Capital, LLC, H.I.G. Middle Market LBO Fund II, L.P., and their affiliated entities.

98. "***Law***" means any federal, state, local, or foreign "law" (including common Law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

99. "***Lien***" means a lien as defined in section 101(37) of the Bankruptcy Code.

100. "***Liquidation Preference Amount***" means that particular dollar amount allocated per share as set forth in the Preferred Equity Term Sheet.

101. "***Liquidation Event***" means any (a) liquidation, dissolution or winding up of the Reorganized Company; (b) sale of all or substantially all assets of the Reorganized Company; (c) merger or consummation by the Reorganized Company of another change in control transaction, in each case in this clause (c), in which the holders of the Reorganized Common Stock prior to such transaction own in the aggregate less than 50% of the Reorganized Common Stock in the purchasing entity after such transaction; or (d) bankruptcy or insolvency event with respect to the Reorganized Company (including any material subsidiary); unless the Holders of a majority of the then outstanding Reorganized Preferred Stock, voting as a separate class, elect not to treat such transaction as a Liquidation Event, in accordance with the Preferred Equity Term Sheet.

102. "***Management Incentive Plan***" means the management incentive plan that shall be deemed adopted by the Reorganized Board on the Effective Date, the terms of which shall be substantially the same as those set forth in the MIP Term Sheet.

103. "***MIP Term Sheet***" means the term sheet setting forth the material terms of the CEO Incentive Plan and the Management Incentive Plan annexed to the Restructuring Support Agreement as **Exhibit G**.

104. "***New Money Commitment***" means the $7 million equity financing to be provided by the Investor, on terms consistent with the Restructuring Support Agreement.

105. "***New Money DIP Loans***" means, together, the DIP New Money 1L Loans and the DIP New Money 2L Loans.

106. "***New MSA***" means the new management services agreement between the Reorganized Company and the Investor, which shall be in form and substance substantially the

same as the Professional Services Agreement dated as of March 1, 2017, by and among the Company and the Investor; *provided* that the New MSA shall include a transaction-related fee (which fee shall be identical to the transaction fee provided to the Investor under the existing professional services agreement between the Investor and the Company) payable after the Aggregate Liquidation Preference Amount has been paid to holders of Preferred Equity regardless of whether the New MSA has been terminated, so long as the Investor remains the controlling shareholder of, or otherwise controls the Reorganized Board of, the Reorganized Debtors at the time of a Liquidation Event, but shall not include an annual fee, and shall be for a term ending on the earlier of (x) the date the Investor no longer has a controlling interest in, or otherwise controls the Reorganized Board of the Reorganized Debtors, and (y) the fourth (4^{th}) anniversary of the Effective Date.

107. "***New Organizational Documents***" means, on or after the Effective Date, collectively, the (a) amended and restated by-laws or similar governing document of each Reorganized Debtor; (b) the amended and restated certificate of incorporation or other formation document of each Reorganized Debtor; and (c) the Stockholders' Agreement.

108. "***Notice and Claims Agent***" means Omni Agent Solutions, Inc. in its capacity as noticing, claims, and solicitation agent for the Debtors.

109. "***Opt-In Form***" means the form circulated to the Holders of General Unsecured Claims allowing them to opt in to the Releases.

110. "***Other Priority Claims***" means any and all Claims against any Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code that are not Administrative Claims or Priority Tax Claims.

111. "***Other Secured Claims***" means any Secured Claims against any Debtor that are not DIP Claims, First Lien Claims, or Second Lien Claims.

112. "***Person***" means a "person" as defined in section 101(41) of the Bankruptcy Code.

113. "***Petition Date***" means the date on which the Debtors each filed a petition for relief commencing the Chapter 11 Cases.

114. "***Plan***" means this joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code, including all exhibits and schedules to the Plan, and any Plan Supplement, as they may be amended, supplemented or modified from time to time in accordance with the terms hereof, and in accordance with the terms of the Restructuring Support Agreement, the Bankruptcy Code and the Bankruptcy Rules.

115. "***Plan Documents***" means any and all of the documents, other than the Plan, to be executed, delivered, or performed in connection with the occurrence of the Effective Date, including, without limitation, insofar as such documents are not incorporated into the Plan through inclusion in the DIP Facility Documents, the Exit Facilities Documents, and the Incentive Plans, subject to any consent rights set forth in the Restructuring Support Agreement and in the Plan and as may be modified consistent with the Restructuring Support Agreement.

116. "***Plan Supplement***" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan to be filed by the Debtors no later than the Plan Supplement Filing Date, as the same may be amended, modified, or supplemented, and including, without limitation, the following: (a) the identity of the known members of the Reorganized Board and the nature and compensation for any director who is an "insider" under the Bankruptcy Code; (b) the Exit Facilities Documents; (c) the New Organization Documents; (d) the Stockholders' Agreement; (e) the Incentive Plans; (f) a schedule of Retained Causes of Action; (g) all exhibits, attachments, supplements, annexes, schedules, and ancillary documents related to each of the foregoing; and (h) any additional documents filed with the Bankruptcy Court before the Effective Date as additional Plan Documents or amendments to the Plan Supplement, each of which shall be in form and substance reasonably acceptable to the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor.

117. "***Plan Supplement Filing Date***" means the date that is 14 calendar days prior to the Confirmation Hearing, or such later date is determined by the Debtors.

118. "***Preferred Equity Term Sheet***" means that Preferred Equity term sheet annexed to the Restructuring Support Agreement as **Exhibit E**.

119. "***Priority Tax Claims***" means any and all Claims against any Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.

120. "***Professionals***" means (a) any and all professionals employed in the Chapter 11 Cases pursuant to sections 327, 328, or 1103 of the Bankruptcy Code or otherwise and (b) any and all professionals or other Entities seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

121. "***Professional Fee Claim***" means any Claim of a Professional seeking a payment of compensation for services rendered or reimbursement of expenses incurred on the Petition Date and through and including the Effective Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

122. "***Professional Fee Escrow Account***" means an interest-bearing escrow account in an amount equal to the Professional Fee Reserve Amount to be funded and maintained by the Reorganized Debtors on and after the Effective Date solely for the purpose of paying all Allowed and unpaid Professional Fee Claims.

123. "***Professional Fee Reserve Amount***" means the aggregate Accrued Professional Compensation through the Effective Date as reasonably estimated by the Retained Professionals in accordance with Section 2.3 of this Plan.

124. *"**Proof of Claim**"* means a "proof of claim," as defined in Bankruptcy Rule 3001, or a motion or request for payment of fees, costs or expenses made pursuant to section 503 of the Bankruptcy Code filed in any of the Debtors' Chapter 11 Cases.

125. "***Pro-Rata Share"*** means with respect to any distribution on account of any Allowed Claim in any Class, a distribution equal in amount to the ratio (expressed as a percentage) that the amount of such Allowed Claim bears to the aggregate amount of all Allowed Claims in such Class.

126. "***Regal Litigation***" means that that certain litigation commenced by Regal Cinemas, Inc., by complaint, filed on July 26, 2019, in the Chancery Court for Knox County, Tennessee, against VIP Cinema, LLC ("VIP LLC"), and subsequently removed to the District Court for the Eastern District of Tennessee at Knoxville, styled *Regal Cinemas, Inc. v. VIP Cinema, LLC*, Civil Action No. 3:19-CV-333 (E.D. Tenn. Aug. 27, 2019) (Notice of Removal), and any claims or Causes of Action arising in connection therewith.

127. "***Reinstated***" or "***Reinstatement***" mean, with respect to Claims and Equity Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

128. "***Related Parties***" means, with respect to any Entity, such Entity's predecessors, successors, assigns, and affiliates (whether by operation of Law or otherwise) and subsidiaries, and each of their respective managed accounts or funds or investment vehicles, and each of their respective current equity holders, officers, directors, managers, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case acting in such capacity, including in their capacity as directors of the Company, as applicable.

129. "***Releases***" means the releases given by the Releasing Parties to the Released Parties under Section 9.3 hereof.

130. "***Released Parties***" means, collectively, (a) each First Lien Lender that does not elect on its Ballot to "opt out" of the Release, including by failing to check the opt-out box or submit a Ballot; (b) each of the Second Lien Lenders; (c) the Investor; (d) the Company; (e) the DIP Agent; (f) the First Lien Agent; (g) the First Lien Exit Agent; (h) the Second Lien Agent; and (i) the Related Parties of each of the foregoing Entities in clauses (a) through (h) of this definition.

131. "***Releasing Parties***" means, collectively, (a) each First Lien Lender that does not elect on its Ballot to "opt out" of the Release, including by failing to check the opt-out box or submit a Ballot; (b) each of the Second Lien Lenders; (c) the Investor; (d) the Company; (e) the DIP Agent; (f) the First Lien Agent; (g) the First Lien Exit Agent; (h) the Second Lien Agent; (i) any Holder of any General Unsecured Claim that elects to opt in to the Release through the Opt-In Form; and (j) with regard to clauses (a) through (h), such Entity's predecessors, successors and assigns. For the avoidance of doubt, each of the Releasing Parties hereby grants the Releases in all of its capacities, including on behalf of each of their affiliates, in each case in accordance with the terms and conditions set forth in the Restructuring Support Agreement.

132. "***Reorganized Board***" means the board of directors of Holdings, as determined in accordance with the Restructuring Support Agreement and the New Organizational Documents.

133. "***Reorganized Common Stock***" means the shares of common stock of the Reorganized Company authorized under the New Organizational Documents and issued pursuant to the Plan.

134. "***Reorganized Company***" means the Company and any successors thereto, by merger, consolidation or otherwise, as reorganized, on or after the Effective Date in accordance with this Plan.

135. "***Reorganized Debtor***" means any of the Debtors and any successors thereto, by merger, consolidation or otherwise, as reorganized, on or after the Effective Date in accordance with this Plan.

136. "***Reorganized Preferred Stock***" means the shares of preferred stock of the Reorganized Company authorized under the New Organizational Documents, with material terms as reflected in the Preferred Equity Term Sheet, and issued pursuant to the Plan, which shall have an initial stated value of $69 million in its entirety.

137. "***Requisite Consenting First Lien Lenders***" means, as of the date of determination, those Consenting First Lien Lenders holding at least a majority in aggregate principal amount outstanding of all the First Lien Claims held by the Consenting First Lien Lenders as of such date.

138. "***Restructuring Expenses***" means the reasonable and documented fees and expenses incurred by the DIP Agent and the First Lien Agent, the Ad Hoc Group of First Lien Lenders, the Second Lien Lenders, and the Investor in connection with the Chapter 11 Cases and the Restructuring Transactions, as provided in the Restructuring Support Agreement and the DIP Orders, including the fees and expenses of, (a) Davis Polk & Wardwell LLP, Morris, Nichols, Arsht & Tunnell LLP, M-III Advisory Partners, LP and any other advisors retained by the Ad Hoc Group of First Lien Lenders, in each case, as counsel or advisor to the Ad Hoc Group of First Lien Lenders; (b)(i) Wilmer Cutler Pickering Hale and Dorr LLP, as counsel to the DIP Agent and First Lien Agent, (ii) one local bankruptcy counsel to the DIP Agent; and (iii) solely to the extent necessary to exercise its rights and fulfill its obligations under the DIP Facility Documents, one counsel to the DIP Agent in each local jurisdiction, (c) Stroock & Stroock & Lavan LLP, as counsel to the Second Lien Lenders, and Young Conway Stargatt & Taylor, LLP, as Delaware counsel to the Second Lien Lenders, and (d) McDermott Will & Emery LLP, as counsel to Investor, in each case of (a)-(d) above, payable in accordance with the terms of any applicable engagement or fee letters executed with such parties and subject to any limitations (including caps on fees) set forth in the Restructuring Support Agreement (including any exhibit or appendix thereto) or DIP Facility Documents, and without the requirement for the filing of retention applications, fee applications, or any other applications in the Chapter 11 Cases, which shall be Allowed as an Administrative Claim upon occurrence and shall not be subject to any offset, defense, counter-claim, reduction, or credit.

139. "***Restructuring Support Agreement***" means the agreement, dated as of February 14, 2020, entered into by and among the Debtors, the Consenting First Lien Lenders, the Second Lien Lenders, the Investor, and any person or Entity that subsequently becomes a party thereto, as

it may be amended, supplemented or modified from time to time in accordance with the terms thereof.

140. "***Restructuring Transactions***" means the transactions described in Section 4.3 of this Plan.

141. "***Retained Professional***" means an Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to (i) sections 327, 328, 329, 330, or 331 of the Bankruptcy Code or (ii) an order entered by the Bankruptcy Court authorizing such retention; or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

142. "***Roll-Up Amount***" means the amount of $20 million, which amount shall constitute the amount of the Roll-Up Loans.

143. "***Roll-Up DIP Claims***" means any and all rights to payment for costs and expenses related to, arising out of, arising under, or arising in connection with, the Roll-Up Loans under the DIP Facility.

144. "***Roll-Up Loans***" means the roll-up of $20 million of First Lien Loans, which will be junior in right of security and payment to the New Money DIP Loans.

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

146. "***Second Lien Agent***" means Oaktree Fund Administration, LLC, as administrative agent for the Second Lien Lenders under the Second Lien Documents, or any successor agent thereof.

147. "***Second Lien Claims***" means any and all rights to payment for costs and expenses related to, arising out of, arising under, or arising in connection with, the Second Lien Facility and the Second Lien Documents.

148. "***Second Lien Documents***" means the Existing Second Lien Credit Agreement together with all documentation executed in connection therewith (in each case, as amended, modified or supplemented from time to time).

149. "***Second Lien Exit Facility***" means the second lien exit term loan facility comprised of Roll-Up Loans converted on a dollar-for-dollar basis, on the terms and conditions set forth in the Second Lien Exit Facility Documents.

150. "***Second Lien Exit Facility Agent***" means the administrative and collateral agent for the Second Lien Exit Lenders under the Second Lien Exit Facility Credit Agreement or any successor agent thereof.

151. "***Second Lien Exit Facility Credit Agreement***" means the certain credit agreement by and among VIP, the other guarantors from time to time party thereto, the Second Lien Exit Lenders, the Second Lien Exit Facility Agent, as administrative agent and collateral agent, and the other Entities party thereto from time to time.

152. "***Second Lien Exit Facility Documents***" means the Second Lien Exit Facility Credit Agreement and all other related agreements, notes, certificates, documents and instruments, and all exhibits, schedules and annexes thereto, entered into or delivered in connection with the Second Lien Exit Facility Credit Agreement (in each case as consistent with the terms set forth in the Second Lien Exit Facility Term Sheet), as may be amended, modified or supplemented from time to time, in accordance with the terms and conditions set forth in the Second Lien Exit Facility Documents (as applicable).

153. "***Second Lien Exit Facility Term Sheet***" means the term sheet setting forth the material terms and conditions of the Second Lien Exit Facility Credit Agreement annexed to the Restructuring Support Agreement as **Exhibit D**.

154. "***Second Lien Exit Lenders***" means the DIP 1L Lenders (together with their permitted assignees), in their capacity as lenders under the Second Lien Exit Facility Credit Agreement.

155. "***Second Lien Facility***" means the term loan facility provided for under the Existing Second Lien Credit Agreement.

156. "***Second Lien Lenders***" means, collectively, Holders of Second Lien Claims holding 100% of the aggregate amount of all outstanding Second Lien Claims (or nominees, investment managers or advisors for the holders of Second Lien Lenders), each of which is a party to the Restructuring Support Agreement.

157. "***Secured Claims***" means any and all Claims against any Debtor that are secured by a Lien on, or security interest in, property of such Debtor, or that has the benefit of rights of setoff under section 553 of the Bankruptcy Code, but only to the extent of the value of the Holder's interest in such Debtor's interest in such property, or to the extent of the amount subject to setoff, which value shall be determined as provided in section 506 of the Bankruptcy Code.

158. "***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

159. "***Security***" has the meaning ascribed to such term in section 101(49) of the Bankruptcy Code.

160. "***Stamp or Similar Tax***" means any stamp tax, recording tax, personal property tax, conveyance fee, intangibles or similar tax, real estate transfer tax, sales tax, use tax, transaction privilege tax (including, without limitation, such taxes on prime contracting and owner-builder sales), privilege taxes (including, without limitation, privilege taxes on construction contracting with regard to speculative builders and owner builders), and other similar taxes imposed or assessed by any Governmental Unit.

161. "***Stockholders' Agreement***" means the stockholders agreement with respect to the Reorganized Common Stock and Reorganized Preferred Stock, to be effective on the Effective Date (as consistent with the terms set forth in the Governance Term Sheet), as may be amended, modified or supplemented from time to time.

162. "***Subordinated Claim"*** means any Claim that is subject to (a) subordination under section 510(b) of the Bankruptcy Code or (b) equitable subordination as determined by the Bankruptcy Court in a Final Order, including, without limitation, any Claim for or arising from the rescission of a purchase, sale, issuance, or offer of a Security of any Debtor; for damages arising from the purchase or sale of such a Security; or for reimbursement, indemnification, or contribution allowed under section 502 of the Bankruptcy Code on account of such Claims.

163. "***Unexpired Lease***" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

164. "***Unimpaired***" means, with respect to any Claim or Equity Interest, such Claim or Equity Interest that is not Impaired.

165. *"**U.S. Trustee***" means the United States Trustee for the District of Delaware.

166. "***VIP***" means VIP Cinema Holdings, Inc.

167. "***VIP Cinema***" means VIP Cinema, LLC.

168. "***Wilmington Savings***" means Wilmington Savings Fund Society, FSB, a federal savings bank.

Section 1.2 *Rules of Interpretation and Computation of Time.*

(a) For purposes herein: (i) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine, and the neuter gender; (ii) unless otherwise specified, any reference herein to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (iii) unless otherwise specified, any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (iv) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections, respectively, of this Plan; (iv) the

words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (v) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitations, and shall be deemed to be followed by the words "without limitation"; (vi) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company Laws; (vii) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (viii) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (ix) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (x) references to docket numbers are references to the docket numbers of documents filed in the Chapter 11 Cases under the Bankruptcy Court's CM/ECF system.

(b) The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein, unless otherwise provided for herein.

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

(d) In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control. In the event of an inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

Section 1.3 *Restructuring Support Agreement.*

Notwithstanding anything to the contrary herein, any and all consent rights set forth in the Restructuring Support Agreement, including with respect to the form and substance of this Plan, any Plan Documents, and any other Definitive Documents (as defined in the Restructuring Support Agreement), including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Section 1.1 hereof) and fully enforceable as if stated in full herein.

ARTICLE II.

UNCLASSIFIED CLAIMS

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

Section 2.1 *Administrative Claims.*

(a) Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the applicable Debtor(s) or the Reorganized Debtor(s), as applicable, to the extent an Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter

11 Cases, each Holder of an Allowed Administrative Claim shall receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the unpaid portion of such Allowed Administrative Claim: (i) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Administrative Claim is due or as soon as reasonably practicable thereafter); (ii) if such Administrative Claim is Allowed after the Effective Date, on the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (iv) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

(b) All requests for payment of an Administrative Claim (other than DIP Claims or Professional Fee Claims) that accrued on or before the Effective Date that were not otherwise accrued in the ordinary course of business must be filed with the Bankruptcy Court and served on the Debtors no later than the Administrative Claims Bar Date. Holders of Administrative Claims (other than DIP Claims or Professional Fee Claims) that are required to, but do not, file and serve a request for payment of such Administrative Claims by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, their Estates, or the Reorganized Debtors, and such Administrative Claims shall be deemed discharged, compromised, settled, and released as of the Effective Date.

(c) The Reorganized Debtors, in their sole and absolute discretion, may settle Administrative Claims in the ordinary course of business without further Bankruptcy Court approval. The Debtors or the Reorganized Debtors, as applicable, may also choose to object to any Administrative Claim no later than 45 days after the Administrative Claims Bar Date, subject to extensions by the Bankruptcy Court, agreement in writing of the parties, or on motion of a party in interest approved by the Bankruptcy Court. Unless the Debtors or the Reorganized Debtors (or other party with standing) object to a timely-filed and properly served Administrative Claim, such Administrative Claim shall be deemed Allowed in the amount requested. In the event that the Debtors or the Reorganized Debtors object to an Administrative Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court shall determine whether such Administrative Claim should be allowed and, if so, in what amount.

Section 2.2 *Priority Tax Claims.*

Except to the extent that each Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on or before the Effective Date, such Claim shall be paid in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or when such Allowed Priority Tax Claim becomes due and payable under applicable non-bankruptcy Law, or in the ordinary course of business.

Section 2.3 *Professional Fee Claims.*

(a) All final requests for payment of Professional Fee Claims must be filed no later than the first Business Day that is 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court.

(b) On the Effective Date, the Reorganized Debtors shall establish (if not already established) and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount; *provided* that any amounts remaining in the Funded Reserve Account shall be used to fund the Professional Fee Escrow Account. The Professional Fee Escrow Account shall be maintained in trust solely for the benefit of the Retained Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. No Liens, Claims, or Equity Interests shall encumber the Professional Fee Escrow Account in any way. The Reorganized Debtors' obligations with respect to Professional Fee Claims shall not be limited by nor deemed limited to the balance of funds held in the Professional Fee Escrow Account. The amount of Professional Fee Claims owing to the Retained Professionals shall be paid in Cash to such Retained Professionals from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by an Order of the Bankruptcy Court; *provided* that in the event the Professional Fee Reserve Amount is insufficient to satisfy the Professional Fee Claims, the Reorganized Debtors shall be required to satisfy the Professional Fee Claims. When all such Allowed amounts owing to Retained Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court or any other Entity.

(c) The Retained Professionals shall reasonably estimate in good faith their Accrued Professional Compensation prior to and as of the Effective Date and shall deliver such estimate to the Debtors and the Consenting First Lien Lenders no later than five Business Days before the anticipated Effective Date; *provided* that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Retained Professional. If a Retained Professional does not provide such estimate, the Reorganized Debtors may estimate the unbilled fees and expenses of such Retained Professional; *provided* that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Retained Professional. The total amount estimated as of the Effective Date shall consist of the Professional Fee Reserve Amount; *provided* that the Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

(d) Except as otherwise specifically provided in the Plan, on and after the Confirmation Date, the Reorganized Debtors shall pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by such Debtor or Reorganized Debtor (as applicable) after the Confirmation Date in the ordinary course of business and without any further notice to or action, order or approval of the Bankruptcy Court. The Reorganized Debtors shall pay, within ten Business Days after submission of a detailed invoice to the Reorganized Debtors, such reasonable Claims for compensation or

reimbursement of expenses incurred by the Retained Professionals of the Debtors. From and after the Confirmation Date, any requirement that Retained Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and each Debtor or Reorganized Debtor (as applicable) may employ and pay any Retained Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

Section 2.4 *DIP Claims.*

(a) Subject to the DIP Orders, the DIP Claims shall be Allowed Claims in the full amount outstanding under the DIP Credit Agreement as of the Effective Date, including principal, interest, fees, and expenses, and all other obligations related to the DIP Facility, if any.

(b) Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all DIP New Money 1L Claims, on the Effective Date, the DIP New Money 1L Claims shall convert on a dollar-for-dollar basis into first lien loans under the First Lien Exit Facility pursuant to the First Lien Exit Facility Documents in the Exit Conversion Amount.

(c) Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Roll-Up DIP Claims, on the Effective Date, the Roll-Up DIP Claims shall convert on a dollar-for-dollar basis into second lien loans under the Second Lien Exit Facility pursuant to the Second Lien Exit Facility Documents.

(d) Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all DIP New Money 2L Claims, on the Effective Date, the DIP New Money 2L Claims shall be exchanged for (i) 25% of the Reorganized Common Stock prior to dilution for the Management Incentive Plan, and (ii) Reorganized Preferred Stock with an initial stated value equal to the aggregate principal amount of DIP New Money 2L Loans outstanding immediately prior to the Effective Date (which in no event shall exceed $2.0 million).

Section 2.5 *Statutory Fees.*

The Debtors and the Reorganized Debtors, as applicable, shall pay all quarterly fees under 28 U.S.C § 1930(a), plus any interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' or Reorganized Debtors' business, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

Section 3.1 *Classification of Claims.*[2]

This Plan constitutes a separate chapter 11 plan of reorganization for each Debtor, and the classification of Claims and Equity Interests set forth herein shall apply separately to each of the Debtors. Except for the Claims addressed in Article II above (or as otherwise set forth herein), all Claims and Equity Interests are placed in Classes for each of the Debtors. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims, as described in Article II of this Plan.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including for purposes of voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that such Claim or Equity Interest qualifies within the description of such Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class.

The classification and the manner of satisfying all Claims under this Plan take into consideration (a) the existence of guarantees or alleged guarantees by the Debtors of obligations of other Debtors or Entities; and (b) that Debtors may be joint obligors with other Debtors or Entities with respect to the same obligation.

Section 3.2 *Class Identification.*

The following chart represents the classification of Claims and Equity Interests for each Debtor pursuant to the Plan.

Class	**Claims and Equity Interests**	**Status**	**Voting Rights**
Class 1	Other Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3	First Lien Claims	Impaired	Yes
Class 4	Second Lien Claims	Impaired	No (deemed not to accept)
Class 5	General Unsecured Claims	Impaired	No (deemed not to accept)

[2] The Debtors reserve the right to separately classify Claims to the extent necessary to comply with any requirements under the Bankruptcy Code or applicable Law.

Class	Claims and Equity Interests	Status	Voting Rights
Class 6	Intercompany Claims	Unimpaired/ Impaired	No (conclusively presumed to accept or deemed not to accept)
Class 7	Subordinated Claims	Impaired	No (deemed not to accept)
Class 8	Equity Interests in Holdings	Impaired	No (deemed not to accept)
Class 9	Intercompany Equity Interests	Impaired	No (deemed not to accept)

Section 3.3 *Treatment and Voting Rights of Claims and Equity Interests.*

Except to the extent that the Debtors and a Holder of an Allowed Claim or Allowed Equity Interest, as applicable, agree to less favorable treatment, such Holder shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Equity Interest. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Equity Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter, or, if payment is not due, in accordance with its terms in the ordinary course.

(a) *Class 1—Other Priority Claims.*

(i) *Classification*: Class 1 consists of all Other Priority Claims.

(ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Other Priority Claim, each Holder of such Allowed Other Priority Claim shall (A) be paid in full in Cash on or as soon as reasonably practicable after (1) the Effective Date, (2) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, or (3) such other date as may be ordered by the Bankruptcy Court; or (B) receive such other recovery as is necessary to satisfy section 1129 of the Bankruptcy Code.

(iii) *Impairment and Voting:* Class 1 is Unimpaired and Holders of Other Priority Claims are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Allowed Other Priority Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Other Priority Claims.

(b) *Class 2—Other Secured Claims.*

(i) *Classification*: Class 2 consists of all Other Secured Claims.

(ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each Holder thereof shall receive: (A) payment in full in Cash; (B) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (C) Reinstatement of such Claim; or (D) other treatment rendering such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(iii) *Impairment and Voting*: Class 2 is Unimpaired and Holders of Other Secured Claims are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Allowed Other Secured Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Other Secured Claims.

(c) *Class 3—First Lien Claims.*

(i) *Classification*: Class 3 consists of First Lien Claims.

(ii) *Treatment*: Except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, on or as soon as is reasonably practicable after the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed First Lien Claim, each Holder thereof shall receive its Pro-Rata Share of (A) $60 million of Reorganized Preferred Stock and (B) 10% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan.

(iii) *Impairment and Voting*: First Lien Claims are Impaired and are entitled to vote to accept or reject the Plan.

(ci) Class 4—*Second Lien Claims*.

(i) *Classification*: Class 4 consists of Second Lien Claims.

(ii) *Treatment*: On the Effective Date, all of the Second Lien Claims shall be discharged and shall receive no distribution on account of such Claims.

(iii) *Impairment and Voting*: Second Lien Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Second Lien Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Second Lien Claims.

(e) *Class 5—General Unsecured Claims.*

(i) *Classification*: Class 5 consists of all General Unsecured Claims.

(ii) *Treatment*: On the Effective Date, all of the General Unsecured Claims shall be discharged and will receive no distribution on account of such Claims.

(iii) *Impairment and Voting*: General Unsecured Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of General Unsecured Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such General Unsecured Claims.

(iv) *Release Opt-In:* Notwithstanding the above treatment a Holder of an Allowed General Unsecured Claim shall receive the lesser of (A) the Allowed amount of its General Unsecured Claim and (B) $5,000, if such Holder elects to "opt in" and be bound by the Releases set forth in sections 9.3 of the Plan by executing an Opt-In Form on or before the thirtieth (30) day following the Effective Date.

(f) *Class 6—Intercompany Claims.*

(i) *Classification*: Class 6 consists of all Intercompany Claims.

(ii) *Treatment*: On the Effective Date, at the option of the Debtors, the Requisite Consenting First Lien Lenders, and the Second Lien Lenders, each Intercompany Claim shall be either (i) Reinstated or (ii) canceled, released and discharged without any distribution on account of such Claims.

(iii) *Impairment and Voting*: Holders of Intercompany Claims that are Reinstated are conclusively presumed to accept the Plan pursuant to section 1126(f) and Holders of Intercompany Claims that are cancelled, released and discharged under the Plan without any distribution are deemed not to accept pursuant to section 1126(g) of the Bankruptcy Code, respectively. Therefore, Holders of Allowed Intercompany Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Allowed Intercompany Claims.

(g) *Class 7—Subordinated Claims.*

(i) *Classification*: Class 7 consists of all Subordinated Claims, if any.

(ii) *Treatment*: On the Effective Date, all Subordinated Claims shall be cancelled, released, and discharged as of the Effective Date, and shall be of no further force or effect. Therefore, Holders of Subordinated Claims shall not receive any distribution on account of such Subordinated Claims.

(iii) *Impairment and Voting*: Subordinated Claims are Impaired and Holders of such Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Subordinated Claims are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Subordinated Claims.

(h) *Class 8—Equity Interests in Holdings*.

(i) *Classification*: Class 8 consists of all Equity Interests in Holdings.

(ii) *Treatment*: On the Effective Date, all Equity Interests in Holdings shall be cancelled without any distribution on account of such Equity Interests.

(iii) *Impairment and Voting*: Equity Interests in Holdings are Impaired and Holders of such Equity Interests are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Equity Interests in Holdings are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Equity Interests.

(i) *Class 9—Intercompany Equity Interests.*

(i) *Classification*: Class 9 consists of all Intercompany Equity Interests.

(ii) *Treatment*: On the Effective Date, the Intercompany Equity Interests shall be cancelled without any distribution on account of such Equity Interests; *provided, however,* that at the option of the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, the Intercompany Equity Interests may be Reinstated for administrative convenience.

(iii) *Impairment and Voting*: Holders of Intercompany Equity Interests are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of such Equity Interests are not entitled to vote to accept or reject the Plan, and the votes of such Holders will not be solicited with respect to such Intercompany Equity Interests.

Section 3.4 *Special Provision Governing Unimpaired Claims*.

Except as otherwise provided in the Plan, the DIP Orders, the DIP Facility Documents, or the Restructuring Support Agreement, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claim, including, but not limited to, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

Section 3.5 *Voting; Presumptions; Solicitation.*

(a) *Acceptance by Certain Impaired Classes.* Only Holders of Allowed Claims in Class 3 and Class 4 are entitled to vote to accept or reject the applicable Plan. An Impaired Class of Claims shall have accepted this Plan if (i) the Holders of at least 66.6% in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) the Holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Class 3 and Class 4 have received Ballots containing detailed voting instructions.

(b) *Conclusively Presumed Acceptance by Unimpaired Classes.* Holders of Claims in Class 1, Class 2, and certain Holders of Claims in Class 6 are conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such Holders are not entitled to vote to accept or reject this Plan and the vote of such Holders shall not be solicited.

(c) *Deemed Not To Accept by Certain Impaired Classes.* Holders of Claims and Equity Interests in Class 7, Class 8, Class 9 and certain Holders of Claims in Class 6 are deemed not to accept this Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, such Holders are not entitled to vote to accept or reject this Plan and the vote of such Holders shall not be solicited.

(d) *Controversy Concerning Impairment.* If a controversy arises as to whether any Claims or Equity Interests, or any Class thereof, is Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

Section 3.6 *Nonconsensual Confirmation.*

Because certain Class of Claims or Equity Interests entitled to vote on an applicable Plan are deemed not to vote to accept the Plan, the Debtors will seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

Section 3.7 *Subordinated Claims.*

The allowance, classification, and treatment of all Allowed Claims and Equity Interests, and the respective distributions and treatments under the Plan, shall take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the Debtors reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto.

Section 3.8 *Intercompany Equity Interests.*

To the extent Reinstated under this Plan, distributions on account of Intercompany Equity Interests are not being received by Holders of such Intercompany Equity Interests on account of their Intercompany Equity Interests but for the purposes of administrative convenience and due to

the importance of maintaining the corporate structure for the ultimate benefit of the Holders that receive Reorganized Common Stock or Reorganized Preferred Stock in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions on account of such Holders' Allowed Claims.

Section 3.9 *No Waiver.*

Nothing contained in this Plan shall be construed to waive a Debtor's or other Entity's right to object on any basis to any Claim, including after the Effective Date.

ARTICLE IV.

MEANS FOR IMPLEMENTATION OF THE PLAN

Section 4.1 *Compromise of Controversies.*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classifications, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests, Causes of Action, and controversies resolved under the Plan, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019.

Other than as specifically set forth herein, the Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Equity Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Equity Interests (as applicable) in any Class are intended to be and shall be final.

Section 4.2 *Sources of Cash for Plan Distribution.*

The Debtors shall fund distributions under the Plan with (1) Cash on hand, including Cash from operations, (2) the proceeds of the DIP Loans, (3) the Exit Facilities; (4) the Reorganized Common Stock, and (5) the Reorganized Preferred Stock. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors. The Reorganized Debtors shall be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers shall be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and shall not violate the terms of the Plan.

From and after the Effective Date, subject to any applicable limitations set forth in any post-Effective Date agreement (including, without limitation, the First Lien Exit Facility Documents, the Second Lien Exit Facility Documents, and the Shareholder's Agreement), the

Reorganized Debtors shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing as the boards of directors of the applicable Reorganized Debtors deem appropriate.

Section 4.3 *Restructuring Transactions.*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be reasonably necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and Restructuring Support Agreement and that satisfy the requirements of applicable Law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan, the Restructuring Support Agreement, and the Definitive Documents; (c) the filing of appropriate certificates of formation or incorporation, merger, or consolidation with the appropriate governmental authorities pursuant to applicable Law; and (d) all other actions that the Reorganized Debtors reasonably determine are necessary or appropriate. For the purposes of effectuating the Plan, none of the Restructuring Transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtors.

Section 4.4 *Continued Corporate Existence.*

Except as otherwise provided in this Plan, or as otherwise may be agreed between the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, each of the Debtors, as Reorganized Debtors, shall continue to exist on and after the Effective Date as a separate legal Entity with all of the powers available to such legal Entity under applicable Law and pursuant to the New Organizational Documents, without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) in accordance with such applicable Law. On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, without the need for approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, take such action as permitted by applicable Law, and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, without limitation, causing: (a) a Reorganized Debtor to be merged into another Reorganized Debtor or an Affiliate of a Reorganized Debtor; (b) a Reorganized Debtor to be dissolved; (c) the legal name of a Reorganized Debtor to be changed; (d) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter; or (e) the reincorporation of a Reorganized Debtor under the Law of jurisdictions other than the Law under which the Debtor currently is incorporated.

Section 4.5 *Corporate Action.*

(a) On the Effective Date, all actions contemplated by the Plan shall be deemed authorized, approved, and directed in all respects, including: (i) selection of the directors and officers of the Reorganized Debtors; (ii) the distribution of the Reorganized Common Stock as provided herein; (iii) the distribution of the Reorganized Preferred Stock as provided herein;

(iv) the execution and entry into the Exit Facilities Documents, and (v) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date) and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court. All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have timely occurred and shall be in effect and shall be authorized and approved in all respects, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors or otherwise.

(b) On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and, as applicable, directed, to issue, execute, and deliver the agreements, documents, securities, certificates of incorporation, operating agreements, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Reorganized Common Stock, the Reorganized Preferred Stock, the Exit Facilities Documents, and any and all agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Section 4.5 shall be effective notwithstanding any requirements under non-bankruptcy Law.

Section 4.6 *Vesting of Assets.*

Except as otherwise provided in the Plan, the Plan Documents, or any Definitive Document, on the Effective Date, all Assets, including all claims, rights, and Causes of Action, and any property acquired by the Debtors under or in connection with the Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, and interests. Subject to the terms of the Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and prosecute, compromise, or settle any Claims (including any Administrative Claims), Equity Interests, and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

Section 4.7 *Indemnification Provisions in Organizational Documents*.

As of the Effective Date, each Reorganized Debtor's bylaws or other organizational documents, as applicable, shall, to the fullest extent permitted by applicable Law, provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to, current and former managers, directors, officers, employees, or agents against any claims or causes of action, whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Reorganized Debtors shall amend and/or restate its certificate of incorporation, bylaws, or similar organizational document after the Effective Date to terminate or materially adversely affect (a) any of the Reorganized Debtors' obligations referred to in this Section 4.7 or (b) the rights of such managers, directors, officers, employees, or agents referred to in this Section 4.7.

Section 4.8 *Cancellation of Existing Securities and Agreements.*

(a) On the Effective Date, except as otherwise specifically provided for in the Plan: (i) the obligations of the Debtors under any certificate, share, note, bond, agreement, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest, including the Existing First Lien Credit Agreement and Existing Second Lien Credit Agreement (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan, if any) shall be cancelled, terminated and of no further force or effect, without further act or action, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated or assumed pursuant to the Plan, if any) shall be released and discharged.

(b) Notwithstanding such cancellation and discharge:

(i) The DIP Facility Documents shall continue in effect solely for purposes of allowing the DIP Agent to (a) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the DIP Claims on account of such Claims, as set forth in Article VI of the Plan; (b) enforce its rights, Claims and interests with respect to the DIP Lenders; and (c) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of DIP Claims, including any rights to priority of payment with respect to the DIP Lenders; and (d) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the DIP Agent or Holders of DIP Claims under the Plan.

(ii) The First Lien Documents shall continue in effect solely for purposes of allowing the First Lien Agent to (a) receive distributions from the Debtors under the Plan and to make further distributions to the Holders of the First Lien Claims on account of such Claims, as set forth in Article VI of the Plan; and (b) enforce its rights, Claims and interests with respect to the First Lien Lenders; and (c) enforce its rights to payment of fees, expenses, and indemnification obligations as against any money or property distributable to Holders of First Lien Claims, including any rights to priority of payment with respect to the First Lien Lenders; and (d) appear and be heard in the Chapter 11 Cases or in any other proceeding, including to enforce any obligation owed to the First Lien Agent or Holders of First Lien Claims under the Plan.

(iii) The Second Lien Documents shall continue in effect solely for the purpose of allowing the Second Lien Agent to receive distributions from the Debtors under the Plan and to make further distributions to the Holder of the Second Lien Claims on account of such Claims, as set forth in Article VI of the Plan.

Section 4.9 *Approval of Restructuring Support Agreement, Exit Facilities, and Exit Facilities Documents*.

(a) On the Effective Date, the Reorganized Debtors will have total funded debt in the form of the Exit Facilities in an initial aggregate amount equal to the Exit Conversion Amount and the Roll-Up Amount. The Reorganized Debtors may use the Exit Facilities for any purpose permitted by the Exit Facilities Documents, including the funding of obligations under the Plan and satisfaction of ongoing working capital needs.

(b) Confirmation of the Plan shall be deemed to constitute approval of the Restructuring Support Agreement, the Exit Facilities, and the Exit Facilities Documents (including all transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Facilities, and all actions to be taken, undertakings to be made and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities and expenses provided for therein) and, subject to the occurrence of the Effective Date, assumption of the Restructuring Support Agreement and authorization for the Reorganized Debtors to enter into and perform their obligations under the Exit Facilities Documents and such other documents as may be reasonably required or appropriate, in each case, in accordance therewith.

(c) The Exit Facilities Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facilities Documents are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy Law.

(d) On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facilities Documents (i) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facilities Documents, (ii) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facilities Documents, and (iii) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy Law. The Reorganized Debtors and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other Law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the

Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable Law to give notice of such Liens and security interests to third parties.

Section 4.10 *Issuance of Reorganized Common Stock.*

Shares of Reorganized Common Stock shall be authorized under the New Organizational Documents, and shares of Reorganized Common Stock shall be issued on the Effective Date and distributed as soon as practicable thereafter in accordance with the Plan. All of the Reorganized Common Stock issuable in accordance with the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. The issuance of the Reorganized Common Stock is authorized without the need for any further corporate action and without any further action by any Holder of a Claim or Equity Interest.

On the Effective Date, the Reorganized Debtors and the holders of Reorganized Common Stock shall enter into the Stockholders' Agreement in substantially the form included in the Plan Supplement and with material terms as reflected in the Governance Term Sheet. The Stockholders' Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of Reorganized Common Stock shall be bound thereby, in each case without the need for execution by any party thereto other than the Reorganized Debtors.

Section 4.11 *Issuance of Reorganized Preferred Stock.*

Shares of Reorganized Preferred Stock shall be authorized under the New Organizational Documents, and shares of Reorganized Preferred Stock shall be issued on the Effective Date, with material terms reflected in the Preferred Equity Term Sheet, and distributed as soon as practicable thereafter in accordance with the Plan. All of the Reorganized Preferred Stock issuable in accordance with the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. The issuance of the Reorganized Preferred Stock is authorized without the need for any further corporate action and without any further action by any Holder of a Claim or Equity Interest.

On the Effective Date, the Reorganized Debtors and the holders of Reorganized Preferred Stock shall enter into the Stockholders' Agreement in substantially the form included in the Plan Supplement and with material terms as reflected in the Governance Term Sheet, and the Preferred Equity Term Sheet (as applicable). The Stockholders' Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of Reorganized Preferred Stock shall be bound thereby, in each case without the need for execution by any party thereto other than the Reorganized Debtors.

Section 4.12 *Section 1145 Exemption from Registration.*

The issuance of the Reorganized Common Stock and Reorganized Preferred Stock under this Plan shall be exempt from registration under the Securities Act and any other applicable securities Laws pursuant to section 1145 of the Bankruptcy Code. These Securities may be resold without registration under the Securities Act or other federal securities Laws pursuant to the

exemption provided by section 4(a)(1) of the Securities Act, unless the Holder is an "underwriter" with respect to such Securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, such exempt Securities generally may be resold without registration under state securities Laws pursuant to various exemptions provided by the respective Laws of the several states.

Section 4.13 *Organizational Documents.*

Subject to Section 5.4 of this Plan, the Reorganized Debtors shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and provisions of the Plan. The New Organizational Documents shall comply with section 1123(a)(6) of the Bankruptcy Code.

Section 4.14 *Exemption from Certain Transfer Taxes and Recording Fees.*

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any Stamp or Similar Tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Unless the Bankruptcy Court orders otherwise, all sales, transfers and assignments of owned and leased property approved by the Bankruptcy Court on or before the Effective Date shall be deemed to have been in furtherance of, or in connection with, the Plan.

Section 4.15 *Directors and Officers of the Reorganized Debtors.*

In accordance with the New Organizational Documents, the initial Reorganized Board shall have such number of members as determined by the Investor and shall consist of (i) four members designated by the Investor; (ii) the Chief Executive Officer of the Company; (iii) one member selected by the Consenting First Lien Lenders; and (iv) one member selected by the Second Lien Lenders. Except to the extent that a member of the board of directors or board of managers, or the sole manager, as applicable, of a Debtor continues to serve as a director, manager or sole manager of such Reorganized Debtor on the Effective Date, the members of the board of directors or board of managers, or the sole manager, as applicable, of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such director, manager, or sole manager shall be deemed to have resigned or shall otherwise cease to be a director, manager or sole manager of the applicable Debtor on the Effective Date. Each of the directors, managers, sole managers and officers of each of the

Reorganized Debtors shall serve pursuant to the terms of the applicable New Organizational Documents of such Reorganized Debtor and may be replaced or removed in accordance with such New Organizational Documents.

Section 4.16 *Incentive Plans.*

On and after the Effective Date, the Incentive Plans shall be deemed adopted by the Reorganized Board to provide (a) the new Chief Executive Officer of the Reorganized Company 1% of the Reorganized Common Stock prior to dilution from the Management Incentive Plan, as further set forth in the CEO Incentive Plan, and (b) designated members of management and employees of the Reorganized Debtors with options and/or other equity-based compensation for 23% of the fully-diluted shares of Reorganized Common Stock, as further set forth in the Management Incentive Plan (and upon the grant of Reorganized Common Stock (or other equity based award, as applicable), which award shall dilute all of the Reorganized Common Stock issued pursuant to the Plan).

Section 4.17 *New Equity Investment and New MSA*.

On the Effective Date, the Investor shall (a) provide the New Money Commitment and (b) enter into the New MSA, which shall be in form and substance substantially the same as the Professional Services Agreement dated as of March 1, 2017, by and among the Company and the Investor; *provided* that the New MSA shall include a transaction-related fee (which fee shall be identical to the transaction fee provided to the Investor under the existing professional services agreement between the Investor and the Company) payable after the Liquidation Preference Amount has been paid to holders of Preferred Equity regardless of whether the New MSA has been terminated, so long as the Investor remains the controlling shareholder of, or otherwise controls the Reorganized Board of, the Reorganized Debtors at the time of a Liquidation Event, but shall not include an annual fee, and shall be for a term ending on the earlier of (x) the date the Investor no longer has a controlling interest in, or otherwise controls the Reorganized Board of the Reorganized Debtors, and (y) the fourth (4^{th}) anniversary of the Effective Date. In exchange for the New Money Commitment and the New MSA, the Investor shall receive on the Effective Date (a) 51% of the Reorganized Common Stock, prior to dilution from the Management Incentive Plan, and (b) Reorganized Preferred Stock with an initial stated value of $7 million. The New MSA shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors.

Further, the Investor shall only be required to invest if the Reorganized Company has at least $1.5 million of available, unrestricted cash on the Effective Date after payment of, or reserving for the payment of, all outstanding checks and after giving effect to all distributions under the Plan, including but not limited to the payment in full of all fees and expenses related to the Restructuring Transactions (including, for the avoidance of doubt, all transactions, amounts, and reserves contemplated by the exhibits thereto).

Section 4.18 *Release Opt-In Form.*

Upon the Effective Date, notwithstanding the treatment in section 3.3(e) herein, a Holder of an Allowed General Unsecured Claim shall receive the lesser of (A) the Allowed amount of its General Unsecured Claim and (B) $5,000, if such Holder elects to "opt in" and be bound by the

Releases set forth in sections 9.3 of the Plan by executing an Opt-In Form on or before the thirtieth (30) day following the Effective Date.

Section 4.19 *Effectuating Documents; Further Transactions.*

Prior to, on, and after the Effective Date, the Debtors and Reorganized Debtors and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of the Plan, the Restructuring Support Agreement, the DIP Facility Documents, the Exit Facilities Documents, the New Organizational Documents, and any securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant to the Plan.

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

Section 4.20 *Restructuring Expenses*

The Restructuring Expenses incurred, or estimated to be incurred, up to and including the Effective Date, but not paid pursuant to the DIP Orders or DIP Facility Documents, shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to, the terms of the Restructuring Support Agreement (including any exhibits or annexes thereto) and the DIP Orders, without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, and without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least five Business Days before the anticipated Effective Date (or such shorter period as the Debtors may agree); *provided*, that such estimate shall not be considered an admission or limitation with respect to such Restructuring Expenses. On or as soon as reasonably practicable after the Effective Date, final invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. In addition, the Debtors and the Reorganized Debtors (as applicable) shall continue to pay pre- and post-Effective Date, when due and payable in the ordinary course, Restructuring Expenses related to implementation, consummation and defense of the Plan whether incurred before, on, or after the Effective Date.

Section 4.21 *Retained Causes of Action*

Unless any Causes of Action or claims against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, the DIP Orders, or by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action or

claims in the ordinary course, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action and claims shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such retained Causes of Action or claims, and may exercise any and all rights, including, without limitation, with respect to the Debtors' Causes of Action or claims related to, arising under, or in connection with, the Regal Litigation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this section 4.21 include any Claim or Cause of Action with respect to, or against, a Released Party.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided herein.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 5.1 *Assumption and Rejection of Executory Contracts and Unexpired Leases.*

(a) All executory contracts and unexpired leases of the Debtors that are not (i) rejected by the Debtors prior to the Effective Date; (ii) subject to a motion seeking such rejection as of the Effective Date; or (iii) specifically deemed rejected by the Debtors pursuant to the Plan, shall be deemed to have been assumed by the Debtors pursuant to sections 365 and 1123 of the Bankruptcy Code without further notice or order of the Bankruptcy Court; *provided that* all Executory Contracts and Unexpired Leases, including warranties, of the Debtors related to and arising out of their relationship with Regal Cinemas, Inc. shall be deemed rejected as of the Effective Date. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V but not assigned to a third party shall be deemed to be assigned to a Reorganized Debtor, and be fully enforceable by, the applicable contracting Reorganized Debtor(s) in accordance with the terms thereof, except as otherwise modified by the provisions of the Plan, or by any order of the Bankruptcy Court; *provided,* that notwithstanding anything to the contrary herein, the Debtors shall not seek the rejection of any Executory Contract or Unexpired Lease, and no rejection of any Executory Contract or Unexpired Lease shall be effective, without the consent of the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor.

(b) Entry of the Confirmation Order shall constitute approval of the assumptions, rejections, and, to the extent applicable, the assumptions and assignments of such Executory Contracts and Unexpired Leases as set forth in the Plan, all pursuant to Bankruptcy Code sections 365(a) and 1123. The Confirmation Order shall constitute an order of the Bankruptcy Court: (i) approving the assumption, assumption and assignment, or rejection, as the case may be, of Executory Contracts or Unexpired Leases, as described above, pursuant to Bankruptcy Code sections 365(a) and 1123(b)(2); (ii) providing that each assumption, assignment, or rejection, as

the case may be, is in the best interest of the Reorganized Debtors, their Estates, and all parties in interest in the Chapter 11 Cases; and (iii) providing that the requirements for assumption or assumption and assignment of any Executory Contract or Unexpired Lease to be assumed have been satisfied. Unless otherwise indicated, all assumptions or rejections of Executory Contracts or Unexpired Leases pursuant to the Plan are effective as of the Effective Date.

(c) Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests. To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority, or amount of any Claims that may arise in connection therewith.

Section 5.2 *Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.*

(a) Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Cost in Cash on the Effective Date, subject to the limitation described in the following paragraph, or on such other terms as the parties to such Executory Contract or Unexpired Lease may otherwise agree. No later than the Plan Supplement Filing Date, to the extent not previously filed with the Bankruptcy Court and served on affected counterparties, the Debtors shall provide for notices of proposed assumption and proposed Cure Costs to be filed and served upon applicable contract and lease counterparties (and upon such Entities' counsel, if known), together with procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a contract or lease counterparty to a proposed assumption, assumption and assignment, or related Cure Cost must be filed, served, and actually received by the Debtors by the date on which objections to Confirmation are due.

(b) Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or Cure Cost shall be deemed to have assented to such assumption or Cure Cost. In the event of a dispute regarding (i) the amount of any Cure Cost, (ii) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365(b) of the Bankruptcy Code, if applicable, under the Executory Contract or the Unexpired Lease to be assumed or assumed and assigned, and/or (iii) any other matter pertaining to assumption and/or assignment, then the Bankruptcy Court shall hear such dispute prior to the assumption and/or assignment becoming effective, and the applicable

Cure Costs associated therewith (if any) shall be made following entry of a Final Order resolving the dispute and approving the assumption and/or assumption and assignment and shall not prevent or delay implementation of the Plan or Effective Date; *provided* that the Debtors may settle any dispute regarding the amount of any Cure Cost without any further notice to any party or any action, order, or approval of the Bankruptcy Court; *provided, further,* that notwithstanding anything to the contrary herein, the Debtors reserve the right to either reject, or nullify the assumption of, any Executory Contract or Unexpired Lease within 30 days after the entry of a Final Order resolving an objection to assumption or assumption and assignment, determining the Cure Cost under an Executory Contract or Unexpired Lease that was subject to a dispute, or resolving any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease.

(c) Assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, and the payment of the Cure Cost, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assumption and assignment. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned, and the Cure Cost paid, shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

Section 5.3 *Indemnification and Reimbursement Obligations.*

(a) Any and all Indemnification Obligations of the Debtors, including pursuant to their corporate charters, agreements, bylaws, limited liability company agreements, memorandum and articles of association, or other organizational documents, or board resolutions, employment contracts or other agreements for the directors, officers, managers, employees, attorneys, other professionals and agents employed by the Debtors to indemnify current and former officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors based upon any act or omission for or on behalf of the Debtors shall remain in full force and effect to the maximum extent permitted by applicable law and shall not be discharged, impaired, or otherwise affected by this Plan. All such obligations shall be deemed and treated as executory contracts that are assumed by the Debtors under this Plan and shall continue as obligations of the Reorganized Debtors. Any Claim based on the Debtors' obligations in this Section 5.3 herein shall not be a Disputed Claim or subject to any objection, in either case, by reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise.

Section 5.4 *Claims Based on Rejection of Executory Contracts and Unexpired Leases (if Any).*

Unless otherwise provided by a Bankruptcy Court order, Proofs of Claim asserting Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases, if any, pursuant to the Plan or otherwise must be filed with the Notice and Claims Agent within 30 days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Proofs of Claim arising from the rejection or repudiation of the Debtors'

Executory Contracts and Unexpired Leases, if any, that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against any Reorganized Debtor without the need for any objection by the Reorganized Debtors or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection or repudiation of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' Executory Contract and Unexpired Leases, if any, shall constitute General Unsecured Claims and shall be treated in accordance with Section 3.3 hereof.

Section 5.5 *Contracts and Leases Entered Into After the Petition Date*.

Contracts and leases entered into after the Petition Date by any Debtor including any Executory Contracts and Unexpired Leases assumed by such Debtor, shall be performed by the Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) that have not been rejected as of the Confirmation Date shall survive and be assumed upon entry of the Confirmation Order.

Section 5.6 *Employee Compensation and Benefit Programs.*

(a) Except as otherwise provided herein and except for any employee equity or equity-based compensation or incentive plans, on and after the Effective Date the Reorganized Debtors may, but are not required to, honor in the ordinary course of business: (i) any employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974) and any other contracts, agreements, policies, programs, and plans for, among other things, employment, compensation, health care, disability and other welfare benefits, deferred compensation benefits, severance policies and benefits, retirement benefits, workers' compensation insurance and accidental death and dismemberment insurance that as of immediately prior to the Petition Date are, and as of immediately prior to the Effective Date continue to be, sponsored, maintained, or contributed to by any of the Debtors for the directors, officers, employees and other service providers of any of the Debtors who served in such capacity at any time (collectively, "Debtor Benefit Plans"); and (ii) Claims of employees of any of the Debtors for any accrued but unused vacation time as of immediately prior to the Effective Time arising in accordance with the Debtors vacation policies as in effect as of immediately prior to the Petition Date. The Debtors' or Reorganized Debtors' performance under any Debtor Benefit Plan shall not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date (each an "Expired Benefit Plan"), or restore, reinstate, or revive any such Expired Benefit Plan or alleged entitlement under any such Expired Benefit Plan. Nothing herein shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any Debtor Benefit Plan or Expired Benefit Plan.

(b) Except as otherwise provided herein, none of (i) the Debtors' emergence from chapter 11 of the Bankruptcy Code as contemplated by this Plan; (ii) the execution and delivery of the Restructuring Support Agreement; or (iii) the consummation of the transactions provided in

the Restructuring Support Agreement and this Plan (or otherwise contemplated by the Restructuring Support Agreement, Restructuring Transactions, and this Plan to occur prior to or on or about the Effective Date), in each case alone or together with any other event, will (A) entitle any current or former director, officer, employee or other service provider of any of the Debtors to any payment or benefit, (B) accelerate the time of payment or vesting or trigger any payment or funding of compensation or benefits under, or increase the amount payable or trigger any other obligation under, any Debtor Benefit Plan or Expired Benefit Plan or (C) limit or restrict the right of the Debtors or Reorganized Debtors to merge, amend or terminate any Debtor Benefit Plan, in each case including as a result of a "change in control" or similar provision or as a result of giving rise to any person to terminate his or her service with the Debtors or Reorganized Debtors for "good reason" or similar provision. Any Claims arising from the rejection of any employment agreement, severance plans or agreements, incentive plans, or other compensation agreement, plan or arrangement shall be deemed waived by the Holder thereof and discharged pursuant to this Plan.

Section 5.7 *Insurance Policies.*

All insurance policies pursuant to which any Debtor has any obligations in effect as of the Effective Date shall be deemed and treated as Executory Contracts pursuant to the Plan and shall be assumed by the respective Reorganized Debtors and shall continue in full force and effect thereafter in accordance with such policy's respective terms.

Section 5.8 *Reservation of Rights.*

Nothing contained in the Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

Section 6.1 *Distribution on Account of Claims and Equity Interests Allowed as of the Effective Date.*

Except as otherwise provided in the Plan or a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Claims and Equity Interests Allowed on or before the Effective Date shall be made on the Distribution Date; *provided* that (a) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (b) in accordance with Section 2.2 herein, Allowed Priority Tax Claims, unless otherwise agreed, shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy Law, or in the ordinary course of business.

Section 6.2 *Distribution on Account of Claims and Equity Interests Allowed After the Effective Date.*

(a) *Payments and Distributions on Disputed Claims*. Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on the first day that is 30 Business Days after the Disputed Claims become Allowed Claims; *provided* that (i) Disputed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (ii) Disputed Priority Tax Claims that become Allowed Priority Tax Claims after the Effective Date shall be treated as Allowed Priority Tax Claims in accordance with Article IX of this Plan and paid.

(b) *Special Rules for Distributions to Holders of Disputed Claims*. Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the relevant parties no payments or distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order.

Section 6.3 *Timing and Calculation of Amounts to Be Distributed.*

Except as otherwise provided herein, on the Distribution Date each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. Except as otherwise provided in the Plan, or any order of the Bankruptcy Court, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

Section 6.4 *Delivery of Distributions.*

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

(b) *Delivery of Distributions in General*. Except as otherwise provided in the Plan, the Distribution Agent shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated in the Debtors' records as of the date of any such distribution, including the address set forth in any Proof of Claim filed by that Holder; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors.

(c) *Delivery of Distributions on First Lien Claims*. The First Lien Agent shall be deemed to be the holder of all First Lien Claims for purposes of distributions to be made hereunder,

and all distributions on account of the First Lien Claims in Class 3 shall be made to the First Lien Agent. As soon as practicable following compliance with the requirements set forth in Article VI of this Plan (as applicable), the First Lien Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of Allowed First Lien Claims in Class 3 in accordance with the terms of the First Lien Documents and the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the First Lien Agent shall not have any liability to any Entity with respect to distributions made or directed to be made by the First Lien Agent.

(d) *Delivery of Distributions on Second Lien Claims*. The Second Lien Agent shall be deemed to be the holder of all Second Lien Claims for purposes of distributions to be made hereunder, and all distributions on account of the Second Lien Claims in Class 4 shall be made to the Second Lien Agent. As soon as practicable following compliance with the requirements set forth in Article VI of this Plan (as applicable), the Second Lien Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of Allowed Second Lien Claims in Class 4 in accordance with the terms of the Second Lien Documents and the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the Second Lien Agent shall not have any liability to any Entity with respect to distributions made or directed to be made by the Second Lien Agent.

(e) *Delivery of Distributions on DIP Claims*. The DIP Agent shall be deemed to be the Holder of all DIP Claims for purposes of distributions to be made hereunder, and all distributions on account of such DIP Claims shall be made to the DIP Agent. As soon as practicable following compliance with the requirements set forth in Article VI of this Plan (as applicable), the DIP Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the Holders of DIP Claims in accordance with the terms of the DIP Facility, subject to any modifications to such distributions in accordance with the terms of the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Agent shall not have any liability to any Entity with respect to distributions made or directed to be made by the DIP Agent.

Section 6.5 *Distributions by Distribution Agent (if any).*

(a) The Debtors and the Reorganized Debtors, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the distributions required hereunder. To the extent the Debtors and the Reorganized Debtors, as applicable, determine to utilize a Distribution Agent to facilitate the distributions under the Plan to Holders of Allowed Claims, any such Distribution Agent would first be required to: (i) affirm its obligation to facilitate the prompt distribution of any documents; (ii) affirm its obligation to facilitate the prompt distribution of any recoveries or distributions required under the Plan; (iii) waive any right or ability to setoff, deduct from or assert any lien or encumbrance against the distributions required under the Plan to be distributed by such Distribution Agent; and (iv) post a bond, obtain a surety or provide some other form of security for the performance of its duties, the costs and expenses of procuring which shall be borne by the Debtors or the Reorganized Debtors, as applicable.

(b) The Debtors or the Reorganized Debtors, as applicable, shall pay to the Distribution Agents all reasonable and documented fees and expenses of the Distribution Agents without the need for any approvals, authorizations, actions, or consents. The Distribution Agents shall submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Debtors or the Reorganized Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. In the event that the Debtors or the Reorganized Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtors or the Reorganized Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Debtors or the Reorganized Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

Section 6.6 *Minimum Distributions*.

Notwithstanding anything herein to the contrary, the Reorganized Debtors and the Distribution Agents shall not be required to make distributions or payments of less than $250 (whether Cash or otherwise) and shall not be required to make partial distributions or payments of fractions of dollars. Whenever any payment or distribution of a fraction of a dollar or fractional share of Reorganized Common Stock under the Plan would otherwise be called for, the actual payment or distribution shall reflect a rounding of such fraction to the nearest whole dollar or share of Reorganized Common Stock (up or down), with half dollars and half shares of Reorganized Common Stock or less being rounded down.

Section 6.7 *Undeliverable Distributions.*

(a) *Holders of Certain Undeliverable Distributions*. If any distribution to a Holder of an Allowed Claim made in accordance herewith is returned to the Reorganized Debtors (or their Distribution Agent) as undeliverable, no further distributions shall be made to such Holder. Undeliverable distributions shall remain in the possession of the Reorganized Debtors, subject to Section 6.7(b) of this Plan, until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any additional interest, dividends, or other accruals of any kind on account of their distribution being undeliverable.

(b) *Failure to Claim Undeliverable Distributions*. No later than 60 days after a distribution has been made to each Claim entitled to receive a distribution under the Plan, the Reorganized Debtors shall file with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Chapter 11 Cases stay open. Any Holder of an Allowed Claim, irrespective of when a Claim becomes an Allowed Claim, that does not notify the Reorganized Debtors of such Holder's then current address in accordance herewith within 30 days after the filing of the list of Holders of undeliverable distributions shall have its Claim for such undeliverable distribution discharged and shall be forever barred, estopped and enjoined from

asserting any such Claim against the Reorganized Debtors or their property. Within 90 days after the mailing or other delivery of any such distribution checks, notwithstanding applicable escheatment Laws, all such distributions shall revert to the Reorganized Debtors. Nothing contained herein shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

(c) *Failure to Present Checks*. Checks issued by the Reorganized Debtors (or their Distribution Agent) on account of Allowed Claims shall be null and void if not negotiated within 90 days after the issuance of such check. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within 90 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and be discharged and forever barred, estopped and enjoined from asserting any such Claim against the Reorganized Debtors or their property. Within 90 days after the mailing or other delivery of any such distribution checks, notwithstanding applicable escheatment Laws, all such distributions shall revert to the Reorganized Debtors. Nothing contained herein shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

Section 6.8 *Compliance with Tax Requirements/Allocations.*

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

Section 6.9 *Surrender of Canceled Instruments or Securities.*

On the Effective Date or as soon as reasonably practicable thereafter, each Holder of a certificate or instrument evidencing a Claim or Equity Interest that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument to the Reorganized Debtors. Except as otherwise expressly provided in the Plan, such surrendered certificate or instrument shall be cancelled solely with respect to the Debtors and Reorganized Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such certificate or instrument, including with respect to any indenture or agreement that governs the rights of the Holder of a Claim or Equity Interests, which shall continue in effect. Notwithstanding anything to the contrary herein, this paragraph shall not apply to certificates or instruments evidencing Claims that are Unimpaired under the Plan.

Section 6.10 *Claims Paid or Payable by Third Parties.*

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

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

ARTICLE VII.

PROCEDURES FOR RESOLVING DISPUTED CLAIMS OR EQUITY INTERESTS

Section 7.1 *Allowance of Claims and Equity Interests.*

(a) Except as provided in Section 9.3 herein, each of the Reorganized Debtors after the Effective Date shall have and retain any and all rights and defenses the Debtors had with respect to any Claim or Equity Interest immediately prior to the Effective Date, except with respect to any Claim deemed Allowed under the Plan.

(b) Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Court has entered a Final Order (including the Confirmation Order) in the Chapter 11 Cases allowing such Claim. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise, shall be binding on all parties.

Section 7.2 *Prosecution of Objections to Claims.*

Except as otherwise specifically provided in the Plan or order of the Bankruptcy Court, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Reorganized Debtors shall have the sole authority: (1) to file, withdraw, or litigate to judgment objections to Claims or Equity Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

Section 7.3 *Estimation of Claims and Equity Interests.*

Before or after the Effective Date, the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim or Equity Interest pursuant to section 502(c) of the Bankruptcy Code and/or Bankruptcy Rule 3012 for any reason, regardless of whether any party previously has objected to such Claim or Equity Interest or whether the Bankruptcy Court has ruled on any such objection; and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Equity Interest, including during the litigation of any objection to any Claim or Equity Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim or Equity Interest that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim or Equity Interest, that estimated amount shall constitute a maximum limitation on such Claim or Equity Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Equity Interest. Each of the foregoing Claims and Equity Interests objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

Section 7.4 *Adjustment to Claims and Equity Interests Without Objection.*

Any Claim or Equity Interest that has been paid or satisfied, or any Claim or Equity Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

Section 7.5 *Disallowance of Certain Claims.*

Any Claims held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims and Equity Interests until such time as such Causes of Action against that Entity have been settled or an order of the Bankruptcy Court with respect thereto has been entered and all sums due have been turned over or paid to the Reorganized Debtors. All Proofs of Claim filed on account of an Indemnification Obligation to a director, officer or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim filed after the Claims Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims shall not receive any distributions on account of such Claims.

Section 7.6 *Offer of Judgment.*

The Reorganized Debtors are authorized to serve upon a Holder of a Claim an offer to allow judgment to be taken on account of such Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Federal Rule of Civil Procedure 68 shall apply to such offer of judgment. To the extent the Holder of a Claim or Equity Interest must pay the costs incurred by the Reorganized Debtors after the making of such offer, the Reorganized Debtors are entitled to setoff such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court.

Section 7.7 *Amendments to Claims.*

On or after the Effective Date, except as provided herein, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such prior authorization is not received, any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further action.

ARTICLE VIII.

CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

Section 8.1 *Conditions Precedent to the Effective Date.*

The Effective Date shall not occur unless and until each of the following conditions have occurred or been waived in accordance with the terms herein:

(a) the Bankruptcy Court shall have approved the Disclosure Statement, in a form reasonably acceptable to the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code and the order approving the Disclosure Statement shall not have been stayed;

(b) the Confirmation Order shall have been entered in a form reasonably acceptable to the Debtors, the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor (and with respect to those provisions thereof that affect the rights, obligations, liabilities and duties of the DIP Agent or the First Lien Agent, to the DIP Agent or the First Lien Agent, as applicable), which consent shall not be unreasonably withheld, conditioned, or delayed, and the Confirmation Order shall not have been stayed;

(c) all documents, certificates, and agreements necessary to implement the Plan (including, without limitation, the Definitive Documents, as applicable) shall have been executed and tendered for delivery to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable Laws, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

(d) all actions necessary to implement this Plan shall have been effected;

(e) all governmental and material third party approvals and consents necessary in connection with the Restructuring shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on the Restructuring;

(f) there shall be no ruling, judgment or order issued by any Governmental Unit making illegal, enjoining or otherwise preventing or prohibiting the consummation of the Restructuring;

(g) the Restructuring Support Agreement shall not have been terminated (other than, for the avoidance of doubt, termination of the Restructuring Support Agreement pursuant to Section 12.08 thereof) and shall remain in full force and effect and be binding;

(h) all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay all Professional Fee Claims that may become Allowed after the Effective Date shall have been placed in the Professional Fee Escrow Account, which shall have been established and funded;

(i) the Debtors shall have established and funded the Professional Fee Reserve;

(j) the Debtors shall have paid in full in Cash all Restructuring Expenses incurred or estimated to be incurred, through the Effective Date; and

(k) the conditions to effectiveness of the Exit Facilities Documents have been satisfied or waived in accordance with the terms thereof, and the Exit Facilities Documents are in full force and effect and binding on all parties thereto.

Section 8.2 *Waiver of Conditions.*

The Debtors or the Reorganized Debtors, as applicable, with the consent of the Requisite Consenting First Lien Lenders, the Second Lien Lenders, and the Investor (and the DIP Agent and the First Lien Agent, solely with respect to the conditions set forth in section 8.1(b)), which consent shall not be unreasonably withheld, conditioned, or delayed, may waive any of the conditions to the Effective Date set forth above at any time, without any notice to parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than a proceeding to confirm the Plan. The failure of the Debtors or Reorganized Debtors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of such rights or any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

Section 8.3 *Effect of Failure of Condition.*

If the Effective Date does not occur, then upon notice by the Debtors to the Bankruptcy Court, that (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan, the Confirmation Order, or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims, Equity Interests, or Causes of Action; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

Section 8.4 *Reservation of Rights.*

The Plan shall have no force or effect unless and until the Confirmation Order is entered. Prior to the Effective Date, none of the filing of the Plan, any statement or provision contained in the Plan, or action taken by the Debtors with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of any Debtor or any other party with respect to any Claims or Equity Interests or any other matter.

Section 8.5 *Substantial Consummation of Plan.*

Substantial consummation of the Plan under Bankruptcy Code section 1101(2) shall be deemed to occur on the Effective Date.

ARTICLE IX.

EFFECT OF PLAN CONFIRMATION

Section 9.1 *Binding Effect.*

Subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of this Plan shall bind and inure to the benefit of the Debtors, the Reorganized Debtors, the Consenting Stakeholders, and each Holder of a Claim against or Equity Interest in any Debtor or Reorganized Debtor and inure to the benefit of and be binding on such Debtor's, Reorganized Debtor's, the Consenting Stakeholders', and Holder's respective successors and assigns, regardless of whether the Claim or Equity Interest of such Holder is Impaired under this Plan and whether such Holder has accepted or rejected this Plan or is deemed to have accepted or rejected this Plan.

Section 9.2 *Discharge of Claims and Termination of Equity Interests.*

(a) Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Equity Interests and Claims of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, whether

known or unknown, against, liabilities of, Liens on, obligations of, rights against the Debtors, the Reorganized Debtors or any of their Assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, including demands, liabilities, and causes of action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim or Equity Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Equity Interest is Allowed; or (iii) the Holder of such Claim or Equity Interest has accepted or rejected, or been deemed to accept or reject, the Plan. For the avoidance of doubt, such discharge shall include any Claims, including Claims based on warranties, related to, arising under, or in connection with, the Regal Litigation. Except as otherwise provided herein, any default by the Debtors or their Affiliates with respect to any Claim or Equity Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan.

(b) Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made on account of such Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Equity Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against the Debtors and their Estates and Causes of Action against other Entities.

Section 9.3 *Releases.*

(a) ***RELEASES BY THE DEBTORS*****. PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE SERVICE OF THE RELEASED PARTIES TO FACILITATE THE EXPEDITIOUS REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, PURSUANT TO THE CONFIRMATION ORDER AND ON AND AFTER THE EFFECTIVE DATE, EACH RELEASED PARTY SHALL BE DEEMED FOREVER RELEASED AND DISCHARGED BY EACH AND ALL OF THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR ESTATES FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED**

OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, OR THEIR ESTATES, AS APPLICABLE, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THOSE THAT ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES OR THEIR AFFILIATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST, OR EQUITY INTEREST IN, A DEBTOR OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY RELEASED PARTY, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS (OTHER THAN ANY INTERCOMPANY CLAIMS THAT HAVE BEEN REINSTATED AS CONTEMPLATED ABOVE), THE RESTRUCTURING, THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THE PLAN, THE PLAN SUPPLEMENT, THE RESTRUCTURING SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY DOCUMENTS, THE FIRST LIEN FORBEARANCE AGREEMENT, THE EXIT FACILITIES DOCUMENTS, OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; *PROVIDED* THAT THE FOREGOING RELEASE SHALL NOT APPLY TO ANY EXPRESS CONTRACTUAL OR FINANCIAL OBLIGATIONS OR ANY RIGHT OR OBLIGATION ARISING UNDER OR THAT IS PART OF THE PLAN OR ANY AGREEMENTS ENTERED INTO PURSUANT TO, IN CONNECTION WITH, OR CONTEMPLATED BY THE PLAN, AND ANY RIGHT TO ENFORCE THE PLAN AND CONFIRMATION ORDER IS NOT SO RELEASED; *PROVIDED FURTHER* THAT THE FOREGOING RELEASE SHALL NOT APPLY TO EXCLUDED CLAIMS.

(b) ***RELEASES BY HOLDERS OF CLAIMS AND EQUITY INTERESTS*.** **AS OF THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EACH OF THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A RELEASED PARTY) SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER, RELEASED AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR AND EACH OTHER RELEASED PARTY FROM ANY AND ALL CLAIMS,**

EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, EACH OTHER RELEASING PARTY OR THEIR ESTATES, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE COMPANY, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY RELEASED PARTY, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THE RESTRUCTURING SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, THE DIP FACILITY DOCUMENTS, THE FIRST LIEN FORBEARANCE AGREEMENT, THE EXIT FACILITIES DOCUMENTS, OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; *PROVIDED* THAT THE FOREGOING RELEASE SHALL NOT APPLY TO EXCLUDED CLAIMS.

Section 9.4 *Exculpation and Limitation of Liability.*

(a) **UPON AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE DEBTORS AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS, INVESTMENT BANKERS, FINANCIAL ADVISORS, RESTRUCTURING CONSULTANTS AND OTHER PROFESSIONAL ADVISORS AND AGENTS SHALL BE DEEMED TO HAVE SOLICITED ACCEPTANCES OF THIS PLAN IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING SECTION 1125(E) OF THE BANKRUPTCY CODE.**

(b) **EXCEPT WITH RESPECT TO ANY ACTS OR OMISSIONS EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS, THE EXCULPATED PARTIES SHALL NEITHER HAVE, NOR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH, OR RELATED TO FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING,**

IMPLEMENTING, ADMINISTERING, CONFIRMING, OR EFFECTING THE PLAN OR ANY CONTRACT, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN OR ANY OTHER PREPETITION OR POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OF THE DEBTORS; *PROVIDED* THAT THE FOREGOING "EXCULPATION" SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY ENTITY THAT RESULTS FROM ANY SUCH ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; *PROVIDED, FURTHER,* THAT TO THE EXTENT PERMITTED BY APPLICABLE LAW EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL CONCERNING HIS, HER OR ITS DUTIES PURSUANT TO, OR IN CONNECTION WITH, THE PLAN OR ANY OTHER RELATED DOCUMENT, INSTRUMENT, OR AGREEMENT.

(c) **THE EXCULPATED PARTIES HAVE, AND UPON CONFIRMATION, SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING WITH REGARD TO THE DISTRIBUTIONS OF REORGANIZED COMMON STOCK AND REORGANIZED PREFERRED STOCK PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT AND SHALL NOT BE LIABLE AT ANY TIME FOR THE VIOLATIONS OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THE PLAN.**

Section 9.5 *Injunction.*

THE SATISFACTION, RELEASE AND DISCHARGE PURSUANT TO THIS ARTICLE IX OF THE PLAN SHALL ALSO ACT AS AN INJUNCTION AGAINST ANY PERSON BOUND BY SUCH PROVISION AGAINST COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET, OR RECOVER ANY CLAIM OR CAUSE OF ACTION SATISFIED, RELEASED, OR DISCHARGED UNDER THE PLAN OR THE CONFIRMATION ORDER TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING, WITHOUT LIMITATION, TO THE EXTENT PROVIDED FOR OR AUTHORIZED BY SECTIONS 524 AND 1141 THEREOF.

Section 9.6 *Setoffs and Recoupment.*

(a) Except as otherwise provided herein or in the DIP Orders, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or non-bankruptcy Law, or as may be agreed to by the Holder of an Allowed Claim, may set off or recoup against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the applicable Debtor or Reorganized Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action have not been otherwise compromised

or settled on or prior to the Effective Date (whether pursuant to the Plan, a Final Order or otherwise); *provided* that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action.

(b) In no event shall any Holder of Claims be entitled to set off or recoup any Claim against any Claim, right, or Cause of Action of a Debtor or a Reorganized Debtor, as applicable, unless such Holder has timely filed a Proof of Claim with the Bankruptcy Court preserving such setoff or recoupment in such Proof of Claim.

Section 9.7 *Release of Liens.*

(a) Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the applicable Reorganized Debtor and its successors and assigns.

(b) To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such Holder, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Debtors or the Reorganized Debtors that are necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

ARTICLE X.

RETENTION OF JURISDICTION

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

(a) Allow, disallow, determine, liquidate, classify, estimate or establish the priority, nature, validity, amount or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance, priority or amount of Claims or Equity Interests;

(b) Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Retained Professionals authorized pursuant to the Bankruptcy Code or the Plan;

(c) Resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure Costs arising therefrom, including Cure Costs pursuant to section 365 of the Bankruptcy Code; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (iii) any dispute regarding whether a contract or lease is or was executory or expired;

(d) Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(e) Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

(f) Adjudicate, decide or resolve any and all matters related to Causes of Action;

(g) Adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

(h) Resolve any and all avoidance or recovery actions under sections 105, 502(d), 542 through 551 and 553 of the Bankruptcy Code;

(i) Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

(j) Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

(k) Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

(l) Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with enforcement of the Plan;

(m) Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

(n) Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Equity Interest for amounts not timely repaid;

(o) Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(p) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, the Restructuring Support Agreement, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

(q) Enter an order or final decree concluding or closing the Chapter 11 Cases;

(r) Adjudicate any and all disputes arising from or relating to distributions under the Plan;

(s) Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

(t) Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan (other than any dispute arising after the Effective Date under, or directly with respect to, the Exit Facilities Documents, which such disputes shall be adjudicated in accordance with the terms of the Exit Facilities Documents);

(u) Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(v) Hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

(w) Enforce all orders previously entered by the Bankruptcy Court; and

(x) Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

Section 11.1 *Immediate Binding Effect.*

Notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims and Equity Interests (irrespective of whether Holders of such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity

acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases. The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rule 3020(e) and 7062.

Section 11.2 *Payment of Statutory Fees.*

All fees payable pursuant to section 1930(a) of Title 28 of the U.S. Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code or as agreed to by the U.S. Trustee and Reorganized Debtors, shall be paid when due and payable for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first.

Section 11.3 *Amendments.*

(a) *Plan Modifications*. Subject to the limitations contained in the Plan, the Debtors reserve the right, in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement: (a) to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan; *provided* that any amendments or modifications that affect the rights, obligations, liabilities and duties of the DIP Agent or the First Lien Agent shall require the consent of the DIP Agent or the First Lien Agent, as applicable, with such consent shall not be unreasonably withheld, conditioned, or delayed.

(b) *Effect of Confirmation on Modifications*. Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

(c) *Certain Technical Amendments*. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court; *provided* that such technical adjustments and modifications do not adversely affect the treatment of Holders of Claims or Equity Interests under this Plan.

Section 11.4 *Revocation or Withdrawal of Plan.*

Subject to the conditions to the Effective Date, and the terms and conditions of the Restructuring Support Agreement, the Debtors reserve the right to revoke or withdraw the Plan, including the right to revoke or withdraw the Plan for any Debtor or all Debtors, prior to the entry of the Confirmation Order and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if entry of the Confirmation Order or the Effective Date does not occur, then: (a) the Plan with respect to such Debtor or Debtors shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be

deemed null and void with respect to such Debtor or Debtors; and (c) nothing contained in the Plan with respect to such Debtor or Debtors shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any other Entity; (ii) prejudice in any manner the rights of the Debtors or any other Entity; or (iii) constitute an admission of any sort by the Debtors or any other Entity.

Section 11.5 *Governing Law.*

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal Law, rule or regulation is applicable, or to the extent that an exhibit, supplement, or other document related to the Plan (including, without limitation, the DIP Facility Documents and the Exit Facility Documents), provides otherwise, the Plan shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to the principles of conflict of Laws thereof that would require application of the Law of another jurisdiction.

Section 11.6 *Successors and Assigns.*

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

Section 11.7 *Severability.*

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

Section 11.8 *Controlling Document.*

In the event of an inconsistency between the Plan and Disclosure Statement, the terms of the Plan shall control in all respects. The provisions of the Plan and of the Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; *provided* that if there is determined to be any inconsistency between any Plan provision and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern and any such provision of the Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

Section 11.9 *Filing of Additional Documents.*

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

Section 11.10 *Reservation of Rights.*

The Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

Section 11.11 *Service of Documents.*

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall also be served on:

VIP Cinema Seating, LLC
7955 Manchester Rd, Suite 125
St Louis, MO 63143
Attention: Michael Blatz
E-mail: blatz@vipcinemaseating.com

with copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Gregg M. Galardi and Cristine Pirro Schwarzman
E-mail: Gregg.Galardi@ropesgray.com and
Cristine.Schwarzman@ropesgray.com
Proposed Counsel to the Debtors

and

Bayard, P.A.
600 N. King Street, Suite 400
P.O. Box 25130
Wilmington, DE 19899
Attention: Erin R. Fay

Email: efay@bayardlaw.com
Proposed Counsel to the Debtors

and

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: Damian Schaible and Adam L. Shpeen
Email: damian.schaible@davispolk.com and
adam.shpeen@davispolk.com and
Counsel to the Ad Hoc Group of First Lien Lenders

Wilmer Cutler Pickering Hale and Dorr LLP
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Attention: Andrew Goldman and Benjamin Loveland
Email: andrew.goldman@wilmerhale.com and
benjamin.loveland@wilmerhale.com
Counsel to the DIP Agent and the First Lien Agent

and

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
Attention: Jayme T. Goldstein and Christopher Guhin
Email:jgoldstein@stroock.com and cguhin@stroock.com
Counsel to the Second Lien Lenders

and

McDermott Will & Emery LLP
444 West Lake Street
Chicago, IL 60606
Attention: James W. Kapp, III and Brooks B. Gruemmer
Email: jkapp@mwe.com and bgruemmer@mwe.com
Counsel to the Investor

and

Office of the United States Trustee
844 King Street, Suite 2207, Lockbox 35
Wilmington, DE 19801
Attention.: T. Patrick Tinker

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

Section 11.12 *Section 1125(e) of the Bankruptcy Code.*

As of the Confirmation Date, (a) the Debtors shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including section 1125(e) of the Bankruptcy Code, and any applicable non-bankruptcy Law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation and (b) the Debtors, the Consenting First Lien Lenders, the Second Lien Lenders, and the Investor and each of their respective Affiliates, agents, directors, officers, employees, advisors and attorneys shall be deemed to have participated in good faith, and in compliance with the applicable provisions of the Bankruptcy Code, in the offer and issuance of any securities under the Plan, and, therefore, are not, and on account of such offer, issuance and solicitation shall not be, liable at any time for any violation of any applicable Law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under the Plan.

Section 11.13 *Tax Reporting and Compliance.*

The Reorganized Debtors shall be authorized to request an expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, the Debtors for any and all taxable periods ending after the Petition Date through, and including, the Effective Date.

Section 11.14 *Exhibits and Schedules.*

All exhibits and schedules to the Plan are incorporated into and are a part of the Plan as if fully set forth herein.

Section 11.15 *Entire Agreement.*

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

Section 11.16 *Allocation of Payments.*

To the extent that any Allowed Claim entitled to distribution hereunder is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for all U.S. federal income tax purposes, be allocated to the principal amount of such Claim first, and then, to the extent that the consideration exceeds such principal amount, to the portion of such Claim

representing accrued but unpaid interest (but solely to the extent that interest is an allowable portion of such Allowed Claim).

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Dated: February 15, 2020

Respectfully submitted,

VIP Cinema Holdings, Inc.
on behalf of itself and each of its Debtor affiliates

By: _____
Name: Stephen Spitzer
Title: Chief Restructuring Officer

Prepared by:

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- and -

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ROPES & GRAY LLP
1211 Avenue of the Americas
New York, New York 10036
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

Proposed Counsel for the Debtors and Debtors in Possession

EXHIBIT B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

RESTRUCTURING SUPPORT AGREEMENT[1]

This RESTRUCTURING SUPPORT AGREEMENT (including all exhibits, annexes, and schedules hereto in accordance with Section 16.02 hereof, this "**Agreement**") is made and entered into as of February 14, 2020 (the "**Execution Date**"), by and among the following parties (each of the Entities described in sub-clauses (i) through (v) of this preamble and any person or entity that subsequently becomes a party hereto collectively, the "**Parties**" and each, a "**Party**"):

i. HIG Cinema Intermediate Holdings, Inc. ("**Holdings**"), VIP Cinema Holdings, Inc. ("**VIP**"), VIP Cinema, LLC, VIP Property Management II, LLC, VIP Components, LLC, and any other direct or indirect subsidiary of VIP (collectively, the "**Company**");

ii. Certain holders of First Lien Claims holding more than [66.6]% of the aggregate amount of all outstanding First Lien Claims (collectively, the "**Consenting First Lien Lenders**");

iii. Holders of Second Lien Claims holding 100% of the aggregate amount of all outstanding Second Lien Claims (or nominees, investment managers or advisors for the holders of Second Lien Lenders) (collectively, the "**Consenting Second Lien Lender**");

iv. H.I.G. Capital, LLC and H.I.G. Middle Market LBO Fund II, L.P. (together, the "**Investor**"); and

v. any person or Entity that subsequently becomes a party hereto that executes and delivers a Restructuring Support Agreement Joinder or a Transfer Agreement.

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[1] Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1.

RECITALS

WHEREAS, the Company and the Consenting Stakeholders (defined below) have in good faith and at arm's length negotiated certain restructuring and recapitalization transactions on the terms set forth in this Agreement, in the term sheet attached hereto as **Exhibit A** (including all exhibits thereto, the "**Term Sheet**") and the other term sheets attached as exhibits hereto (such restructuring and recapitalization transactions, the "**Restructuring**"). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to them in the Term Sheet;

WHEREAS, the Company intends to implement the Restructuring by commencing voluntary cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the cases commenced, the "**Chapter 11 Cases**"); and

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring on the terms, subject to the conditions, and in reliance on the representations and warranties set forth in this Agreement and the term sheets attached hereto.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. Definitions and Interpretation.

1.01. Definitions. The following terms shall have the following definitions:

"**Agent**" means any administrative agent, collateral agent, or similar Entity under the Existing First Lien Credit Agreement or the Existing Second Lien Credit Agreement, as applicable, including any successors thereto.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules hereto in accordance with Section 16.02 (including the Term Sheet) of this Agreement.

"**Agreement Effective Date**" means the date on which the conditions set forth in Section 2 of this Agreement have been satisfied or waived by the appropriate Party or Parties in accordance with this Agreement.

"**Agreement Effective Period**" means, with respect to a Party, the period from (a) the later of (i) the Agreement Effective Date and (ii) the date such Party becomes a Party to this Agreement, to (b) the Termination Date applicable to that Party.

"**Alternative Restructuring Proposal**" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, financing (debt or equity), including any debtor-in-possession financing (other than the DIP Facility) liquidation, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction or series of transactions involving the Company or the debt, equity, or other interests in the Company that is an alternative to the Restructuring transactions.

"**Backstop Commitment**" means the portion of the DIP Facility set forth opposite such Backstop Party's name on **Schedule 1** hereto.

"**Backstop Party**" means each Consenting First Lien Lender party to this Agreement whose name is listed on **Schedule 1** hereto.

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

"**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

"**Causes of Action**" means any and all actions, causes of action, suits, claims, interests, damages, remedies, demands, rights, debts, dues, sums of money, accounts, reckonings, rights to legal remedies, rights to equitable remedies, rights to payment and claims, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, demands, obligations, liabilities, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, franchises and trespasses of any kind or character, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, contingent or non-contingent, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, matured, unmatured, suspected, unsuspected, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or indirectly or derivatively, in Law, equity or otherwise. For the avoidance of doubt, "Causes of Action" includes but is not limited to: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by Law; (b) the right to object to or otherwise contest the Claims against, or Interests in, the Company; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state or foreign Law fraudulent transfer or similar claim.

"**Chapter 11 Cases**" has the meaning set forth in the recitals to this Agreement.

"**Chosen Court**" means the United States Bankruptcy Court for the District of Delaware.

"**Claim**" has the meaning ascribed to it in section 101(5) of the Bankruptcy Code and, for the avoidance of doubt, includes the First Lien Claims and the Second Lien Claim.

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Confidentiality Agreement**" means an executed confidentiality agreement, including with respect to the issuance of a "cleansing letter" or other public disclosure of material non-public information, in connection with the Restructuring.

"**Confirmation**" means the entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 11 Cases.

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

"**Consenting First Lien Lenders**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Second Lien Lender**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Stakeholders**" means, collectively, the Consenting First Lien Lenders, the Consenting Second Lien Lender, the Investor, and any other person or Entity that subsequently becomes a Party hereto by execution and delivery of a Restructuring Support Agreement Joinder or a Transfer Agreement.

"**Definitive Documents**" means the documents listed in Section 3.01 of this Agreement.

"**DIP Agent**" means Wilmington Savings, as administrative and collateral agent under the DIP Facility, or any successor administrative agents thereunder.

"**DIP Commitment**" means the commitment by a Consenting First Lien Lender to provide a percentage of the DIP Facility in an amount not greater than the pro rata percentage of First Lien Loans held by such Consenting First Lien Lender as of the Agreement Effective Date.

"**DIP Credit Agreement**" means that certain credit agreement evidencing the DIP Facility by and among VIP, as borrower, Holdings and its direct and indirect domestic subsidiaries, as guarantors, the DIP Agent, and the DIP Lenders, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith, in each case consistent with the terms and conditions set forth in the DIP Facility Term Sheet, and as may be amended, modified or supplemented from time to time in accordance with the terms hereof.

"**DIP Facility**" means the new senior secured superpriority debtor-in-possession term loan financing facility having terms and conditions set forth in the DIP Facility Term Sheet.

"**DIP Facility Term Sheet**" means that certain term sheet setting forth the principal terms of the DIP Facility annexed as **Exhibit B** to this Agreement.

"**DIP Lenders**" means the Consenting Second Lien Lender and the Consenting First Lien Lenders that agree to provide the DIP Facility on the terms set forth in the DIP Credit Agreement.

"**Disclosure Statement**" means the related disclosure statement with respect to the Plan.

"**Effective Date**" means the date that is the first Business Day selected by the Debtors, with the consent of the Consenting Stakeholders, not to be unreasonably withheld, conditioned, or delayed, on which (a) all conditions to the effectiveness of the Plan set forth in Section 8.1 thereof have been satisfied or waived in accordance with the terms of the Plan, and (b) no stay of the Confirmation Order is in effect.

"**Election Date**" means February 24, 2020, at 5:00 p.m., New York Time.

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

"**Excluded Claims**" means that any Claims or Causes of Action (a) against Regal Cinemas, Inc. that arise under or in connection with that certain litigation commenced by Regal Cinemas, Inc., by complaint, filed on July 26, 2019, in the Chancery Court for Knox County, Tennessee, against VIP Cinema, LLC, and subsequently removed to the District Court for the Eastern District of Tennessee at Knoxville, styled *Regal Cinemas, Inc. v. VIP Cinema, LLC*, Civil Action No. 3:19-CV-333 (E.D. Tenn. Aug. 27, 2019), or (b) against the stockholders holding a minority share in the Company on the Petition Date who are not Parties to this Agreement or current officers or directors of the Company on such date.

"**Execution Date**" has the meaning set forth in the preamble to this Agreement.

"**Existing First Lien Credit Agreement**" means that certain First Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time), by and among VIP, as the Borrower, Holdings, the other Guarantors from time to time party thereto, the Lenders party thereto, Wilmington Savings, as successor administrative agent and collateral agent, and the other entities party thereto from time to time.

"**Existing Second Lien Credit Agreement**" means that certain Second Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time), by and among VIP, as the Borrower, Holdings, the other Guarantors party thereto from time to time, the Lenders party thereto, [redacted], as administrative agent and collateral agent, and the other entities party thereto from time to time.

"**Exit Facilities Credit Agreements**" means, together, the First Lien Exit Facility Credit Agreement and the Second Lien Exit Facility Credit Agreement, in each case as consistent with the terms set forth in the Exit Facilities Term Sheets, and as may be amended, modified or supplemented from time to time in accordance with the terms hereof.

"**Exit Facilities Term Sheets**" means, together, the First Lien Exit Facility Term Sheet and the Second Lien Exit Facility Term Sheet annexed to this Agreement as **Exhibit C** and **Exhibit D**, respectively.

"**Fiduciary Out**" means the right to terminate this Agreement pursuant to Section 12.05(b).

"**Final DIP Order**" means an order entered by the Bankruptcy Court approving, among other things, the DIP Facility on a final basis.

"**First Lien Claims**" means all Claims against the Company arising under, relating to, or in connection with the Loans (as defined in and arising under the Existing First Lien Credit Agreement).

"**First Lien Exit Agent**" means the administrative and collateral agent for the First Lien Exit Lenders under the First Lien Exit Facility Credit Agreement or any successor agent thereof.

"**First Lien Exit Facility Credit Agreement**" means that certain credit agreement by and among VIP, the other guarantors from time to time party thereto, the First Lien Exit Lenders, the First Lien Exit Agent, and the other Entities party thereto from time to time, consistent with the terms and conditions set forth in the First Lien Exit Facility Term Sheet.

"**First Lien Exit Facility Term Sheet**" means the term sheet annexed to this Agreement as **Exhibit C** setting forth the material terms and conditions of the First Lien Exit Facility Credit Agreement.

"**First Lien Exit Lenders**" means the lenders under the First Lien Exit Facility Credit Agreement.

"**First Lien Loans**" means the loans made pursuant to the Existing First Lien Credit Agreement.

"**Governance Documents**" means the organizational and governance documents for the Reorganized Company, including, without limitation, certificates of incorporation (including any certificate of designations), certificates of formation or certificates of limited partnership (or equivalent organizational documents), certificates of designation, bylaws, limited liability company agreements, shareholders' agreements, and limited partnership agreements (or equivalent governing documents), as applicable, in each case, consistent with the terms and conditions set forth in this Agreement, including the Governance Term Sheet and the Preferred Equity Term Sheet.

"**Governance Term Sheet**" means the term sheet annexed to this Agreement as **Exhibit F** setting forth the material terms and conditions of the corporate governance of the Reorganized Company.

"**Holdings**" has the meaning set forth in the preamble to this Agreement.

"**Interim DIP Order**" means an order entered by the Bankruptcy Court approving, among other things, the DIP Facility on an interim basis.

"**Interest**" means any common stock, equity security, equity, ownership, profit interest, unit, or share in the Company (including all options, warrants, rights, or other securities or agreements to obtain such an interest or share in the Company), whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security.

"**Investor**" has the meaning set forth in the preamble to this Agreement.

"**Joining DIP Commitment Party**" means any Consenting First Lien Lender that elects to make a DIP Commitment.

"**Law**" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

"**Management Incentive Plan**" means the management incentive plan and the CEO Incentive plan to be implemented by the Reorganized Company on the Effective Date consistent with the terms and conditions set forth in the Management Incentive Plan Term Sheet annexed hereto as **Exhibit G**.

"**Management Services Agreement**" means the management services agreement to be entered into by the Reorganized Company and the Investor on the Effective Date.

"**Material Adverse Effect**" means a material adverse effect on the business, operations, assets, liabilities (actual or contingent), operating results or financial condition of the Company, taken as a whole (other than as a result of (i) the events and conditions related and/or leading up to the commencement of the Chapter 11 Cases, (ii) any defaults under agreements that have no effect under the terms of the Bankruptcy Code as a result of the commencement of a proceeding under chapter 11 of the Bankruptcy Code and the Chapter 11 Cases, (iii) any reduction in payment terms by suppliers and (iv) any reclamation Claims).

"**Outside Date**" means that date that is 180 days after the Agreement Effective Date.

"**Parties**" has the meaning set forth in the preamble to this Agreement.

"**Permitted Transferee**" means each transferee of any Claim against, or Interest in, the Company who meets the requirements of Section 9.01 of this Agreement.

"**Petition Date**" has the meaning set forth in Section 4.01 of this Agreement.

"**Plan**" means the joint prepackaged plan of reorganization under chapter 11 of the Bankruptcy Code, including all exhibits and schedules to the Plan, and any Plan Supplement, all of which must be consistent with the terms and conditions of this Agreement, in each case as they may be amended, supplemented or modified from time to time in accordance with the terms of this Agreement.

"**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court.

"**Preferred Equity Term Sheet**" means the term sheet annexed to this Agreement as **Exhibit E** setting forth the material terms and conditions of the Preferred Shares (as defined therein).

"**Qualified Marketmaker**" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers any Claim against, or Interest in, the Company (or enter with customers into long and short positions in the Claims against, or Interests in, the Company), in its capacity as a dealer or market maker in Claims or Interests and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"**Related Parties**" means, with respect to any entity, such entity's predecessors, successors, assigns, and affiliates (whether by operation of Law or otherwise) and subsidiaries, and each of their respective managed accounts or funds or investment vehicles, and each of their respective current equity holders, officers, directors, managers, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case acting in such capacity, including in their capacity as directors of the Company, as applicable.

"**Release**" means the releases described in Section 14 hereof.

"**Released Party**" means, collectively, (a) each of the Consenting Stakeholders, (b) the Company, and (c) the Related Parties of each of the foregoing entities in clauses (a) through (b) of this definition.

"**Releasing Party**" means collectively, (a) each of the Consenting Stakeholders, (b) the Company, and (c) such entity's predecessors, successors, and assigns. For the avoidance of doubt, each of the Releasing Parties hereby grants the Release in all of its capacities, in accordance with the terms and conditions set forth in this Agreement.

"**Reorganized Company**" means the Company upon consummation of the Restructuring.

"**Requisite Consenting First Lien Lenders**" means, as of the date of determination, Consenting First Lien Lenders holding at least a majority in aggregate principal amount outstanding of all First Lien Claims held by the Consenting First Lien Lenders as of such date.

"**Restructuring**" has the meaning set forth in the recitals to this Agreement.

"**Restructuring Support Agreement Joinder**" means a joinder to this Agreement substantially in the form attached hereto as **Exhibit I**.

"**Rules**" means Rule 501(a)(1), (2), (3), and (7) of the Securities Act.

"**Second Lien Claims**" means all Claims against the Company arising under, relating to, or in connection with the Term Loans (as defined in and arising under the Existing Second Lien Credit Agreement).

"**Second Lien Exit Facility Agent**" means the administrative and collateral agent for the Second Lien Exit Lenders under the Second Lien Exit Facility Credit Agreement, or any successor agent thereof.

"**Second Lien Exit Facility Credit Agreement**" means that certain credit agreement by and among VIP, the other guarantors from time to time party thereto, the Second Lien Exit Lenders, the Second Lien Exit Facility Agent, and the other Entities party thereto from time to time, consistent with the terms and conditions set forth in the Second Lien Exit Facility Term Sheet.

"**Second Lien Exit Facility Term Sheet**" means the term sheet annexed to this Agreement as **Exhibit D** setting forth the material terms and conditions of the Second Lien Exit Facility Credit Agreement.

"**Second Lien Exit Lenders**" means the lenders under the Second Lien Exit Facility Credit Agreement.

"**Second Lien Loans**" means the loans made pursuant to the Existing Second Lien Credit Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Solicitation Materials**" means all solicitation materials in respect of the Plan.

"**Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Termination Date**" means, as to a Party, the date on which termination of this Agreement as to such Party is effective in accordance with Section 12 of this Agreement.

"**Termination Period**" means the three (3) Business Day period prior to the effective date of the Company's termination of this Agreement pursuant to Section 12.05(b) hereof.

"**Transfer**" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions).

"**Transfer Agreement Joinder**" means an executed form of the transfer agreement joinder providing, among other things, that a transferee is bound by the terms of this Agreement and substantially in the form attached hereto as **Exhibit H**.

"**VIP**" has the meaning set forth in the preamble to this Agreement.

"**Wilmington Savings**" means Wilmington Savings Fund Society, FSB, a federal savings bank.

1.02. Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; *provided* that any capitalized terms herein which are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date hereof;

(d) unless otherwise specified, all references herein to "Sections" are references to Sections of this Agreement;

(e) the words "herein," "hereof," and "hereto" refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(f) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(g) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(h) the use of "include" or "including" is without limitation, whether stated or not; and

(i) the phrase "counsel to the Consenting Stakeholders" refers in this Agreement to each counsel specified in Section 16.11 other than counsel to the Company.

Section 2. Effectiveness of this Agreement. This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m., prevailing Eastern Standard Time, on the Agreement Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) the Company shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Consenting Stakeholders;

(b) the following shall have executed and delivered to the Company counterpart signature pages of this Agreement:

(i) the Consenting First Lien Lenders;

(ii) the Consenting Second Lien Lender; and

(iii) the Investor; and

(c) counsel to the Company shall have given notice to counsel to the Consenting Stakeholders in the manner set forth in Section 16.11 of this Agreement (by email or otherwise) that the conditions to the Agreement Effective Date set forth in this Section 2 have occurred.

Section 3. Definitive Documents.

3.01. The Definitive Documents governing the Restructuring shall consist of this Agreement and the following: (a) the Governance Documents; (b) the Management Services Agreement; (c) the Management Incentive Plan; (d) the Exit Facilities Credit Agreements and any related documentation; (e) the Plan; (f) the Confirmation Order; (g) the Disclosure Statement; (h) the order of the Bankruptcy Court approving the Disclosure Statement and the other Solicitation Materials; (i) the Plan Supplement; (j) the DIP Credit Agreement and any related documentation; (k) the Interim DIP Order and the Final DIP Order; (l) such other motions, orders, agreements, and documentation necessary or desirable to consummate and document the transactions contemplated by this Agreement, the Term Sheet, and the Plan, including all "first day" motions and orders; (m) to the extent not included in (a) through (l), all financing documents needed to effectuate the Restructuring; and (n) all other material customary documents delivered in connection with transactions of this type (including, without limitation,

any and all other documents implementing, achieving, contemplated by or relating to the Restructuring).

3.02. The Definitive Documents remain subject to negotiation and completion and shall be in all respects consistent with this Agreement and otherwise in form and substance reasonably acceptable to the Company and (a) the Requisite Consenting First Lien Lenders;, (b) the Second Lien Lenders, and (c) with respect to all of the Definitive Documents other than those listed in Sections 3.01(j) and (k) and related documentation, the Investor; *provided* that in each case such consent shall not be unreasonably withheld, conditioned, or delayed. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter or instrument related to the Restructuring shall contain terms, conditions, representations, warranties, and covenants consistent in all respects with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 15.

Section 4. Milestones.

4.01. The following milestones shall apply to this Agreement unless extended or waived in writing by the Company, with the consent of the Requisite Consenting First Lien Lenders and the Consenting Second Lien Lender; *provided* that in each case such consent shall not be unreasonably withheld, conditioned, or delayed:

(a) commencement of solicitation of acceptances of the Plan to occur not later than February 18, 2020;

(b) chapter 11 petition date (the "**Petition Date**") to occur not later than February 18, 2020;

(c) entry of the Interim DIP Order not later than 5 days after the Petition Date;

(d) entry of the Final DIP Order not later than 35 days after the Petition Date;

(e) entry of an order by the Bankruptcy Court approving the Disclosure Statement not later than 35 days after the Petition Date;

(f) entry of an order by the Bankruptcy Court confirming the Plan not later than 35 days after the Petition Date; and

(g) occurrence of the Effective Date no later than April 13, 2020.

Section 5. Commitments of the Consenting Stakeholders.

5.01. General Commitments, Forbearances, and Waivers.

(a) During the Agreement Effective Period, each Consenting Stakeholder agrees, severally and not jointly and severally, in respect of all of its Claims against, or Interests in, the Company, to:

(i) timely vote (to the extent required to vote) in favor of the Restructuring and use commercially reasonable efforts to support and exercise any powers or rights available to it (including, subject to the other terms of this Agreement, in any board, shareholders', or creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in favor of any matter requiring approval to the extent necessary to effectuate the Restructuring and implement the terms of the Term Sheet in accordance with this Agreement; *provided* that no Consenting Stakeholder shall be obligated to (x) waive (to the extent waivable by such Consenting Stakeholder) any condition to the consummation of any part of the Restructuring set forth in this Agreement or any Definitive Document or (y) approve any Definitive Document that is not in form and substance reasonably acceptable to such Consenting Stakeholder if such Definitive Document is required to be in form and substance reasonably acceptable to such Consenting Stakeholder pursuant to this Agreement, including pursuant to Section 3.02;

(ii) at the reasonable request of the Company, reasonably cooperate with and assist the Company, at the Company's sole expense but subject in all respects to any caps set forth in the term sheets annexed hereto, in obtaining additional support for the Restructuring from the Company's other stakeholders;

(iii) negotiate in good faith and, to the extent it is a party thereto, execute and deliver the Definitive Documents; and

(iv) give any notice, order, instruction, or direction to the applicable Agents necessary to give effect to the Restructuring.

(b) During the Agreement Effective Period, each Consenting Stakeholder agrees, severally and not jointly and severally, in respect of all of its Claims against, or Interests in, the Company, that it shall not directly or indirectly:

(i) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring;

(ii) solicit, propose, file, support, vote for, or consent to any Alternative Restructuring Proposal or engage in any discussions or negotiations with any person related to an Alternative Restructuring Proposal;

(iii) file any motion, pleadings, or other document with any court (including any modification or amendments to any motion, pleadings, or other document with any court) that, in whole or in part, violates the terms of this Agreement;

(iv) exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any Claims against, or Interests in, the Company;

(v) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the Restructuring against the

Company or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement; or

(vi) object to, delay, impede, or take any other action to interfere with the Company's ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

5.02. Commitments with Respect to Chapter 11 Cases. During the Agreement Effective Period, each Consenting Stakeholder that is entitled to vote to accept or reject the Plan pursuant to its terms, severally, and not jointly, agrees that it shall, subject to receipt by such Consenting Stakeholder, whether before or after the commencement of the Chapter 11 Cases, of the Solicitation Materials:

(a) vote each of its Claims against, or Interests in, the Company to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot, but in no event later than the Election Date, and not "opt out" of any releases under the Plan and affirmatively opt into such releases if required to do so; and

(b) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any such vote or election; *provided, however*, that nothing in this Agreement shall prevent any party from changing, withdrawing, amending, or revoking (or causing the same) its consent or vote with respect to the Plan if this Agreement has been terminated with respect to such Party.

Section 6. Additional Provisions Regarding the Consenting Stakeholders' Commitments. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall:

(a) affect the ability of any Consenting Stakeholder to consult with any other Consenting Stakeholder or the Company or any other party in interest in the Chapter 11 Cases regarding the Restructuring;

(b) impair or waive the rights of any Consenting Stakeholder to assert or raise any objection not prohibited by this Agreement in connection with the Restructuring;

(c) prevent any Consenting Stakeholder from enforcing this Agreement or any Definitive Document or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or any Definitive Document;

(d) require any Consenting Stakeholder to incur, assume, become liable in respect of or suffer to exist any expenses, liabilities or other obligations, or agree to or become bound by any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses, liabilities or other obligations to such Consenting Stakeholder other than as expressly described in this Agreement; or

(e) prevent any Consenting Stakeholder from protecting and preserving its rights, remedies and interests, including its Claims against, or Interests in, the Company to the extent not inconsistent with this Agreement.

Section 7. Commitments of the Company.

7.01. Affirmative Commitments. Except as set forth in Section 8, during the Agreement Effective Period, the Company agrees to:

(a) support and take all steps reasonably necessary, desirable or reasonably requested by a Consenting Stakeholder to consummate the Restructuring and Plan in accordance with this Agreement and within the timeframes outlined herein;

(b) use commercially reasonable efforts to obtain, file, submit or register any and all required governmental, regulatory and/or third-party approvals, filings, registrations or notices that are necessary or advisable for the implementation or consummation of the Restructuring;

(c) comply with the milestones set forth in Section 4.01 of this Agreement;

(d) use commercially reasonable efforts to actively and timely oppose and object to the efforts of any person seeking in any manner to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring (including, if applicable, the timely filing of objections or written responses in the Chapter 11 Cases) to the extent such opposition or objection is reasonably necessary or desirable to facilitate implementation of the Restructuring;

(e) timely file a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the First Lien Claims to the extent not inconsistent with this Agreement and the Term Sheet;

(f) timely file a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or seeking avoidance or subordination of, any portion of the Second Lien Claims to the extent not inconsistent with this Agreement and the Term Sheet;

(f) negotiate in good faith and use commercially reasonable efforts to execute and deliver the Definitive Documents and any other agreements necessary or desirable to effectuate and consummate the Restructuring as contemplated by this Agreement;

(g) use commercially reasonable efforts to seek additional support for the Restructuring from their other material stakeholders to the extent reasonably prudent;

(h) upon reasonable request of any Consenting Stakeholder, inform counsel to the Consenting Stakeholder as to: (i) the status and progress of the Restructuring including progress in relation to the negotiations of the Definitive Documents; and (ii) the status of obtaining any necessary or desirable authorizations (including any consents) from each Consenting

Stakeholder, any competent judicial body, governmental authority, banking, taxation, supervisory, or regulatory body or any stock exchange;

(i) inform the applicable counsel to each of the Consenting Stakeholders as soon as reasonably practicable, but no later than two (2) Business Days, after becoming aware of: (i) any event or circumstance that has occurred, or that is reasonably likely to occur (and if it did so occur), that would permit any Party to terminate, or would result in the termination of, this Agreement; (ii) any matter or circumstance which they know to be a material impediment to the implementation or consummation of the Restructuring; (iii) any notice of any commencement of any material involuntary insolvency proceedings, legal suit for payment of debt or securement of security from or by any person in respect of the Company; (iv) a breach of this Agreement (including a breach by the Company); (v) any representation or statement made or deemed to be made by the Company under this Agreement which is or proves to have been materially incorrect or misleading in any respect when made or deemed to be made; (vi) the initiation, institution or commencement of any lawsuit, action or other proceeding by person or entity (A) involving the Company (including any assets, permits, businesses, operations or activities of the Company) or any of their respective current or former officers, employees, managers, directors, members or equity holders (in their capacities as such), or (B) challenging the validity of the transactions contemplated by this Agreement or any other Definitive Document or seeking to enjoin, restrain or prohibit this Agreement or any other Definitive Document or the consummation of the transactions contemplated hereby or thereby, (vii) the happening or existence of any fact, event or circumstance that shall have made any of the conditions precedent to any Party's obligations set forth in (or to be set forth in) any of the Definitive Documents incapable of being satisfied prior to the Outside Date, and (viii) the receipt of notice from any person or entity alleging that the consent of such person or entity is or may be required under any contract, agreement, permit, Law or otherwise in connection with the consummation of any part of the Restructuring;

(j) use commercially reasonable efforts to maintain their good standing under the Laws of the state or other jurisdiction in which they are incorporated or organized;

(k) provide draft copies of all material motions or applications and other documents the Company intends to file with the Bankruptcy Court to counsel to the Consenting Stakeholders, if reasonably practical, at least three (3) Business Days prior to the date when the Company intends to file any such pleading or other document and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing with the Bankruptcy Court; *provided*, *however*, that the obligations under this Section 7.01(k) shall in no way alter or diminish any right expressly provided to any Consenting Stakeholder under this Agreement to review, comment on, and/or consent to the form and/or substance of any document to the extent not inconsistent with Section 3.02 hereof;

(l) subject to applicable laws, use commercially reasonable efforts to (i) preserve intact in all material respects the current business operations of the Company, keep available the services of its current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties) and preserve in all material respects its relationships with customers, sales representatives, suppliers, distributors, and others, in each case, having material business dealings with the

Company (other than terminations for cause or consistent with applicable fiduciary duties); (ii) maintain their respective books and records on a basis consistent with prior practice; (iii) maintain their physical assets, equipment, properties and facilities in their condition and repair as of the Agreement Effective Date; (iv) maintain all of their respective licenses and permits in full force and effect (including by filing all reports, notifications and filings with, and paying all fees to, the applicable governmental entities necessary to maintain all such licenses and permits in full force and effect); and (v) maintain all necessary insurance policies, or suitable replacements therefor, in full force and effect;

(m) operate their business in the ordinary course in a manner that is consistent with past practices and in compliance with applicable law; and

(n) if the Company receives an Alternative Restructuring Proposal, within two (2) Business Days after the receipt of such Alternative Restructuring Proposal, notify the Consenting Stakeholders of the receipt thereof, with such notice to include the material terms thereof (including the identity of the persons or entities involved) and shall thereafter promptly update the Consenting Stakeholders regarding the occurrence and substance of any material discussions, negotiations, changes or other developments related to such Alternative Restructuring Proposal.

The Company acknowledges, agrees, and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the extent legally possible, the applicability of the automatic stay to the giving of such notice); *provided* that nothing herein shall prejudice any Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

7.02. Negative Commitments. Except as set forth in Section 8 of this Agreement, during the Agreement Effective Period, the Company shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring or otherwise commence any proceeding opposing any of the terms of this Agreement or any of the other Definitive Documents;

(b) take any action, or encourage any other person or Entity to take any action, that is inconsistent in any material respect with, or is intended or would reasonably be expected to frustrate or impede approval, implementation and consummation of the Restructuring;

(c) not actively seek, solicit, support, encourage, propose, consent to, vote for, or enter into any agreement regarding any Alternative Restructuring Proposal;

(d) modify the Plan, if applicable, in whole or in part, in a manner that is not consistent with this Agreement (including the Term Sheet) in any material respect;

(e) (i) seek discovery in connection with, prepare or commence an avoidance action or other legal proceeding that challenges (A) the amount, validity, allowance, character,

enforceability or priority of any Claims against, or Interests in, the Company of any of the Consenting Stakeholders, or (B) the validity, enforceability or perfection of any lien or other encumbrance securing any Claims against, or Interests in, the Company of any of the Consenting Stakeholders, or (ii) support any third party in connection with any of the acts described in clause (i);

(f) execute, deliver and/or file any Definitive Document (including any amendment, supplement or modification of, or any waiver to, any Definitive Document) that, in whole or in part, is not consistent in all material respects with this Agreement or is not otherwise reasonably acceptable to the applicable Consenting Stakeholders (but subject to the limitations set forth in Section 3.02 hereof), or file any pleading seeking authorization to accomplish or effect any of the foregoing;

(g) other than as set forth in the Management Incentive Plan, grant or agree to grant (including pursuant to a key employee retention or incentive plan or other similar agreement) any additional or any increase in the wages, salary, bonus, commissions, retirement benefits, pension, severance or other compensation or benefits (including in the form of any vested or unvested equity interests of any other kind or nature) of any director, manager, or officer of, or any consultant or advisor that is retained or engaged by, the Company; or

(h) file any motion, pleading, or other document with any court (including any modification or amendments to any motion, pleadings, or other document with any court) that, in whole or in part, is not consistent with this Agreement in any material respect.

Section 8. Additional Provisions Regarding Company's Commitments.

8.01. Notwithstanding anything to the contrary in this Agreement, but subject to the terms of Section 8.02, nothing in this Agreement shall require the Company or the board of directors, board of managers, or similar governing body of the Company to take any action or to refrain from taking any action with respect to the Restructuring to the extent it determines in good faith, upon the advice of outside counsel, that the taking or failing to take such action would be inconsistent with applicable Law or its fiduciary obligations under applicable Law, and any such action or inaction pursuant to this Section 8.01 shall not be deemed to constitute a breach of this Agreement.

8.02. Notwithstanding anything to the contrary in this Agreement, the Company and their respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to: (a) consider, respond to, discuss, and negotiate unsolicited Alternative Restructuring Proposals; (b) provide access to non-public information concerning the Company to any Entity that (i) provides an unsolicited Alternative Restructuring Proposal; (ii) executes and delivers a confidentiality agreement, which shall be in form and substance reasonably acceptable to the Requisite Consenting First Lien Lenders, the Second Lien Lender, and the Investor; and (iii) requests such information; *provided* that prior to providing such access the Company shall consult with counsel to the Requisite Consenting First Lien Lenders, the Consenting Second Lien Lender, and the Investor regarding such request for access and the nature of the non-public information requested; (c) maintain or

continue discussions or negotiations with respect to any unsolicited Alternative Restructuring Proposal if (i) the board of directors of the Company determines in good faith (upon the advice of outside legal counsel) that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable Law, and (y) the board of directors of the Company has determined (upon the advice of outside legal counsel) that such Alternative Restructuring Proposal is reasonably likely to lead to a transaction that is more favorable to the holders of Claims against, or Interests in, the Company than the Restructuring and is reasonably capable of being completed in accordance with its terms, taking into account all legal, financial, financing, conditionality, timing and other aspects of such Alternative Restructuring Proposal; and (d) enter into or continue discussions or negotiations with holders of Claims against, or Interests in, the Company, or any other Entity regarding the Restructuring.

8.03. Nothing in this Agreement shall: (a) impair or waive the rights of the Company to assert or raise any objection permitted under this Agreement in connection with the Restructuring; or (b) prevent the Company from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 9. Transfer of Interests and Securities.

9.01. During the Agreement Effective Period, no Consenting Stakeholder shall Transfer any ownership (including any beneficial ownership as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in any Claims against, or Interests in, the Company to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless: (i) the transferee executes and delivers to counsel to the Company and counsel to the Consenting First Lien Lenders, the Consenting Second Lien Lender, and the Investor at or before the time of the proposed Transfer, a Transfer Agreement Joinder and provides notice of such Transfer in accordance with 9.02 hereof; or (ii) the transferee is a Consenting Stakeholder and the transferee provides notice of such Transfer (including the amount and type of Claim or Interest Transferred) to counsel to the Company and counsel to the Consenting First Lien Lenders, the Consenting Second Lien Lender, and the Investor at or before the time of the proposed Transfer.

9.02. Upon compliance with the requirements of Section 9.01 of this Agreement, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Claims against, or Interests in, the Company. Any Transfer in violation of Section 9.01 shall be void *ab initio*.

9.03. This Agreement shall in no way be construed to preclude the Consenting Stakeholders from acquiring additional Claims against, or Interests in, the Company; *provided* that (a) such additional Claims against, or Interests in, the Company shall automatically and immediately upon acquisition by a Consenting Stakeholder be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company or counsel to the Consenting Stakeholders) and (b) such Consenting Stakeholder must provide notice of such acquisition (including the amount and type of Claim against, or Interest in, the Company acquired) to counsel to the Company and counsel to the Consenting

First Lien Lenders, the Consenting Second Lien Lender, and the Investor promptly following such acquisition.

9.04. This Section 9 shall not impose any obligation on the Company to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Stakeholder to Transfer any of its Claims against, or Interests in, the Company. Notwithstanding anything to the contrary herein, to the extent the Company and another Party have entered into a Confidentiality Agreement, the terms of such Confidentiality Agreement shall continue to apply and remain in full force and effect according to its terms, and this Agreement does not supersede any rights or obligations otherwise arising under such Confidentiality Agreements.

9.05. Notwithstanding Section 9.01 of this Agreement, a Qualified Marketmaker that acquires any Claims against, or Interests in, the Company with the purpose and intent of acting as a Qualified Marketmaker for such Claims against, or Interests in, the Company shall not be required to execute and deliver a Transfer Agreement Joinder in respect of such Claims against, or Interests in, the Company if: (a) such Qualified Marketmaker subsequently transfers such Claims against, or Interests in, the Company (by purchase, sale assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor; (b) the transferee otherwise is a Permitted Transferee under Section 9.01; and (c) the Transfer otherwise is permitted under Section 9.01.

Section 10. Representations and Warranties of Consenting Stakeholders. Each Consenting Stakeholder severally, and not jointly, represents and warrants that, as of the date such Consenting Stakeholder executes and delivers this Agreement, a Restructuring Support Agreement Joinder, or a Transfer Agreement Joinder:

(a) it is the beneficial or record owner of the face amount of the Claims against, or Interests in, the Company or is the nominee, investment manager, or advisor for beneficial holders of the Claims against, or Interests in, the Company reflected in, and, having made reasonable inquiry, is not the beneficial or record owner of any Claims against, or Interests in, the Company other than those reflected in, such Consenting Stakeholder's signature page to this Agreement or a Transfer Agreement Joinder, as applicable;

(b) it has the full power and authority to act on behalf of, vote and consent to matters concerning, and if applicable Transfer, such Claims against, or Interests in, the Company;

(c) such Claims against, or Interests in, the Company are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way such Consenting Stakeholder's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has made no prior assignment, sale, participation, grant, conveyance or other Transfer of, and has not entered into any agreement to assign, sell, participate, grant, convey or

otherwise Transfer, in whole or in part, any portion of its right, title, or interests in any Claims against, or Interests in, the Company;

(e) it is a sophisticated party with respect to the subject matter of this Agreement and the transactions contemplated hereby;

(f) it (i) has access to adequate information regarding the terms of this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement and (ii) has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision with respect hereto;

(g) it has not relied upon any other Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement; and

(h) (i) it is either (A) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (B) not a U.S. person (as defined in Regulation S of the Securities Act), or (C) an institutional accredited investor (as defined in the Rules); *and* (ii) any securities acquired by the Consenting Stakeholder in connection with the Restructuring will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act.

It is understood and agreed that the representations and warranties made by a Consenting Stakeholder that is an investment manager, advisor or subadvisor of a beneficial owner of Claims against, or Interests in, the Company are made with respect to, and on behalf of, such beneficial owner and not such investment manager, advisor or subadvisor, and, if applicable, are made severally (and not jointly) with respect to the investment funds, accounts and other investment vehicles managed by such investment manager, advisor or subadvisor.

Section 11. Mutual Representations, Warranties, and Covenants. Each of the Parties, severally and not jointly, represents, warrants, and covenants to each other Party, as of the date such Party executes this Agreement, a Restructuring Support Agreement Joinder, or a Transfer Agreement Joinder:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement or, if applicable, the Bankruptcy Code, no registration or filing with, consent or approval of, or notice to, or other action is required by any other person or entity in order for it to effectuate the Restructuring contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation

applicable to it or with any of its articles of association, memorandum of association, or other applicable constitutional documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring contemplated by, and perform its respective obligations under, this Agreement; and

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with the other Parties to this Agreement that have not been disclosed to all Parties to this Agreement.

Section 12. Termination Events.

12.01. Consenting Stakeholder Termination Events. This Agreement may be terminated (a) with respect to the Consenting First Lien Lenders, by the Requisite Consenting First Lien Lenders, and (b) with respect to any other Consenting Stakeholder, by such Consenting Stakeholder, in each case, by the delivery to the other Parties of a written notice in accordance with Section 16.11 of this Agreement upon the occurrence of any of the following events:

(a) the breach in any material respect by the Company or any Consenting Stakeholder (other than the terminating Consenting Stakeholder) of any of the representations, warranties, or covenants of the Company or such Consenting Stakeholder set forth in this Agreement that remains uncured (to the extent curable) for five (5) Business Days after delivery of a written notice to the Company detailing such breach in accordance with Section 16.11 of this Agreement;

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring and (ii) remains in effect for five (5) Business Days after such terminating Consenting Stakeholder delivers a written notice to the Company notifying the Company of such issuance in accordance with Section 16.11 of this Agreement; *provided* that this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(c) the Bankruptcy Court grants relief that is inconsistent with this Agreement in any material respect or enters an order denying Confirmation of the Plan and such order remains in effect for five (5) Business Days after entry of such order;

(d) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by the Company seeking an order (without the prior written consent of the Requisite Consenting First Lien Lenders, Consenting Second Lien Lender, and the Investor), (i) converting one or more of the Chapter 11 Cases of the Company to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of the Company, or (iii) rejecting this Agreement;

(e) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any assets of the Company having an aggregate fair market value in excess of $250,000;

(f) the Company approves an Alternative Restructuring Proposal or enters into a definitive agreement with respect to an Alternative Restructuring Proposal;

(g) the Company withdraws the Plan or publicly announces its intention to withdraw the Plan;

(h) the Company executes, delivers, files, amends or modifies, or files a pleading seeking approval of, or authority to amend or modify, any Definitive Document that, in any such case, is not consistent in all material respects with this Agreement or otherwise reasonably acceptable to the applicable Consenting Stakeholders; *provided, however*, for the avoidance of doubt, no Party shall be permitted to terminate under this subsection unless the applicable Definitive Document is required to be reasonably acceptable to such Party pursuant to Section 3.02; or

(i) the occurrence of a Material Adverse Effect.

12.02. Investor Termination Events. In addition, without limiting the Investor's rights under Section 12.01 of this Agreement, this Agreement may also be terminated with respect to the Investor, by the Investor, by the delivery to the other Parties of a written notice in accordance with Section 16.11 of this Agreement upon the occurrence of any of the following events:

(a) termination of this Agreement as to any other Consenting Stakeholder;

(b) the failure of the Company to have at least $1,500,000 of available, unrestricted cash after payment of, or reserving for the payment of, all outstanding checks and after giving effect to all distributions under the Plan, including but not limited to the payment in full of all fees and expenses related to the Restructuring (including, for the avoidance of doubt, all transactions, amounts, and reserves contemplated by the Exhibits to this Agreement and the Plan);

(c) Michael Blatz no longer having a role in the Company's management; or

(d) the failure of the Effective Date to occur within sixty days of the Petition Date.

12.03. Consenting First Lien Lenders Termination Events. In addition, without limiting any Consenting First Lien Lender's rights under Section 12.01 of this Agreement, this Agreement may also be terminated with respect to any Consenting First Lien Lender, by the Requisite Consenting First Lien Lenders, in each case, by the delivery to the other Parties of a written notice in accordance with Section 16.11 of this Agreement, upon the occurrence of any of the following events:

(a) the termination of this Agreement as to any other Consenting Stakeholder;

(b) a Default or Event of Default (as each us defined in the DIP Facility) has occurred and is continuing; or

(c) the Bankruptcy Court enters an order invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the First Lien Claims, the liens securing the First Lien Claims, the DIP Facility, or the liens securing the DIP Facility.

12.04. Consenting Second Lien Lender Termination Events. In addition, without limiting the Consenting Second Lien Lender's rights under Section 12.01 of this Agreement, this Agreement may also be terminated with respect to the Consenting Second Lien Lender, by the Consenting Second Lien Lender, by the delivery to the other Parties of a written notice in accordance with Section 16.11 of this Agreement, upon the occurrence of any of the following events:

(a) the termination of this Agreement as to any other Consenting Stakeholder; or

(b) the Bankruptcy Court enters an order invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the Second Lien Claims, the liens securing the Second Lien Claims (except to the extent consistent with this Agreement), the DIP Facility, or the liens securing the DIP Facility.

12.05. Company Termination Events. The Company may terminate this Agreement as to all Parties upon prior written notice to all Parties in accordance with Section 16.11 of this Agreement upon the occurrence of any of the following events:

(a) the breach in any material respect by one or more of the Consenting Stakeholders of any provision set forth in this Agreement (i) that is materially adverse to the Company and (ii) that remains uncured for a period of five (5) Business Days after the Company delivers to the Consenting Stakeholders a written notice detailing each breach in accordance with Section 16.11 of this Agreement;

(b) the board of directors, board of managers, or any similar governing body of the Company determines in good faith, upon the advice of outside counsel, (i) that proceeding with any of the Restructuring would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal; *provided*, *however*, that in the event the Company desires to exercise its Fiduciary Out pursuant to this Section 12.05(b), the Company shall provide written notice to counsel to the Consenting Stakeholders prior to the Termination Period pursuant to the Fiduciary Out advising such counsel that the Company intends to terminate this Agreement pursuant to the Fiduciary Out and specifying, in reasonable detail, the reasons therefor (including the material facts and circumstances related thereto and, to the extent applicable, the terms, conditions and provisions of any Alternative Restructuring Proposal that the Company may pursue), and during the Termination Period the Company shall, and shall cause their respective directors, managers and representatives to, (x) negotiate with the Consenting Stakeholders in good faith (to the extent

the Consenting Stakeholders wish to negotiate) to enable the Consenting Stakeholders to determine whether to propose revisions to the terms of the Restructuring such that it would obviate the need for the Company to exercise its right to terminate this Agreement pursuant to the Fiduciary Out, (y) provide the Consenting Stakeholders with all information and materials reasonably requested by the Consenting Stakeholders relating to the facts and circumstances giving rise to the Fiduciary Out, and (z) consider in good faith any proposal by the Consenting Stakeholders to amend the terms and conditions of the Restructuring in a manner that would obviate the need for the Company to exercise the Fiduciary Out; or

(c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring and (ii) remains in effect for seven (7) Business Days after the Company delivers a written notice to the Consenting Stakeholders in accordance with Section 16.11 of this Agreement detailing any such issuance; *provided* that this termination right shall not apply to or be exercised by the Company if it sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement.

All Consenting Stakeholders reserve all rights, including the right to challenge any exercise of the Fiduciary Out.

12.06. Outside Date. Any Party to this Agreement may terminate its obligations under this Agreement upon notice to all other Parties if the Effective Date has not occurred on or prior to the Outside Date.

12.07. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) the Requisite Consenting First Lien Lenders, (b) the Consenting Second Lien Lender, (c) the Investor, and (d) the Company.

12.08. Automatic Termination. This Agreement shall terminate automatically without any further required action or notice immediately upon the Effective Date.

12.09. Effect of Termination. After the occurrence of a Termination Date, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall, except as otherwise expressly provided in this Agreement, be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Causes of Action; *provided*, *however*, that in no event shall any such termination relieve a Consenting Stakeholder from (i) liability for its breach or non-performance of its obligations under this Agreement prior to the date of such Termination Date or (ii) obligations under this Agreement which by their terms expressly survive termination of this Agreement. Nothing in this Agreement shall be construed as prohibiting the Company or any of the Consenting Stakeholders from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a

Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict: (a) any right of the Company or the ability of the Company to protect and reserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Consenting Stakeholder; and (b) any right of any Consenting Stakeholder, or the ability of any Consenting Stakeholder, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against the Company or any other Consenting Stakeholder. No purported termination of this Agreement shall be effective under this Section 12 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Section 12.05(b). Nothing in this Section 12.09 shall restrict the Company's right to terminate this Agreement in accordance with Section 12.05(b). If this Agreement has been terminated in accordance with this Section 12 at a time when permission of the Bankruptcy Court shall be required for a Consenting Stakeholder to change or withdraw (or cause to change or withdraw) its vote to accept the Plan, the Company shall consent to any attempt by such Consenting Stakeholder to change or withdraw (or cause to change or withdraw) such vote at such time; *provided*, *however*, that nothing herein shall be deemed a waiver of the Company's right to challenge the validity of such termination.

Section 13. DIP Commitment.

13.01. Each Consenting First Lien Lender party hereto whose name is listed on **Schedule 1** hereto (such Consenting First Lien Lender, a "**Backstop Party**") commits, severally and not jointly, to provide the portion of the DIP Facility set forth opposite such Backstop Party's name on Schedule 1 hereto on the terms and conditions set forth in the DIP Term Sheet and otherwise subject to relevant Definitive Documents (such commitment, the "**Backstop Commitment**"); *provided* that any Consenting First Lien Lender that executes a Restructuring Support Agreement Joinder to this Agreement on or before February 24, 2020, at 5:00 p.m., New York Time (such date, the "**Election Date**"), may, by making the appropriate election on such Restructuring Support Agreement Joinder, commit to provide a percentage of the DIP Facility in an amount not greater than the pro rata percentage of First Lien Loans held by such Consenting First Lien Lender as of the Agreement Effective Date (such commitment, a "**DIP Commitment**"), on the terms and conditions consistent with the DIP Term Sheet (any Consenting First Lien Lender that elects to make such commitment, a "**Joining DIP Commitment Party**"); *provided*, *further*, that each Backstop Party's commitment to provide its portion of the DIP Facility shall be reduced, pro rata, based on the percentages set forth on Schedule 1 hereto, for the share of the DIP Facility to be provided by each Joining DIP Commitment Party (provided that in no event shall a Backstop Party's Backstop Commitment in respect of the DIP Facility be reduced to an amount that would result in such Backstop Party's share of the DIP Facility being less than the pro rata percentage of First Lien Loans held by such Backstop Party as of the Agreement Effective Date, and any such reduction of the Backstop Commitments shall be allocated pro rata among the Backstop Parties that have committed to backstop more than the pro rata percentage of First Lien Loans held by such Backstop Parties as of the Agreement Effective Date (such Backstop Parties, the "**Oversubscribed Backstop Parties**"); *provided, further*, that if any Joining DIP Commitment Party elects to provide its DIP Commitment following the Effective Date (but on or before the Election Date), such Joining DIP Commitment Party shall purchase via assignment from the Oversubscribing Backstop Parties on

pro rata basis (and the Oversubscribed Backstop hereby agree to sell to such Joining DIP Commitment Party (subject to the immediately preceding proviso)) outstanding DIP New Money 1L Loans and unfunded DIP New Money 1L Commitments (each as defined in Exhibit B) for the full amount of such loans and commitments (after taking into account any original issue discount or upfront fees payable to all DIP Lenders) pursuant to the assignment provisions in the DIP Credit Agreement and at dates and times required by such Oversubscribing Backstop Parties; *provided*, *further*, that upon a termination of this Agreement as to the Consenting First Lien Lenders in accordance with the provisions hereof prior to the funding of the DIP Facility, the commitment of any Backstop Party or Joining DIP Commitment Party to provide its portion of the DIP Facility as set forth in this paragraph shall also terminate. Each Backstop Party and Joining DIP Commitment Party may participate in the DIP Facility on behalf of some or all accounts and funds managed by such Backstop Party or Joining DIP Commitment Party and some or all accounts and funds managed by the investment manager, or any affiliate of the investment manager, of such Backstop Party or Joining DIP Commitment Party, and may allocate its participation in the DIP Facility among such funds in its sole discretion.

13.02. The Consenting Second Lien Lender (whose name is listed on **Schedule 1** hereto) commits to provide the portion of the DIP Facility set forth opposite such Party's name on **Schedule 1** hereto on the terms and conditions set forth in the DIP Term Sheet and otherwise subject to relevant Definitive Documents; *provided* that upon a termination of this Agreement as to the Consenting Second Lien Lender in accordance with the provisions hereof prior to the funding of the DIP Facility, the commitment of the Consenting Second Lien Lender to provide its portion of the DIP Facility as set forth in this paragraph shall also terminate.

Section 14. Release.

14.01. On the Effective Date, each Releasing Party shall expressly and generally release, acquit, and discharge each Released Party as set forth below and as shall be provided in the Plan:

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EACH OF THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A RELEASED PARTY) SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER, RELEASED AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR AND EACH OTHER RELEASED PARTY FROM ANY AND ALL CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, EACH OTHER RELEASING PARTY OR THEIR ESTATES, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE

COMPANY, THE BUSINESS OPERATIONS OF THE DEBTORS, ACTIONS TAKEN BY THE DEBTORS' BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS OR THE REORGANIZED DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY RELEASED PARTY, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THE RESTRUCTURING SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, THE DIP FACILITY DOCUMENTS, THE FIRST LIEN FORBEARANCE AGREEMENT, THE EXIT FACILITIES DOCUMENTS, OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO (A) ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OR (B) EXCLUDED CLAIMS.

14.02. Each of the Releasing Parties shall grant this Release pursuant to and in accordance with the Plan (regardless of whether such Party is entitled to vote under the Plan) and this Agreement knowingly, notwithstanding that each Releasing Party may hereafter discover facts in addition to, or different from, those which either such Releasing Party now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and each Releasing Party pursuant to and in accordance with the Plan and this Agreement shall expressly waive any and all rights that such Releasing Party may have under any statute or common law principle which would limit the effect of the Release to those claims actually known or suspected to exist as of before the Effective Date.

14.03. In connection with their agreement to the foregoing Release pursuant to and in accordance with the Plan and this Agreement, the Releasing Parties shall knowingly and voluntarily waive and relinquish any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of unknown claims, comparable or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE COMPANY.

Each of the Releasing Parties hereby represents and warrants that it has access to adequate information regarding the terms hereof, the scope and effect of the Release, and all other matters encompassed by this Agreement to make an informed and knowledgeable decision

with regard to entering into this Agreement. Each of the Releasing Parties further represents and warrants that it has not relied upon any other Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement.

Section 15. Amendments and Waivers.

(a) This Agreement may not be modified, amended, or supplemented, and no condition or requirement hereof may be waived, in any manner except in accordance with this Section 15.

(b) This Agreement (including, for the avoidance of doubt, all term sheets and exhibits attached hereto) may be modified, amended, or supplemented, or a condition or requirement of this Agreement (including, for the avoidance of doubt, all term sheets and exhibits attached hereto) may be waived, only in a writing signed by the Company, the Requisite Consenting First Lien Lenders, the Consenting Second Lien Lender, and the Investor; *provided* that (i) any modification or amendment to the definition of Requisite Consenting First Lien Lenders shall also require the written consent of each Consenting First Lien Lender, (ii) any modification or amendment to this Section 15 shall require the written consent of each Party, and (iii) with respect to any modification, amendment, waiver or supplement that materially and adversely affects the rights or proposed treatment of any Consenting Stakeholder (in its capacity as such) or any other party that becomes a Party to this Agreement, such Consenting Stakeholder or other party, in each case unless otherwise specified in this Agreement.

(c) Any proposed modification, amendment, waiver or supplement that does not comply with this Section 15 shall be ineffective and void *ab initio*.

(d) The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of any such right, power or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

Section 16. Miscellaneous.

16.01. Acknowledgement. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise.

16.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signature pages, and schedules attached hereto is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes,

signature pages, and schedules. In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules hereto) and the exhibits, annexes, and schedules hereto, this Agreement (including the Term Sheet, but without reference to the exhibits, annexes, and schedules thereto) shall govern. In the event of a conflict between this Agreement and the Term Sheet, the Term Sheet shall control.

16.03. Publicity. The Company shall submit drafts to counsel to the Consenting Stakeholders of any press releases and public documents that constitute disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least three (3) Business Days prior to making any such disclosure and shall afford them a reasonable opportunity under the circumstances to comment on such documents and disclosures. Except as may be required by the Bankruptcy Court, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or other applicable law, no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Consenting First Lien Lender), (i) the amount or percentage of any Claims, Backstop Commitment, DIP Commitment, or other interests held by any Consenting First Lien Lender without such Consenting First Lien Lender's prior written consent, including by redacting any such information contained in this Agreement (including on the signature pages and schedules hereto), *provided* that the Company may aggregate the confidential claims information provided to the Company by the Consenting First Lien Lenders and disclose such combined data on an aggregate basis or (ii) the amount or percentage of any Claims, Backstop Commitment, DIP Commitment, or other interests held by the Consenting Second Lien Lender without the Consenting Second Lien Lender's prior written consent, including by redacting any such information contained in this Agreement (including on the signature pages and schedules hereto); *provided*, *however*, that if any such disclosure is required by Law, the disclosing Party shall, or shall cause its advisors to, afford the relevant Consenting Stakeholder a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure; *provided further* that each disclosing Party shall use commercially reasonable efforts to avoid using the name of any Second Lien Lender.

16.04. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring, as applicable.

16.05. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior negotiations, understandings, and agreements, oral or written, among the Parties with respect thereto, other than any Confidentiality Agreement.

16.06. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES OF THIS AGREEMENT. Each Party

to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in the Chosen Court, and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of such court; (b) waives any objection to laying venue in any such action or proceeding in such applicable court; and (c) waives any objection that such court is an inconvenient forum or does not have jurisdiction over any Party to this Agreement.

16.07. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16.08. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

16.09. Rules of Construction. This Agreement is the product of negotiations among the Company and the Consenting Stakeholders, and in the enforcement or interpretation of this Agreement, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Parties were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

16.10. Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity, except in accordance with Section 9 of this Agreement.

16.11. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Company, to:

VIP Cinema Seating, LLC
7955 Manchester Rd, Suite 125
St Louis, MO 63143
Attn: Michael Blatz
Email: blatz@vipcinemaseating.com

with copies to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Gregg M. Galardi
Cristine Pirro Schwarzman
Email: Gregg.Galardi@ropesgray.com
Cristine.Schwarzman@ropesgray.com

(b) if to the Investor, to:

H.I.G. Capital, LLC
1271 Avenue of the Americas, 23rd Floor
New York, NY 10020
Attn: Tenno Tsai
Email: ttsai@higcapital.com

with copies to:

McDermott Will & Emery LLP
444 West Lake Street
Chicago, IL 60606
Attn: Brooks Gruemmer
Jay Kapp
E-mail: bgruemmer@mwe.com
jkapp@mwe.com

(c) if to the Consenting First Lien Lenders, to:

To each Consenting First Lien Lender at the addresses or e-mail addresses set forth below the Consenting First Lien Lender's signature page to this Agreement (or to the signature page to a Restructuring Support Agreement Joinder or Transfer Agreement Joinder as the case may be).

with copies to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attn: Damian S. Schaible
Adam L. Shpeen
Email: damian.schaible@davispolk.com
adam.shpeen@davispolk.com

(d) if to the Consenting Second Lien Lender, to:

[redacted]

with copies to:

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
Attn: Jayme T. Goldstein
Email: jgoldstein@stroock.com

Any notice given by delivery, mail, or courier shall be effective when received.

16.12. Independent Due Diligence and Decision Making. Each Consenting Stakeholder hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions, and prospects of the Company and it has been represented by counsel or other advisors (or has had ample opportunity to seek representation or advice from counsel or other advisors) in connection with this Agreement and the Restructuring.

16.13. Waiver. If the Restructuring is not consummated, or if this Agreement is terminated for any reason, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses and the Parties fully reserve any and all of their rights. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

16.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

16.15. Several, Not Joint, Claims; Relationship Among Parties. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

16.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

16.17. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect of this Agreement at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy of this Agreement by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

16.18. Capacities of Consenting Stakeholders. Each Consenting Stakeholder has entered into this Agreement on account of all Claims against, or Interests in, the Company that it holds (directly or through discretionary accounts that it manages or advises).

16.19. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, pursuant to Section 3.02, Section 15, or otherwise, including a written approval by the Company or the Consenting Stakeholders, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

16.20. Survival. Notwithstanding (a) any Transfer of any Claim against, or interest in, the Company, in accordance with Section 9 of this Agreement or (b) the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in this Section 16.20 and Sections 2, 12, 15, 16.01, 16.02, 16.03, 16.05, 16.06, 16.07, 16.08, 16.09, 16.10, 16.11, 16.12, 16.13, 16.14, 16.15, 16.16, 16.17, 16.18 and 16.19 hereof, and any defined terms used in any of the forgoing Sections, subsections or paragraphs (solely to the extent used therein), shall survive such transfer or termination and shall continue in full force and effect in accordance with the terms hereof.

16.21. Consideration. Each Party hereby acknowledges that no consideration, other than that specifically described herein or in the Plan, shall be due or paid to any Consenting Stakeholder for its agreement (subsequent to proper disclosure and solicitation) to vote to accept the Plan or to otherwise support and take actions to effectuate the Restructuring in accordance with the terms and conditions of this Agreement, other than each of the Parties' representations, warranties, and agreements with respect to their commitments hereunder regarding the consummation of the Restructuring and the Confirmation and consummation of the Plan.

IN WITNESS OF THIS AGREEMENT, the Parties hereto have executed this Agreement on the day and year first above written.

[*Remainder of page intentionally left blank.*]

Schedule 1

Backstop Parties and Backstop Commitments

[REDACTED]

Exhibit A

Term Sheet

EXECUTION VERSION

VIP CINEMA HOLDINGS, INC.
SUMMARY OF TERMS AND CONDITIONS
OF RESTRUCTURING TRANSACTION

This Summary of Terms and Conditions (this "Term Sheet") sets forth the principal terms of the Restructuring Transaction (defined and described herein). This Term Sheet is entitled to protection from any use or disclosure pursuant to Federal Rule of Evidence 408 and any other rule of similar import. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Existing First Lien Credit Agreement or the Existing Second Lien Credit Agreement (each as defined herein), as the context requires.

Certain Defined Terms

Company:	HIG Cinema Intermediate Holdings, Inc. ("Holdings"), VIP Cinema Holdings, Inc. ("VIP"), VIP Cinema, LLC, VIP Property Management II, LLC, VIP Components, LLC, and any other direct or indirect subsidiary of VIP (collectively, the "Company").
Existing First Lien Credit Agreement:	That certain First Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time, the "Existing First Lien Credit Agreement"), by and among VIP, as the Borrower, Holdings, the other Guarantors from time to time party thereto, the Lenders party thereto (collectively, the "First Lien Lenders"), Wilmington Savings Fund Society, FSB, as successor administrative agent and collateral agent, and the other entities party thereto from time to time.
Existing Second Lien Credit Agreement:	That certain Second Lien Credit Agreement, dated as of March 1, 2017 (as may be amended, restated, amended and restated, modified or supplemented from time to time, the "Existing Second Lien Credit Agreement"), by and among VIP, as the Borrower, Holdings, the other Guarantors party thereto from time to time, the Lenders party thereto (collectively, the "Second Lien Lenders"), [redacted], as successor administrative agent and collateral agent, and the other entities party thereto from time to time.
Investor:	H.I.G. Capital, LLC and its affiliates (collectively, the "Investor").
1L Ad Hoc Group:	The group of First Lien Lenders represented by Davis Polk & Wardwell LLP and M-III Partners LP agreeing to support and facilitate the Restructuring Transaction (as defined herein) (the "1L Ad Hoc Group").

Restructuring Transaction – Indicative Key Terms

Means for Implementation:	The Company will implement a restructuring transaction described in this Term Sheet and the other Exhibits to the RSA (the "Restructuring Transaction") pursuant to a pre-packaged

chapter 11 plan of reorganization (the "Plan") in accordance with the Restructuring Support Agreement (the "RSA"), to which this Term Sheet is attached as Exhibit A, in chapter 11 cases to be filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Company, as restructured pursuant to the Restructuring Transaction, shall be referred to herein as "NewCo".

Restructuring Milestones: The following milestones shall be set forth in the RSA and apply to the Restructuring Transaction (the "Restructuring Milestones"):

(i) chapter 11 petition date (the "Petition Date") to occur not later than February 18, 2020;

(ii) entry of an order (the "Interim DIP Order") by the Bankruptcy Court approving the DIP Facility (as defined below), on an interim basis, not later than 5 days after the Petition Date;

(iii) entry of an order (the "Final DIP Order") by the Bankruptcy Court approving the DIP Facility, on a final basis, not later than 35 days after the Petition Date;

(iv) entry of an order by the Bankruptcy Court approving the disclosure statement for the Plan not later than 35 days after the Petition Date;

(v) entry of an order by the Bankruptcy Court confirming the Plan not later than 35 days after the Petition Date; and

(vi) occurrence of Exit Date (as defined below) no later than April 13, 2020.

DIP Financing: A new senior secured superpriority debtor-in-possession term loan financing facility in an aggregate principal amount of $33 million having terms and conditions set forth on Exhibit B to the RSA (including the Funded Reserve Account, as defined therein) (the "DIP Facility"). The DIP Facility shall consist of (i) $13 million in principal amount of new money term loans to be provided by (a) certain First Lien Lenders (the "Participating First Lien Lenders"), in a principal amount of $11 million (the ("1L New Money DIP Loans") and (b) the Second Lien Lenders, in a principal amount of $2 million (the "2L New Money DIP Loans", and together with the 1L New Money DIP Loans, the "New Money DIP Loans"), of which $10 million (to be provided pro rata from the 1L New Money DIP Loans and 2L New Money DIP Loans) will be available upon entry of the Interim DIP Order and the remainder will be available upon entry of the Final DIP Order, in each case subject to the satisfaction of certain other conditions precedent set forth in Exhibit B, and the Company and (ii) a roll-up of $20 million principal amount of

loans (the "Roll-Up Loans" and, together with the New Money DIP Loans, the "DIP Loans") under the Existing First Lien Credit Agreement held by each Participating First Lien Lender (pro rata), which Roll-Up Loans will be junior in right of security and payment to the New Money DIP Loans.

The DIP Loans shall bear interest at a rate of LIBOR *plus* 6.00% per annum and be paid in cash. The New Money DIP Loans shall be issued at 97% of par, and shall be net funded.

The Participating First Lien Lenders that commit to backstop the 1L New Money DIP Loans shall receive on the initial funding date of the DIP Facility their pro rata share of a cash commitment premium equal to 10% of the principal amount of the 1L New Money DIP Loans provided by such Participating First Lien Lenders.

In addition, Participating First Lien Lenders shall receive, on the Exit Date, their pro rata share of a commitment premium of 13% of the common equity of NewCo (the "Common Equity"), prior to dilution from the Management Incentive Plan.

The Second Lien Lenders that commit to backstop the 2L New Money DIP Loans shall receive on the initial funding date of the DIP Facility their pro rata share of a cash commitment premium equal to 5% of the principal amount of the 2L New Money DIP Loans committed to be provided by such Second Lien Lenders.

Proceeds of the New Money DIP Loans shall be used solely in accordance with a budget (subject to permitted variances) under the DIP Facility as more fully set forth in Exhibit B to the RSA. On the Exit Date the 1L New Money DIP Loans and the Roll-Up Loans shall convert into exit financing and the 2L New Money DIP Loans shall convert into preferred equity in NewCo (such preferred equity, which shall have an initial stated value of $69 million in its entirety, the "Preferred Equity") and Common Equity in Newco, as set forth below under the heading "Exit Financing."

Exit Financing:

On the effective date of the Restructuring Transaction (the "Exit Date"), there shall be in place (i) a senior secured first lien term loan facility (the "First Lien Exit Facility") in an aggregate principal amount of $11 million comprised of 1L New Money DIP Loans converted into loans under the First Lien Exit Facility on a dollar-for-dollar basis and (ii) a second lien exit term loan facility (the "Second Lien Exit Facility") comprised of converted Roll-Up Loans in an aggregate principal amount not to exceed $20 million. The terms and conditions of the First Lien Exit Facility and the Second Lien Exit Facility shall be set forth in Exhibit C and Exhibit D to the RSA, respectively.

On the Exit Date, the 2L New Money DIP Loans shall be converted into 25% of the Common Equity, prior to dilution

from the Management Incentive Plan, and Preferred Equity with an initial stated value of $2.0 million.

The terms and conditions of the Preferred Equity shall be set forth on Exhibit E to the RSA.

New Equity Investment:

On the Exit Date, the Investor shall (a) provide $7.0 million in equity financing (the "New Money Commitment") and (b) enter into a new management services agreement with NewCo (the "New MSA"). The New MSA shall (i) have a term ending on the earlier of (x) the date the Investor no longer has a controlling interest in, or otherwise controls the Board of, NewCo and (y) the fourth (4^{th}) anniversary of the Exit Date, (ii) provide for a transaction fee (which fee shall be identical to the transaction fee provided to the Investor under the existing professional services agreement between the Investor and the Company) payable after the Aggregate Liquidation Preference Amount (as defined in Exhibit E) has been paid to holders of Preferred Equity regardless of whether the New MSA has been terminated, so long as the Investor remains the controlling shareholder of, or otherwise controls the Board of, NewCo at the time of a Liquidation Event (as defined in Exhibit E) and (iii) otherwise be on substantially the same terms and conditions provided by the Investor under the existing professional services agreement between the Investor and the Company; provided, however, that the New MSA will provide that the Investor will receive no annual fee and no transaction-related fee in connection with the Restructuring Transaction.

The Investor shall receive, on the Exit Date, in exchange for the New Money Commitment and the New MSA, 51% of the Common Equity, prior to dilution from the Management Incentive Plan, and Preferred Equity with an initial stated value of $7.0 million. The Investor shall have no obligation to consent to any further dilution prior to or on the Exit Date.

Further, the Investor shall only be required to invest if the Company has at least $1,500,000 of available, unrestricted cash on the Exit Date after payment of, or reserving for the payment of, all outstanding checks and after giving effect to all distributions under the Plan, including but not limited to the payment in full of all fees and expenses related to the Restructuring Transaction (including, for the avoidance of doubt, all transactions, amounts, and reserves contemplated by the exhibits thereto).

Treatment of First Lien Lenders:

On the Exit Date, existing Loans under the Existing First Lien Credit Agreement will be exchanged pro rata for (i) Preferred Equity with an initial stated value of $60.0 million and (ii) 10% of the Common Equity, prior to dilution from the Management Incentive Plan.

Treatment of Second Lien Lenders:	On the Exit Date, Loans under the Existing Second Lien Credit Agreement will be discharged and shall receive no distribution on account of such Claims (as defined in the RSA).
Treatment of General Unsecured Claims:	On the Exit Date, all of the general unsecured claims shall be discharged and will receive no distribution on account of such Claims; *provided* that if a holder of an allowed general unsecured claim opts in to the releases through the form to be provided (the "Opt-In Form"), such holder shall receive the lesser of (A) the allowed amount of its general unsecured claim or (B) $5,000.
Other Creditors Treatment:	Unless otherwise agreed in the Definitive Documents (as defined in the RSA), all other creditors will receive no distribution on the Exit Date.
Existing Equity Treatment:	Cancelled and entitled to no distribution.
Governance:	Governance to be substantially in accordance with the corporate governance term sheet attached to the RSA as Exhibit F.
Management Incentive Plan:	The new board of directors (or similar governing body) of NewCo (the "New Board") will be authorized to implement a management incentive plan (the "Management Incentive Plan"), substantially in accordance with the terms set forth in the Management Incentive Plan term sheet (the "MIP Term Sheet") attached to the RSA as Exhibit G.
CEO Incentive Plan	The New Board will be authorized to implement a CEO incentive plan for Michael Blatz consisting of 1% of Common Equity.
Advisors to 1L Ad Hoc Group:	The reasonable and documented fees and expenses incurred by the 1L Ad Hoc Group in connection with the Restructuring Transaction shall be paid by the Company (including the fees and expenses of Davis Polk & Wardwell LLP, M-III Partners LP and Morris, Nichols, Arsht & Tunnell LLP, as Delaware counsel to the 1L Ad Hoc Group).
Advisors to Second Lien Lenders:	The reasonable and documented fees and expenses incurred by the Second Lien Lenders (which shall be limited to the reasonable and documented fees and expenses of Stroock & Stroock & Lavan LLP, as primary legal counsel, and Young Conaway Stargatt & Taylor, LLP, as Delaware counsel to the Second Lien Lender) in connection with the Restructuring Transaction (including, but not limited to, the drafting and negotiation of this Term Sheet) shall be paid by the Company in an amount not to exceed: (a) with respect to fees and expenses incurred up until and including the date of execution of the RSA, $350,000, and (b) with respect to fees and expenses incurred after the date of execution of the RSA, $175,000.
Advisors to Investor:	The reasonable and documented fees and expenses incurred by the Investor in connection with the Restructuring Transaction

	shall be paid by the Company (including the fees and expenses of McDermott Will & Emery LLP, as counsel to Investor) in an amount not to exceed: (a) with respect to fees and expenses incurred up until and including the date of execution of the RSA, $350,000, and (b) with respect to fees and expenses incurred after the date of execution of the RSA, $175,000.
Releases:	The Plan shall provide that all parties to the RSA shall provide and receive mutual releases as set forth in the Plan and the Restructuring Support Agreement. The Plan shall permit all holders of general unsecured claims to opt in to the releases pursuant to the Opt-In Form.
Tax Treatment:	The Restructuring Transaction shall be structured in a tax efficient manner.
Definitive Documentation:	The identification of the definitive documentation relating to the Restructuring Transaction and financing contemplated thereby shall be set forth in the RSA.

Exhibit B

DIP Term Sheet

EXECUTION VERSION

EXHIBIT B

VIP CINEMA HOLDINGS, INC.
DIP FACILITY TERM SHEET

This term sheet (this "**DIP Facility Term Sheet**") sets forth the principal terms of a senior secured superpriority debtor-in-possession facility (the "**DIP Facility**" and, the loans thereunder, the "**DIP Loans**"; the credit agreement evidencing the DIP Facility, the "**DIP Credit Agreement**" and, together with the other definitive documents governing the DIP Facility, the "**DIP Documents**," each of which shall be in form and substance consistent with this DIP Facility Term Sheet and otherwise reasonably acceptable to the DIP Facility Borrower (as defined herein), the DIP Facility Agent (as defined herein), the Requisite Consenting First Lien Lenders and the Consenting Second Lien Lender (in each case in accordance with the terms of the Restructuring Support Agreement, as applicable)) to be entered into by the DIP Facility Borrower, certain of its subsidiaries and Holdings (as defined herein) in connection with their respective cases (the "**Cases**"; the debtors and debtors-in-possession thereunder, the "**Debtors**" and each, a "**Debtor**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The DIP Facility will be subject to the approval of the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") and consummated in the Cases in accordance with (i) the DIP Orders (as defined herein) of the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility and (ii) the other DIP Documents (as defined herein) to be executed by the Debtors. Capitalized terms used herein but not defined have the meanings ascribed to such terms in the Restructuring Support Agreement to which this DIP Facility Term Sheet is attached (the "**Restructuring Support Agreement**", and the Term Sheet attached as Exhibit A thereto, the "**RSA Term Sheet**").

SUMMARY OF PRINCIPAL TERMS	
DIP Facility Borrower	VIP Cinema Holdings, Inc., as a debtor and debtor-in-possession (the "**DIP Facility Borrower**" or the "**Company**").
Guarantors	(i) HIG Cinema Intermediate Holdings, Inc. ("**Holdings**") and (ii) all direct and indirect domestic subsidiaries of Holdings (other than the DIP Facility Borrower), each as debtors and debtors-in-possession (collectively, the "**Guarantors**" and, together with the DIP Facility Borrower, the "**Loan Parties**").
DIP Facility Agent	Wilmington Savings Fund Society, FSB, a federal savings bank, as administrative agent and collateral agent (in such capacities, the "**DIP Facility Agent**").
DIP Lenders	(i) Consenting First Lien Lenders that agree to provide the DIP Facility on the terms set forth herein (in such capacities, collectively, the "**DIP 1L Lenders**"); provided that the DIP New Money 1L Commitments (as defined below) will be allocated among DIP 1L Lenders based on their ratable share of the aggregate principal amount of the First Lien Loans and be backstopped by the Backstop Parties in accordance with the Restructuring Support Agreement and (ii) the Consenting Second Lien Lender having to provide the DIP Facility on the terms set forth herein (together with one or more of its affiliates and/or related funds or managed accounts in such capacities, collectively, the "**DIP 2L Lenders**"; the DIP 1L Lenders, together with the DIP 2L Lenders, are collectively referred to herein as the "**DIP Lenders**").

Backstop Parties	Those members of the Ad Hoc Group of Consenting First Lien Lenders represented by Davis Polk & Wardwell LLP that have agreed to backstop the DIP New Money 1L Commitments pursuant to the terms of the Restructuring Support Agreement (the "**Backstop Parties**").
Amount & Type of DIP Facility	Senior secured superpriority debtor-in-possession facility in an aggregate principal amount of up to $33 million consisting of (A) $11 million in principal amount of new money term loan commitments from the DIP 1L Lenders (the "**DIP New Money 1L Commitments**" and the term loans thereunder, the "**DIP New Money 1L Loans**"), (B) $2 million in principal amount of new money term loan commitments from the DIP 2L Lenders (the "**DIP New Money 2L Commitments**" and the term loans thereunder, the "**DIP New Money 2L Loans**"; the DIP New Money 1L Loans, together with the DIP New Money 2L Loans, are collectively referred to herein as the "**DIP New Money Loans**") and (C) a roll-up of $20 million in principal amount of the Pre-Petition First Lien Loans held by the DIP 1L Lenders as provided under the "Roll-Up" section below. The borrowing of DIP New Money 1L Loans and the DIP New Money 2L Loans shall automatically and permanently decrease the DIP New Money 1L Commitments and DIP New Money 2L Commitments, respectively, on a dollar-for-dollar basis, and all DIP New Money Loans repaid or prepaid may not be reborrowed. Voluntary and mandatory prepayments of DIP New Money Loans shall be made on a pro rata basis (unless otherwise provided by the DIP Credit Agreement consistent with the Documentation Principles). The DIP Lenders shall (on a several but not joint basis) make their DIP New Money Loans available to the DIP Facility Borrower in up to two draws in the following manner (in each case upon the satisfaction (as determined by the Required DIP Lenders) of the conditions precedent described below): (a) The DIP Facility Borrower may make a single draw of DIP New Money Loans on the closing date of the DIP Facility (the "**Closing Date"**) in an aggregate principal amount of up to $10.0 million (to be allocated pro rata among the DIP New Money 1L Commitments and the DIP New Money 2L Commitments) (such amount, the "**Initial Draw Amount**"). (b) The DIP Facility Borrower may make a single draw of DIP New Money Loans, on or within 3 business days following the date the Final Order has been entered by the Bankruptcy Court, in an aggregate principal amount of up to $3.0 million (to be allocated pro rata among the remaining DIP New Money 1L Commitments and the DIP New Money 2L Commitments) (such loans, the "**Delayed Draw Loans**"), which amount, for the avoidance of doubt, shall be in addition to the Initial Draw Amount (the date on which the Delayed Draw Loans are borrowed, the "**Delayed Draw Borrowing Date**"). "**Delayed Draw Commitment**" means the aggregate amount of the DIP Lenders' delayed draw commitments on the Closing Date not to exceed $3.0 million.

	The Delayed Draw Commitment will automatically terminate on the earlier to occur of (a) the date immediately following the Delayed Draw Borrowing Date and (b) the DIP Termination Date (as defined below). The "**DIP Termination Date**" shall mean the earliest of (a) the Initial Maturity Date (as defined herein) or, if extended as described below, the Extended Maturity Date, (b) the date (i) of acceleration of the DIP Obligations (as defined below) and the termination of the unfunded DIP New Money Commitments in accordance with the terms of the DIP Credit Agreement (including as a result of the termination of the Restructuring Support Agreement) or (ii) on which all outstanding DIP Obligations are prepaid in full prior to the Maturity Date thereof (including in connection with any refinancing thereof), (c) the effective date of any Acceptable Plan of Reorganization (which shall be defined to provide that the Plan (as defined in, and in form and substance required by, the Restructuring Support Agreement) shall be an "Acceptable Plan of Reorganization") (the "**Plan Effective Date"**) or any other plan of reorganization, (d) the date of consummation of a sale of all or substantially all of the Debtors' assets under Section 363 of the Bankruptcy Code, (e) the date that is thirty-five (35) days after the Petition Date (or such later date as may be agreed by the Required DIP Lenders), unless the Final Order has been entered by the Bankruptcy Court on or prior to such date and (f) the date on which there occurs a material adverse effect on the business, operations, assets, liabilities (actual or contingent), operating results or financial condition of the Loan Parties and their Subsidiaries, taken as a whole (excluding any material adverse effect as a result of (i) the events and conditions related and/or leading up to the commencement of the Cases, (ii) any defaults under agreements that have no effect under the terms of the Bankruptcy Code as a result of the commencement of a proceeding under chapter 11 of the Bankruptcy Code and the Cases, (iii) any reduction in payment terms by suppliers and (iv) any reclamation claims).
Roll-Up Loans	Upon entry of the Final Order, an amount of Pre-Petition First Lien Loans will be automatically substituted and exchanged for (and deemed prepaid upon the issuance of) DIP Loans (the "**Roll-Up Loans**") in an aggregate principal amount of $20 million allocated among the DIP 1L Lenders based on their pro rata share of DIP New Money 1L Commitments on the Closing Date. The Roll-Up Loans shall be junior in right of payment and security to the DIP New Money Loans.

Maturity Date	The date (such date, the "**Initial Maturity Date**") falling 90 days after the commencement of the Cases (such commencement date, the "**Petition Date**"); provided that the DIP Facility Borrower, with the consent of the Required DIP Lenders, shall have the right to extend the Initial Maturity Date for a period of up to 60 days (the "**Extended Maturity Date**") subject to the following conditions: (i) the Debtors shall have provided the DIP Facility Agent (for distribution to the DIP Lenders) with not less than 5 business days' prior written notice of such extension, (ii) the Debtors shall have filed an Acceptable Plan of Reorganization, (iii) the DIP Facility Borrower shall pay to the DIP Facility Agent, for the account of the DIP Lenders, an extension premium in an amount equal to 0.50% of the DIP Loans then outstanding and (iv) no default or event of default under the DIP Documents shall have occurred and be continuing.
Plan Effective Date: Equity Distributions; Conversion to Exit Facilities	On the Plan Effective Date: (a) DIP New Money 1L Loans will convert into the First Lien Exit Facility (as defined in the RSA Term Sheet), on the terms and conditions as more fully set forth in Exhibit C of the Restructuring Support Agreement; (b) Roll-Up Loans will convert into the Second Lien Exit Facility (as defined in the RSA Term Sheet), on the terms and conditions as more fully set forth in Exhibit D of the Restructuring Support Agreement; (c) the DIP 2L Lenders will receive, on account of their DIP New Money 2L Loans, (i) Preferred Equity (as defined in the RSA Term Sheet) with an initial stated value of $2.0 million, on the terms and conditions as more fully set forth in Exhibit E of the Restructuring Support Agreement and (ii) 25.00% (calculated prior to giving effect to any dilution pursuant to the Management Incentive Plan) of the Common Equity (as defined in the RSA Term Sheet), as more fully set forth in the Restructuring Support Agreement and the RSA Term Sheet; and (d) the DIP 1L Lenders will receive the 1L Common Equity Payment described below under the heading "*Fees and Other Payments*." If the DIP Termination Date occurs other than as a result of the Plan Effective Date, all DIP Obligations shall be immediately paid in cash, and the DIP Lenders shall receive the payments required to be paid thereon and described below under the heading "*Fees and Other Payments*."
Use of Proceeds	Solely in accordance with the DIP Orders and the Approved Budget (as defined herein) (subject to any permitted variances), the proceeds of the DIP Loans will be used (i) to pay certain costs, fees and expenses related to the Cases, (ii) to fund the Carve-Out from and after the delivery of the Carve-Out Trigger Notice (as defined herein) to make payments under the Carve-Out in accordance with the terms of the DIP Orders and (iii) to fund the working capital needs and expenditures of the Debtors during the Cases, including (except with respect to the proceeds of DIP New Money Loans) to roll up the First Lien Loans as provided in the "Roll-Up Loans" section above.

Interest Rate	LIBOR plus 6.00% per annum (or if applicable, ABR plus 5.00% per annum). Interest shall be payable in cash on each Interest Payment Date (as defined below). "**Interest Payment Date**" shall mean (a) with respect to any ABR loan, the last business day of each March, June, September and December to occur during any period in which such loan is outstanding, (b) with respect to any Eurodollar loan, the last day of the interest period applicable to the borrowing of which such loan is a part and (c) with respect to any loan, the Maturity Date and, after such maturity, on each date on which demand for payment is made.
Original Issue Discount	3.00% applicable to the DIP New Money Loans
Default Interest	Upon the occurrence and during the continuation of an event of default, unless otherwise waived with respect to all DIP Loans by the Required DIP Lenders, all obligations will bear interest at (i) in the case of principal and interest, a rate equal to 2.00% per annum, plus the otherwise applicable rate to the relevant DIP Loans and (ii) in the case of all other amounts, at a rate equal to 2.00% per annum plus the rate applicable to DIP Loans that are ABR loans. All interest accruing at the default rate set forth above shall be payable in cash on demand. For the avoidance of doubt, cash on deposit in the Funded Reserve Account shall not be used to pay interest on the DIP Loans.
Amortization	None.
Fees and Other Payments	**DIP Termination Date Payments** Without limiting anything set forth above under the heading "*Plan Effective Date: Equity Distributions; Conversion to Exit Facilities*" and, in each case, subject to the Plan: (a) If the DIP Termination Date occurs as a result of the Plan Effective Date occurring, each DIP 1L Lender will receive on the Plan Effective Date, on account of its DIP New Money 1L Commitments, its pro rata share of 13.00% (prior to dilution from the Management Incentive Plan) of the Common Equity (the "**1L Common Equity Payment**"); provided that if the DIP Termination Date does not occur as a result of the Plan Effective Date, each DIP 1L Lender will instead receive on the DIP Termination Date a cash fee in an amount equal to 5.00% of its DIP New Money 1L Commitments (as in effect on the Closing Date). (b) If the DIP Termination Date does not occur as a result of the Plan Effective Date occurring, each DIP 2L Lender will receive on the DIP Termination Date a cash payment in an amount equal to 5.00% of its DIP New Money 2L Commitments (as in effect on the Closing Date). **Closing Date Payments**:

	(a) *OID*: The DIP New Money Loans shall be issued at 97.00% of par value, which shall constitute an original issue discount and shall be netted from the amount funded by the DIP Lenders on the Closing Date (the "**OID**"). (a) *DIP 1L Lender Backstop Party Fee*: Each Backstop Party will receive its pro rata share of a backstop party commitment fee equal to 10.00% of the aggregate principal amount of the DIP New Money 1L Commitments on the Closing Date, which shall be payable in cash on the Closing Date by netting a corresponding amount from the amount funded by the DIP Lenders on the Closing Date. (b) *DIP 2L Lender Backstop Payment*: Each DIP 2L Lender will receive, on account of its commitment to fund the DIP 2L Loans, its pro rata share of a payment equal to 5.00% of the aggregate principal amount of the DIP New Money 2L Commitments on the Closing Date, which shall be payable in cash on the Closing Date by netting a corresponding amount from the amount funded by the DIP Lenders on the Closing Date. **Other Fees**: *Delayed Draw Commitment Fee*: Each DIP Lender will receive a fee in an amount equal to 0.50% of the average daily unused amount of the Delayed Draw Commitment of such DIP Lender from and including the Closing Date to but excluding the Delayed Draw Commitment Termination Date. The accrued Delayed Draw Commitment Fee shall be payable on the Delayed Draw Borrowing Date.
Mandatory Prepayments	Unless otherwise waived by the Required DIP Lenders, mandatory prepayments under the DIP Facility shall be required with 100% of the net cash proceeds from (a) issuance of any indebtedness or equity (with exceptions for permitted indebtedness and equity issuances to the DIP Borrower or any subsidiary that is a Loan Party), (b) sales or other dispositions (including casualty events) of any assets (excluding sales of inventory in the ordinary course of business and other customary exceptions to the mutually agreed) in excess of $150,000 in the aggregate and (c) extraordinary receipts in excess of $150,000 in the aggregate.
Voluntary Prepayments	Outstanding DIP Loans may be voluntarily prepaid at any time without premium or penalty, except as provided under the heading "*Fees and Other Payments*."

Interim Order	The interim order of the Bankruptcy Court approving the DIP Facility shall be in form and substance satisfactory to the Required DIP Lenders (the "**Interim Order**") and shall, among other things, authorize and approve (i) the borrowing and making of the DIP New Money Loans in an aggregate principal amount of $13 million, (ii) the granting of the superpriority claims and liens against the Debtors and their assets in accordance with the DIP Documents and as contemplated by this DIP Facility Term Sheet, (iii) the payment of all reasonable and documented fees and expenses (including the fees and expenses of outside counsel and financial advisors) required to be paid to the DIP Facility Agent and the DIP Lenders as described under the heading "*Fees and Expenses & Indemnification*" by the Debtors, (iv) the use of cash collateral; provided that adequate protection shall be granted consistent with the terms set forth in this DIP Facility Term Sheet and (v) the payment of the fees described under the heading "*Fees and Other Payments*," which payment shall not be subject to reduction, setoff or recoupment.
Final Order	The final order of the Bankruptcy Court authorizing and approving on a final basis, among other things, the DIP Loans (including, without limitation, the Roll-Up Loans) and the transactions contemplated by the DIP Documents, shall be in the form of the Interim Order (subject to the requirements of the Restructuring Support Agreement, with only such modifications thereto as are necessary to convert the Interim Order to a final order and such other modifications as are satisfactory to the Required DIP Lenders) (subject to the requirements of the Restructuring Support Agreement, as the same may be amended, supplemented, or modified from time to time after entry thereof with the consent of the Required DIP Lenders in their sole discretion) as to which no stay has been entered approving the DIP Facility (the "**Final Order**" and, together with the Interim Order, the "**DIP Orders**").
Pre-Petition Facilities[1]	"**First Lien Credit Agreement"** means that certain First Lien Credit Agreement, dated as of March 1, 2017 (as amended from time to time prior to the date hereof), by and among the Company, Holdings, the other Guarantors from time to time party thereto, the lenders party thereto (the "**First Lien Lenders**"), Wilmington Savings Fund Society, FSB, a federal savings bank, as successor administrative agent and successor collateral agent (in such capacities, the "**First Lien Agent**"), and the other entities party thereto from time to time. The "Secured Parties" thereunder are referred to herein as the "**First Lien Secured Parties**" and the "Loans" thereunder are referred to herein as the "**First Lien Loans**." "**Second Lien Term Loan Agreement**" means that certain Second Lien Credit Agreement, dated as of March 1, 2017 (as amended from time to time prior to the date hereof), by and among the Company, Holdings, the other Guarantors party thereto from time to time, the lenders party thereto, [redacted], as successor administrative agent and successor collateral agent (in such capacities, the "**Second Lien Agent**"), and the other entities party thereto from time to time. The "Secured Parties" thereunder are referred to herein as the "**Second Lien Secured Parties**."

[1] In each case, as amended, restated, supplemented or otherwise modified prior to the date of the Restructuring Support Agreement.

	The First Lien Credit Agreement and the Second Lien Term Loan Agreement are referred to herein as the "**Pre-Petition Credit Agreements**" and, the secured obligations thereunder, collectively, the "**Pre-Petition Secured Obligations**"; all "Collateral" securing such Pre-Petition Secured Obligations are referred to herein as the "**Pre-Petition Collateral**." The First Lien Secured Parties and the Second Lien Secured Parties are collectively referred to herein as the "**Pre-Petition Secured Parties**." The facilities governed by the First Credit Agreement and the Second Lien Term Loan Agreement are collectively referred to herein as the "**Pre-Petition Facilities**." The First Lien Agent and the Second Lien Agent are collectively referred to herein as the "**Agents**."
DIP Facility Documents	The obligations under the DIP Credit Agreement shall be secured and guaranteed pursuant to the DIP Orders and such other security documents as may be reasonably required by the DIP Facility Agent and the Required DIP Lenders. The DIP Documents shall be subject to the requirements of Section 3 of the Restructuring Support Agreement and shall reflect the terms and provisions set forth in this DIP Facility Term Sheet and shall otherwise be substantially consistent with the documentation governing the First Lien Credit Agreement; provided that certain provisions, including the representations and warranties, covenants, and events of default shall be modified in a manner appropriate to reflect the debtor-in-possession nature of the DIP Facility (including by deleting or modifying baskets and thresholds applicable to the covenants) (the "**Documentation Principles**").
DIP Collateral	All present and after acquired assets and property (whether tangible, intangible, real, personal or mixed) of the Loan Parties, wherever located, including (without limitation) all accounts, all deposit accounts, securities accounts and commodities accounts, inventory, equipment, capital stock of subsidiaries of the Loan Parties, including, for the avoidance of doubt, any equity or other interests in the Loan Parties' non-Debtor and/or jointly-owned subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks and other general intangibles, and all products and proceeds thereof, subject to customary exclusions and excluding any causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549, 550 or 553 or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law ("**Avoidance Actions**") but, subject to entry of the Final Order, including the proceeds thereof ("**Avoidance Proceeds**"). The collateral described above is collectively referred to herein as the "**DIP Collateral**" and the liens on the DIP Collateral securing the DIP Facility are referred to herein as the "**DIP Liens**."

Priority Under the DIP Facility	All obligations of the Loan Parties to the DIP Lenders and to the DIP Facility Agent (collectively, the "**DIP Obligations**") shall, subject to the Carve-Out (as defined below), at all times: (a) be entitled to superpriority administrative expense status in the Case of such Loan Party; (b) be secured by a fully perfected first priority security interest and lien on the DIP Collateral that is not subject to (x) valid, perfected and non-avoidable liens as of the Petition Date or (y) valid liens in existence as of the Petition Date that are perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code; (c) except as otherwise provided in clause (d) below with respect to the existing liens of the Pre-Petition Secured Parties with respect to the DIP Collateral of each Loan Party, be secured by a junior perfected security interest and lien on the DIP Collateral to the extent such DIP Collateral is subject to (A) valid, perfected and non-avoidable liens in favor of third parties that were in existence immediately prior to the Petition Date and permitted under the Pre-Petition Credit Agreements and (B) valid and non-avoidable liens in favor of third parties that were in existence immediately prior to the Petition Date and permitted under the Pre-Petition Credit Agreements that were perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code ((A) and (B) together, the "**Permitted Prior Liens**"); and (d) be secured by a perfected priming security interest and lien on the DIP Collateral of each Loan Party to the extent such DIP Collateral is subject to existing liens that secure the obligations under the Pre-Petition Facilities. The "**Carve-Out**" shall be in an amount equal to the sum of: (i) all fees required to be paid to the clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses incurred by a chapter 7 trustee under section 726(b) of the Bankruptcy Code in an amount not to exceed $50,000 (without regard to the notice set forth in (iii) below); and (iii) to the extent allowed at any time, whether by interim or final compensation order or any other order of the Bankruptcy Court, all unpaid fees, costs, and expenses (the "**Professional Fees**") incurred or accrued by persons or firms retained by the Debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") and any official committee of unsecured creditors (the "**Committee Professionals**" and, together with the Debtor Professionals, the "**Professional Persons**") appointed in the Cases pursuant to section 1103 of the Bankruptcy Code at any time before or on the first day following delivery by the DIP Facility Agent of a Carve-Out Trigger Notice (defined below), plus Professional Fees incurred after the Carve-Out Trigger Notice in an amount not to exceed $1,000,000; provided that under no circumstances shall any success, completion, or similar fees be payable from the Carve-Out (collectively, the "**Carve-Out Amount**"), in each case subject to the limits imposed by the DIP Orders.

	The Debtors shall establish and fund a segregated account (the "**Funded Reserve Account**") for purposes of funding the Carve-Out. Upon entry of the Interim Order, the Debtors shall deposit in the Funded Reserve Account an amount equal to the aggregate amount of Professional Fees projected in the Initial DIP Budget to accrue from the Petition Date through the Effective Date. To the extent the amount of Professional Fees accrued exceeds the amount in the Funded Reserve Account, the Debtors shall utilize all remaining cash on hand as of such date and any available cash thereafter held by any Debtor to fund into the Funded Reserve Account such additional amount. "**Carve-Out Trigger Notice**" shall mean a written notice delivered by the DIP Facility Agent describing the event of default that has occurred and is continuing under the applicable DIP Documents. Immediately upon delivery of a Carve-Out Trigger Notice, the Debtors shall be required to deposit, in a segregated account not subject to the control of the DIP Facility Agent or the Agents (the "**Carve-Out Account**"), an amount equal to the Carve-Out Amount. The Carve-Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Professional Fees. The funds on deposit in the Carve-Out Account shall be available only to satisfy obligations benefitting from the Carve-Out, and the DIP Facility Agent and the Agents, each on behalf of themselves and the relevant secured parties, (i) shall not sweep or foreclose on cash of the Debtors necessary to fund the Carve-Out Account and (ii) shall have a security interest upon any residual interest in the Carve-Out Account available following satisfaction in cash in full of all obligations benefitting from the Carve-Out, and the priority of such lien on the residual should be consistent with the DIP Orders. In addition: • there shall be a dollar-for-dollar reduction of the Carve-Out for any unused retainers (if any) held by or on behalf of the Professional Persons as of the delivery of the Carve-Out Trigger Notice; and • any payment or reimbursement made for fees and expenses incurred after the delivery of the Carve-Out Trigger Notice to a Professional Person shall permanently reduce the Carve-Out Amount on a dollar-for-dollar basis, and to the extent any payment to a Professional Person is subsequently disallowed and/or disgorged, the proceeds of any claim against the Professional Person for amounts so disallowed or disgorged shall constitute DIP Collateral subject to the DIP Liens. Subject to the terms of the DIP Orders, notwithstanding the foregoing, no portion of the Carve-Out shall be used for the payment of fees, disbursements, costs or expenses incurred by any Professional Person to investigate, challenge, object to, contest, or raise any defense to, the validity, security, perfection, priority, extent or enforceability of any amount due under or the liens or claims granted under or in connection with the Pre-Petition Loan Documents. None of the DIP Facility Agent, the DIP Lenders, or the Pre-Petition Secured Parties shall be responsible for the direct payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the cases

	under any chapter of the Bankruptcy Code; instead, the Carve-Out shall be paid from the Prepetition Collateral, the DIP Collateral, and proceeds of both.
Adequate Protection	First Lien Secured Parties: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the First Lien Agent and the ad hoc group of lenders under the First Lien Credit Agreement, including the reasonable and documented fees and expenses of Davis Polk & Wardwell LLP, as primary counsel, one local counsel, and M-III Partners, LP, as financial advisor, and Wilmer Cutler Pickering Hale and Dorr LLP, as counsel to the First Lien Agent; (b) replacement liens on the DIP Collateral to secure the First Lien Secured Party Adequate Protection Claims (as defined below) (the "**First Lien Secured Party Adequate Protection Liens**"), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens and (iii) the DIP Liens securing the DIP Facility; (c) allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**First Lien Secured Party Adequate Protection Claims**"); (d) financial reporting and other reports and notices delivered by the DIP Facility Borrower under the DIP Facility; and (e) the Milestones (as defined below) may be amended, modified or extended, in each case, as to the First Lien Secured Parties by the prior written consent of the Required First Lien Secured Parties (which shall mean First Lien Lenders holding greater than 50% of the outstanding principal amount of First Lien Loans). Second Lien Secured Parties: (a) payment of the reasonable and documented prepetition and post-petition fees and expenses of the Second Lien Agent and the lenders under the Second Lien Credit Agreement in accordance with (and subject to limitations set forth in) the RSA Term Sheet; (b) replacement liens on the DIP Collateral to secure the Second Lien Secured Party Adequate Protection Claims (as defined below), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) the DIP Liens securing the DIP Facility, (iv) First Lien

	Secured Party Adequate Protection Liens and (v) the liens of the First Lien Agent on the Pre-Petition Collateral; (c) allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Second Lien Secured Party Adequate Protection Claims**"); and (d) financial reporting and other reports and notices delivered by the DIP Facility Borrower under the DIP Facility.
Milestones	To be consistent with the milestones set forth in Section 4 of the Restructuring Support Agreement.
Representations and Warranties	Customary and appropriate for debtor-in-possession financings of this type consistent with the Documentation Principles, including (without limitation) representations with respect to the DIP Budget (including the Initial DIP Budget) (each as defined herein), the Cases and the DIP Orders. "**DIP Budget**" means a rolling 13-week operating budget and cash flow forecast in form and substance reasonably satisfactory to the Required DIP Lenders (as more fully set forth below) delivered on or prior to the Petition Date and every four weeks after the Petition Date, setting forth, among other things, the Debtors' projected cash receipts, operating disbursements (which shall consist of the line items for payroll, inventory purchase, payables, capital expenditures and income taxes), operating cash flow, non-operating disbursements (including restructuring fees and principal and interest) and net cash flow during such 13-week period (i) initially, covering the period commencing on or about the Petition Date and (ii) thereafter, covering the period commencing on the first day of each four-week anniversary thereafter. The DIP Budget delivered on or prior to the Petition Date is referred to herein as the "**Initial DIP Budget**."

Information/Reporting Covenants	Customary and appropriate reporting and information covenants for debtor-in-possession financings of this type, including (without limitation): (a) Not later than 5:00 p.m. (Eastern time) on the last Thursday of every four-week anniversary (commencing with the fourth Thursday following the Thursday of the first forecast week of the Initial DIP Budget) or, to the extent such Thursday is not a business day, the next business day thereafter, a DIP Budget beginning on the Monday of such week, which shall be reasonably acceptable to the Required DIP Lenders (including any changes made in any updated DIP Budget with respect to any periods that were included in a previously delivered Approved Budget; provided that a separate explanation in reasonable detail of such changes shall be provided to the DIP Lenders) and no such DIP Budget shall be effective until so approved; provided that the Required DIP Lenders shall be deemed to have approved a DIP Budget delivered after the Petition Date unless DIP Lenders constituting the Required DIP Lenders (or M-III Partners, LP, on their behalf) shall have objected to such DIP Budget within five (5) business days after delivery thereof. To the extent any such updated DIP Budget is approved, the line item amounts set forth therein shall only be used to calculate the projected line items commencing with the week in which such updated DIP Budget is approved by the Required DIP Lenders and for subsequent weeks set forth therein, and any prior weeks tested as part of any then applicable cumulative period shall be calculated using the projected line items set forth in the previously Approved Budget in which such prior weeks were first forecasted (unless otherwise approved by the Required DIP Lenders). Upon such approval or deemed approval by the Required DIP Lenders, the Initial DIP Budget and each DIP Budget delivered thereafter shall constitute an "**Approved Budget**"; (b) Not later than 5:00 p.m. (Eastern time) on the Thursday of every week (commencing with the second Thursday following the Thursday of the first forecast week of the Initial DIP Budget) or, to the extent such Thursday is not a business day, the next business day thereafter (such date, a "**Budget Variance Test Date**"), a Budget Variance Report (as defined herein) for the Test Period (as defined herein), which such report shall be certified by a responsible officer of the Borrower as being prepared in good faith and fairly presenting in all material respects the information set forth therein; (c) Upon request, up to once per week, update calls with the DIP Lenders and their respective advisors covering the DIP Budget and the DIP Variance Reports for the prior week related thereto, the Loan Parties' financial condition, business operations, liquidity, business plan, and the status of the Cases generally; (d) Monthly unaudited financial statements within 30 days after each fiscal month; (e) Quarterly unaudited financial statements within 45 days after each fiscal quarter;

	(f) Audited annual financial statements delivered following year-end within a time period to be agreed; (g) Delivery (solely to M-III Partners, LP) of bids for the sale of any material portion of the Loan Parties' assets (including through a plan); (h) Additional reporting requirements applicable under the First Lien Credit Agreement as mutually agreed between the Borrower and the Required DIP Lenders; and (i) Other information as may be reasonably requested by the DIP Facility Agent or any DIP Lender. "**Budget Variance Report**" means a variance report in form and detail reasonably satisfactory to the Required DIP Lenders, reconciling the Approved Budget to the actual sources and uses of cash for the Test Period (a) showing, for such periods, actual results for the following items: (i) cash receipts, (ii) operating disbursements, (iii) payroll, (iv) inventory purchase, (v) capital expenditures, (vi) operating cash flow, (vii) non-operating disbursements and (viii) net cash flow, (b) noting a line-by-line reconciliation of variances from values set forth for such periods in the relevant Approved Budget and (c) providing an explanation for all material variances, certified by a responsible officer of the Borrower. "**Test Period**" means the rolling four-week period (or, if a four-week period has not elapsed since the Petition Date, the cumulative period since the Petition Date) most recently ended on the last Friday prior to the delivery of each Budget Variance Report.
Affirmative Covenants	Customary and appropriate affirmative covenants for debtor-in-possession facilities of this type, including, but not limited to, the following (subject to certain exceptions and basket amounts to be negotiated pursuant to the Documentation Principles): - information and reporting requirements set forth under the heading "Information/Reporting Covenants"; - certificates and other information; - notices; - payment of obligations; - preservation of existence; - maintenance of properties; - maintenance of insurance; - compliance with laws; - books and records; - inspection rights; - additional collateral and additional guarantors;

	- compliance with environmental laws; - further assurances and post-closing conditions; - commercially reasonable efforts to obtain ratings from either S&P or Moody's; - use of proceeds; - control agreements; - lender conference call; - milestones; - customary bankruptcy related matters; and - priority liens and claims.
Negative Covenants	Customary and appropriate negative covenants for debtor-in-possession facilities of this type, including but not limited to, the following (subject to certain exceptions and basket amounts to be negotiated pursuant to the Documentation Principles): - liens; - investments; - indebtedness; - fundamental changes; - dispositions; - restricted payments; - change in business; organizational documents - transactions with affiliates; - burdensome agreements; - financial covenants; - fiscal year; - prepayment of certain indebtedness; - permitted activities; - subsidiaries; and - additional customary bankruptcy matters.

Financial Covenants	The DIP Facility shall contain the following financial covenants (the "**Financial Covenants**"): (a) *Budget Variance Covenant*: Beginning with the delivery of the initial Budget Variance Report, as of each Budget Variance Test Date, for the most recently ended Test Period: (i) the negative variance (as compared to the applicable Approved Budget) of the aggregate cash receipts of the Debtors shall not exceed (x) 20% for the first Budget Variance Test Date following the Petition Date, (y) 20% for the second Budget Variance Test Date following the Petition Date and (z) 15% for each Budget Variance Test Date thereafter; and (ii) the positive variance (as compared to the applicable Approved Budget) of the operating disbursements of the Debtors shall not exceed (x) 20% for the first Budget Variance Test Date following the Petition Date, (y) 20% for the second Budget Variance Test Date following the Petition Date and (z) 15% for each Budget Variance Test Date thereafter. For the avoidance of doubt, all fees, charges and expenses incurred in connection with obtaining or maintaining credit ratings are deemed to be permitted in accordance with the applicable Approved Budget (regardless of whether provided for therein) for all purposes. (b) *Liquidity*: Liquidity (as defined below) at any time shall not be less than $4 million. "**Liquidity**" means an amount equal to the unrestricted cash and cash equivalents of the Debtors at such time; provided that the amount on deposit in the Funded Reserve Account shall be included for purposes of determining Liquidity.
Events of Default	Usual and customary for debtor-in-possession financings of this type, including (without limitation), events of default related to dismissal or conversion of the Cases, amending or vacating the DIP Orders, filing of a plan of reorganization that is not an Acceptable Plan, the automatic stay, milestones, the termination of the Restructuring Support Agreement and other bankruptcy-related events of default.
Conditions Precedent to Closing	Usual and customary for debtor-in-possession financings of this type, including (without limitation): (i) execution and delivery of the DIP Credit Agreement and the other DIP Documents evidencing the DIP Facility, (ii) the Petition Date shall have occurred, and the DIP Facility Borrower and each Guarantor shall be a debtor and a debtor-in-possession, (iii) the entry of the Interim Order not later than five (5) calendar days following the Petition Date, (iv) the delivery of the Initial DIP Budget, (v) the Restructuring Support Agreement shall have become effective and binding in accordance with its terms and (vi) the entry of all "first day" orders and related pleadings with the Bankruptcy Court that are acceptable in form and substance to the Required DIP Lenders.

Conditions Precedent to the Extension of each DIP New Money Loan	Usual and customary for debtor-in-possession financings of this type, including (without limitation): (i) no default or event of default, (ii) accuracy of representations and warranties in all material respects, (iii) the Interim Order or the Final Order, as applicable, shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended in any respect without the consent of the Required DIP Lenders, (iv) delivery of a customary notice of borrowing, and (v) the Restructuring Support Agreement shall be in full force and effect.
Voting	Amendments and waivers of the DIP Facility will require the approval of DIP Lenders holding more than 50% of the unused DIP New Money Commitments and outstanding DIP Loans in the aggregate (the "**Required DIP Lenders**"), subject to (i) such "sacred rights" as are customary in debtor-in-possession financings of this type and consistent with those contained in the First Lien Credit Agreement, which shall require the consent of each affected DIP Lender or all DIP Lenders, as applicable, for amendments to certain provisions (including changes to the provisions of any DIP Loan Document in a manner that by its terms adversely affects the rights of DIP Lenders holding loans of one class differently from the rights of DIP Lenders holding loans of any other class without the prior written consent of DIP Lenders holding a majority of the loans and/or commitments of such adversely affected class) and (ii) customary protections for the DIP Facility Agent, in each case, subject to the Documentation Principles. As of the Closing Date, for all purposes under the DIP Loan Documents, including with respect to the applicable calculations in determining DIP Lenders constituting the Required DIP Lenders, DIP New Money 1L Commitments, DIP New Money 2L Commitments, Delayed Draw Commitments and DIP New Money Loans (in each case held DIP 1L Lenders or DIP 2L Lenders) and Roll-Up Loans shall constitute a single class of loans and commitments.
Fees and Expenses & Indemnification	Usual and customary for debtor-in-possession financings of this type and otherwise subject to the Documentation Principles; provided that the DIP 1L Lenders (taken as a whole) and (subject to the terms of, and limitations set forth in, the RSA Term Sheet) the DIP 2L Lenders (taken as a whole) shall each be entitled to retain (and shall be reimbursed for fees and expenses relating to) their own respective counsel in connection with the preparation, negotiation, syndication and execution of the DIP Loan Documents, any amendment, waiver, consent or other modification of the provisions thereof and the consummation and administration of the transactions contemplated thereby; provided, further, that the Loan Parties and their subsidiaries shall not be required to reimburse the fees and expenses of the DIP 2L Lenders in excess of (i) for fees and expenses accrued prior to and including the date of the Restructuring Support Agreement, $350,000 and (ii) for fees and expenses accrued after the date of the Restructuring Support Agreement, $175,000.
Assignments and Participations	Usual and customary for debtor-in-possession financings of this type, including assignments of DIP Loans subject to the consent of the DIP Facility Borrower (not to be unreasonably withheld) unless a default or event of default exists (such consent to be deemed given if no objection is provided within 5 business days) and the DIP Facility Agent; provided that the DIP Facility Borrower shall be deemed to have consented to any assignment of DIP New Money 1L Loans and

	DIP New Money 1L Commitments by a Backstop Party to a Joining DIP Commitment Party pursuant to Section 13.01 of the Restructuring Support Agreement; provided, further, that no DIP 1L Lender shall have the right to assign all or any portion of its DIP New Money 1L Loans or Roll-Up Loans (except in the case of assignments to affiliates of the DIP 1L Lender) absent a simultaneous assignment of a corresponding proportional amount of Roll-Up Loans (in the case of an assignment of DIP New Money 1L Loans), DIP New Money 1L Loans (in the case of an assignment of Roll-Up Loans) and First Lien Loans.
Governing Law	The laws of the State of New York and, to the extent applicable, by the Bankruptcy Code.
Counsel to DIP Facility Agent	Wilmer Cutler Pickering Hale and Dorr LLP
Counsel to the DIP 1L Lenders	Davis Polk & Wardwell LLP
Counsel to the DIP 2L Lenders	Stroock & Stroock & Lavan LLP

Exhibit C

First Lien Exit Facility Term Sheet

EXECUTION VERSION

EXHIBIT C

VIP CINEMA HOLDINGS, INC.
FIRST LIEN EXIT TERM LOAN FACILITY

This term sheet (this "**First Lien Exit Facility Term Sheet**") sets forth the principal terms of a first lien exit term facility to be provided to VIP Cinema Holdings, Inc., as borrower and a reorganized Debtor. Capitalized terms used herein but not defined have the meaning ascribed to such terms in the Restructuring Support Agreement (the "**Restructuring Support Agreement**") to which this First Lien Exit Facility Term Sheet is attached and Exhibit B attached to the Restructuring Support Agreement.

SUMMARY OF PRINCIPAL TERMS	
Borrower	VIP Cinema Holdings, Inc., as reorganized pursuant to Cases (the "**Borrower**").
Guarantors	(i) An existing or newly formed direct or indirect parent of the Borrower ("**Holdings**") and (ii) all direct and indirect wholly-owned domestic subsidiaries of Holdings (other than the Borrower), as reorganized pursuant to Cases (collectively, the "**Guarantors**" and, together with the Borrower, the "**Loan Parties**").
Administrative Agent and Collateral Agent	Wilmington Savings Fund Society, FSB, a federal savings bank, as administrative agent and collateral agent (in such capacities, the "**First Lien Exit Agent**").
First Lien Exit Lenders	Initially the lenders under DIP Facility (together with their permitted assignees, the "**First Lien Exit Lenders**").
Amount & Type of First Lien Exit Term Facility	A senior secured first lien term loan facility (the "**First Lien Exit Facility**") in an aggregate principal amount of up to $11 million, consisting of the principal amount of the DIP New Money 1L Loans outstanding under the DIP Credit Agreement as of the Emergence Date (as defined below) (the "**First Lien Exit Term Loans**"). Once repaid, First Lien Exit Term Loans may not be reborrowed.
Maturity Date	The First Lien Exit Term Facility will mature on the date that is 5 years following the Emergence Date (the "**First Lien Maturity Date**").
Use of Proceeds	The proceeds of the First Lien Exit Term Loans will be used (or deemed to be used) to refinance in full the DIP New Money 1L Loans.

Interest Rate	The Borrower may elect that the First Lien Exit Term Loans comprising each borrowing bear interest at a rate per annum equal to (a) ABR (which shall not be less than 2.00% per annum) plus the Applicable Margin (as defined below) or (b) the LIBO rate, which shall not be less than 1.00% per annum, plus the Applicable Margin. "**Applicable Margin**" means (a) 5.00% in the case of ABR loans and (b) 6.00% in the case of Eurodollar loans. Interest on the First Lien Exit Term Loans shall be payable in cash.
Default Interest	Upon the occurrence and during the continuation of an event of default, unless otherwise waived by the Required First Lien Lenders, all obligations will bear interest at (i) in the case of principal and interest, a rate equal to 2.00% per annum, plus the otherwise applicable rate to the relevant First Lien Exit Term Loans and (ii) in the case of all other amounts, at a rate equal to 2.00% per annum plus the rate applicable to First Lien Exit Term Loans that are ABR loans.
Amortization	Annual amortization (payable in equal quarterly installments beginning at the end of the first full quarter after the Closing Date) of the First Lien Exit Term Facility shall be required in an aggregate annual amount equal to 1.0% of the original principal amount of the First Lien Exit Term Facility. The remaining aggregate principal amount of the First Lien Exit Term Loans shall be payable in full on the First Lien Maturity Date.
Incremental Facilities	None.
Fees	*First Lien Exit Agent Fees*: To be set forth in a separate fee letter agreement between the First Lien Exit Agent and the Borrower.

Mandatory Prepayments	The following amounts shall be applied to prepay the First Lien Exit Term Loans, in each case consistent with the First Lien Documentation Principles (as defined below): (a) 100% of the net cash proceeds of any issuance of any indebtedness (other than the issuance indebtedness permitted under the First Lien Exit Loan Documents); (b) 100% of the net cash proceeds of any sales or other disposition of assets (including as a result of casualty or condemnation), except for sales of inventory in the ordinary course of business and other customary exceptions to be mutually agreed and subject to customary reinvestment rights and minimum thresholds to be mutually agreed; (c) 100% of certain extraordinary receipts (subject to minimum thresholds to be mutually agreed); and (d) 50% of excess cash flow (to be defined in a manner consistent with the First Lien Documentation Principles) in each fiscal year of the Borrower, commencing with the fiscal year ending on December 31, 2020. Any First Lien Exit Lender may elect not to accept any mandatory prepayment, but in the case of clause (a) above, solely to the extent not representing a refinancing of the First Lien Exit Term Loans. Any prepayment amount declined by a First Lien Exit Lender shall be re-offered to non-declining First Lien Exit Lenders and to the extent such non-declining First Lien Exit Lenders elect not to accept their pro rata share of such re-offered prepayment amount, such remaining amount shall be offered to the Second Lien Exit Lenders (as defined in Exhibit D to the Restructuring Support Agreement). Any prepayment amount declined by a Second Lien Exit Lender shall be re-offered to non-declining Second Lien Exit Lenders and to the extent such non-declining Second Lien Exit Lenders elect not to accept their pro rata share of such re-offered prepayment amount, such amounts may be retained by the Borrower. All proceeds of mandatory prepayments shall be applied to prepay the First Lien Exit Term Loans prior to the prepayment of the Second Lien Exit Term Loans.
Voluntary Prepayments	The Borrower may prepay the First Lien Exit Term Loans, in whole or in part, in minimum amounts to be agreed, subject to the following: (a) notice requirements to be agreed; and (b) reimbursement of the First Lien Exit Lenders' redeployment costs in the case of a prepayment of Eurodollar loans prior to the last day of the relevant interest period.

First Lien Exit Term Facility Documentation	The First Lien Exit Term Facility will be evidenced by (a) a credit agreement (the "**First Lien Exit Credit Agreement**") which shall be in form and substance based on that certain First Lien Credit Agreement, dated as of March 1, 2017 (as amended from time to time prior to the date hereof, the "**Existing First Lien Credit Agreement**"), among VIP Cinema Holdings, Inc., the other guarantors from time to time party thereto, the lenders party thereto, Wilmington Savings Fund Society, FSB, a federal savings bank, as successor administrative agent and successor collateral agent, and the other entities party thereto from time to time (with such modifications as are necessary to reflect the terms set forth in this First Lien Exit Facility Term Sheet and the nature of the First Lien Exit Term Facility and to reflect (i) administrative agency and operational matters of the First Lien Exit Agent, (ii) EU and UK bail-in provisions, (iii) LIBOR replacement provisions, (iv) Delaware limited liability company division provisions, (v) beneficial ownership certification, (vi) QFC stay rules, (vii) the deletion or tightening of baskets, thresholds and carveouts applicable to the covenants in a manner consistent with those negotiated in connection with the proposed first amendment to the Existing First Lien Credit Agreement and reflected in the draft Annex A to such first amendment dated November 21, 2019 and delivered to the Company and (viii) other modifications as may be reasonably agreed among the First Lien Exit Agent, the First Lien Exit Lenders and the Borrower, the "**First Lien Documentation Principles**"), (b) security documents and (c) other legal documentation (collectively, together with the First Lien Exit Credit Agreement and security documents, the "**First Lien Exit Loan Documents**"), which First Lien Exit Loan Documents shall be in form and substance consistent with the First Lien Documentation Principles and otherwise satisfactory to the First Lien Exit Agent, the First Lien Exit Lenders and the Borrower.
Collateral	The obligations of the Loan Parties with respect to the First Lien Exit Term Facility (including the guarantee obligations of the Guarantors) (the "**First Lien Obligations**") shall be secured by a perfected, first-priority security interest (subject to permitted liens and exceptions to be mutually agreed and consistent with the First Lien Documentation Principles) in all Collateral owned as of the Emergence Date or thereafter acquired. "**Collateral**" shall mean all present and after acquired assets and property (whether tangible, intangible, real, personal or mixed) of the Loan Parties, wherever located, including (without limitation) all accounts, all deposit accounts, securities accounts and commodities accounts, inventory, equipment, capital stock of subsidiaries of the Loan Parties, including, for the avoidance of doubt, any equity or other interests in the Loan Parties' jointly-owned subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks and other general intangibles, and all products and proceeds thereof (subject to customary exceptions).
Excluded/Unrestricted Subsidiaries	None. Subsidiaries of the Borrower (or any direct or indirect parent thereof that is a Loan Party) will not be permitted to be designated as "Excluded" or "Unrestricted."

Intercreditor Agreement	The lien priority, relative rights and other creditors' rights in respect of the First Lien Exit Term Facility and the Second Lien Exit Term Facility (as defined in Exhibit D to the Restructuring Support Agreement) shall be set forth in an intercreditor agreement (the "**Intercreditor Agreement**") in form and substance satisfactory to the First Lien Exit Agent and the Required First Lien Lenders and shall provide that all amounts received in respect of the obligations under the First Lien Exit Facility and the Second Lien Exit Term Facility shall be applied to prepay the First Lien Obligations prior to the prepayment of the obligations in respect of the Second Lien Exit Term Facility.
Representations and Warranties	Customary and appropriate for facilities of this type consistent with the First Lien Documentation Principles (with qualifications and limitations for materiality consistent with the First Lien Documentation Principles and otherwise mutually agreed between the Required First Lien Lenders and the Borrower), including (without limitation): existence, qualification and power; compliance with laws; authorization; no contravention; governmental authorization and other consents; binding effect; financial statements; no material adverse effect; litigation; compliance with laws; no default; ownership of property, liens and casualty events; environmental matters; taxes; ERISA compliance, etc.; subsidiaries; margin regulations; Investment Company Act; disclosure; labor matters; intellectual property and licenses; solvency; subordination of junior financing; collateral documents; and compliance with anti-terrorism and corruption laws.
Affirmative Covenants	Customary and appropriate affirmative covenants for exit facilities of this type consistent with the First Lien Documentation Principles (with exceptions and basket amounts to be consistent with the First Lien Documentation Principles and otherwise mutually agreed between the Required First Lien Lenders and the Borrower) , including (without limitation): - information and reporting requirements, including delivery of audited annual financials, quarterly financials for the first three quarters of each fiscal year and monthly financials for the first two months of each fiscal quarter, in each case to be delivered within a time period to be agreed; - certificates and other information; - notices; - payment of obligations; - preservation of existence; - maintenance of properties; - maintenance of insurance; - compliance with laws; - books and records; - inspection rights; - additional collateral and additional guarantors; - compliance with environmental laws; - further assurances and post-closing conditions; - maintenance of ratings; - use of proceeds;

<table>
<tr><td></td><td>- control agreements; and
- lender conference call.</td></tr>
<tr><td>Negative Covenants</td><td>Customary and appropriate negative covenants for exit facilities of this type consistent with the First Lien Documentation Principles (with exceptions and basket amounts to be consistent with the First Lien Documentation Principles and otherwise mutually agreed between the Required First Lien Lenders and the Borrower), including (without limitation):
- liens;
- investments;
- indebtedness;
- fundamental changes;
- dispositions;
- restricted payments;
- change in business;
- transactions with affiliates;
- burdensome agreements;
- financial covenants;
- fiscal year;
- prepayment of certain indebtedness;
- permitted activities; and
- subsidiaries.</td></tr>
<tr><td>Financial Covenants</td><td>(a) Liquidity: Commencing with the fiscal month following the Emergence Date, the Borrower shall not permit Liquidity (as defined below) within any given fiscal year, (x) as of the last day of each fiscal month of such fiscal year of the Borrower or (y) for a period of 3 consecutive business days or more in any fiscal month of such fiscal year, to be less than the amount set forth below opposite such fiscal year.

<table><tr><th>Fiscal Year</th><th>Liquidity</th></tr><tr><td>2020</td><td>$ 1 million</td></tr><tr><td>2021</td><td>$ 1.5 million</td></tr><tr><td>2022</td><td>$ 2 million</td></tr><tr><td>2023</td><td>$ 2.5 million</td></tr><tr><td>2024</td><td>$ 3 million</td></tr><tr><td>2025</td><td>$ 3.5 million</td></tr></table></td></tr>
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<tr>
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<td>
(b) Total Leverage Ratio: Commencing with the fiscal quarter ending September 30, 2021, the Borrower shall not permit the Total Net Leverage Ratio (to be defined in the manner consistent with the First Lien Documentation Principles) as of the last day of each fiscal quarter set forth below to be higher than the amount set forth below opposite such fiscal quarter:
<table>
<tr><th>Fiscal Quarter</th><th>Total Net Leverage Ratio</th></tr>
<tr><td>September 30, 2021</td><td>9.00x</td></tr>
<tr><td>December 31, 2021</td><td>9.00x</td></tr>
<tr><td>March 31, 2022</td><td>6.00x</td></tr>
<tr><td>June 30, 2022</td><td>5.50x</td></tr>
<tr><td>September 30, 2022</td><td>5.25x</td></tr>
<tr><td>December 31, 2022</td><td>5.00x</td></tr>
<tr><td>March 31, 2023</td><td>4.75x</td></tr>
<tr><td>June 30, 2023</td><td>4.50x</td></tr>
<tr><td>September 30, 2023</td><td>4.00x</td></tr>
<tr><td>December 31, 2023</td><td>3.75x</td></tr>
<tr><td>March 31, 2024 and thereafter</td><td>3.50x</td></tr>
</table>
“<u>Liquidity</u>” means an amount equal to the sum of (i) unrestricted cash and cash equivalents of the Loan Parties at such time and (ii) undrawn availability under any revolving credit facility of the Loan Parties (to the extent permitted under the First Lien Exit Loan Documents) at such time.
</td>
</tr>
<tr>
<td>Events of Default</td>
<td>Customary and appropriate for facilities of this type (with materiality thresholds, exceptions and grace periods to be mutually agreed between the Required First Lien Lenders and the Borrower).</td>
</tr>
</table>

Conditions Precedent to Closing	The closing of the First Lien Exit Term Facility will be subject to satisfaction of the following: (a) all of the representations and warranties in the First Lien Exit Loan Documents shall be true and correct in all material respects (or if qualified by materiality or material adverse effect, in all respects) as of the date of such extension of credit, or if such representation speaks as of an earlier date, as of such earlier date; (b) no default or event of default under the First Lien Exit Term Facility shall have occurred and be continuing or would result from such extension of credit; (c) delivery of a customary borrowing notice; and (d) the occurrence of those conditions listed on Annex I hereto. "**Emergence Date**" shall mean the date on which all conditions listed in this paragraph and in Annex I shall have been satisfied and the First Lien Exit Term Facility shall have been funded (or be deemed to have been funded) in full.
Voting/Required First Lien Lenders	Customary and appropriate for facilities of this type consistent with First Lien Documentation Principles. First Lien Exit Term Lenders holding more than 50% of the outstanding principal amount of the First Lien Exit Term Loans are referred to herein as the "**Required First Lien Lenders**."
Fees and Expenses & Indemnification	Customary and appropriate for facilities of this type consistent with First Lien Documentation Principles.
Assignments and Participations	Customary and appropriate for facilities of this type (including prohibition on assignments to disqualified lenders); provided that (i) the consent of the Borrower (not to be unreasonably withheld or delayed; Borrower consent shall be deemed given unless it objects by written notice to the First Lien Exit Agent within 5 business days after receipt of written notice thereof) shall be required for assignments other than (a) assignments to another First Lien Exit Lender, an affiliate of a First Lien Exit Lender or an approved fund or (b) during an event of default and (ii) the Borrower may purchase First Lien Exit Term Loans through open market purchases on a non-pro rata basis and/or through Dutch auctions open to all First Lien Exit Lenders on a pro rata basis (in accordance with customary procedures) in each case on terms to be agreed, so long as, in each case, such purchased First Lien Exit Term Loans are cancelled and extinguished.
Other Provisions	The First Lien Exit Loan Documents shall include customary provisions regarding increased costs, illegality, tax indemnities, waiver of trial by jury and other similar provisions.
Governing Law	The laws of the State of New York.
Counsel to First Lien Exit Agent	Wilmer Cutler Pickering Hale and Dorr LLP
Counsel to the Initial First Lien Exit Lenders	Davis Polk & Wardwell LLP

Annex I

ADDITIONAL CONDITIONS TO CLOSING

The borrowing (or deemed borrowing) under the First Lien Exit Term Facility shall be subject to the following additional conditions precedent:

1. A final non-appealable order of the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") confirming the plan of reorganization in form and substance satisfactory to the First Lien Exit Agent and the Required First Lien Lenders (the "**Confirmation Order**"), which shall not have been reversed, vacated, amended, supplemented or otherwise modified and authorizing the Borrower to execute, deliver and perform under all documents contemplated under the First Lien Exit Loan Documents shall have been entered and shall have become a final order of the Bankruptcy Court.

2. The execution and delivery by each of the Loan Parties of (i) the First Lien Exit Loan Documents (including the Intercreditor Agreement (which may be in the form of an acknowledgement by the Loan Parties) (it being understood and agreed that this condition shall be satisfied in the case of the First Lien Exit Credit Agreement if executed by the Loan Parties and the First Lien Exit Agent)), (ii) customary legal opinions, customary evidence of authorization, customary officer's certificates, good standing certificates (to the extent applicable) in the jurisdiction of organization of each Loan Party, (iii) a solvency certificate executed by the chief financial officer or other officer of equivalent duties and (iv) all documents and instruments required to create and perfect the First Lien Exit Agent's security interests in the Collateral under the First Lien Exit Term Facility which shall be, if applicable, in proper form for filing (it being understood and agreed that mortgages or amended mortgages may be provided within a number of days to be agreed after the Emergence Date).

3. The First Lien Exit Agent shall have received (i) audited consolidated balance sheets and related statements of income and cash flows of the Borrower and its subsidiaries for the fiscal years ended December 31, 2019; provided that if the Emergence Date shall have occurred prior to 180 days after December 31, 2019, this clause (i) shall be deemed satisfied by the delivery of unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its subsidiaries for the fiscal year ended December 31, 2019, (ii) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its subsidiaries for each subsequent fiscal quarter (other than fiscal year end) ended at least 45 days before the Emergence Date, (iii) copies of satisfactory interim unaudited financial statements for each month ended since the last audited financial statements for which financial statements are available and will include each month ended at least 30 days before the Emergence Date, (iv) projected monthly balance sheets, income statements, statements of cash flows of the Borrower and the Guarantors for the period beginning on the Emergence Date through the first anniversary of the Emergence Date, in each case as to the projections, with the results and assumptions set forth in all of such projections in form and substance reasonably satisfactory to the Required First Lien Lenders, and an opening pro forma consolidated balance sheet for the Loan Parties in form and substance acceptable to the Required First Lien Lenders, (v) projected quarterly balance sheets, income statements, statements of cash flows and availability of the Borrower and the Guarantors for the period beginning on the first anniversary of the Emergence Date through the fifth anniversary of the Emergence Date, in each case as to the projections, with the results and assumptions set forth in all of such projections in form and substance reasonably satisfactory to the Required First Lien Lenders and (vi) any updates or modifications to the projected financial statements of the Borrower and the Guarantors previously received by the First Lien Exit Agent, in each case in form and substance satisfactory to the Required First Lien Lenders.

4. The First Lien Exit Agent shall have received, at least three (3) business days prior to the Emergence Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without

limitation, the PATRIOT Act and, to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower, that has been requested in writing by the First Lien Exit Lenders at least five (5) business days prior to the Emergence Date.

5. All fees required to be paid to the First Lien Exit Agent and the First Lien Exit Lenders on the Emergence Date and reasonable and documented out-of-pocket expenses (including legal expenses) required to be paid to or for the benefit of the First Lien Exit Agent and the First Lien Exit Lenders on the Emergence Date, to the extent invoiced at least one (1) business days prior to the Emergence Date, shall, upon the initial borrowing (or deemed borrowing) of the First Lien Exit Term Facility, have been paid.

6. All necessary governmental and third party approvals, consents, licenses and permits in connection with the First Lien Exit Facility and the operation by the Borrower of its business shall have been obtained and remain in full force and effect.

7. Other than the Cases, as of the Emergence Date, there shall not be any Litigation pending or known by Loan Parties to be threatened against any Loan Party drawing into question any credit transaction contemplated by First Lien Exit Facility, or that could reasonably be expected to have a material adverse effect.

8. Since the date of approval of the disclosure statement with respect to the Acceptable Plan of Reorganization, other than the Cases, there shall not have occurred any event, change, occurrence or circumstance that, individually or in the aggregate, has had or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Loan Parties and their subsidiaries, taken as a whole.

9. The Second Lien Exit Term Facility shall have become effective and shall be consistent in all respects with the Second Lien Exit Term Facility Term Sheet as reviewed and agreed to by the First Lien Exit Lenders in accordance with the Restructuring Support Agreement.

Exhibit D

Second Lien Exit Facility Term Sheet

EXECUTION VERSION

EXHIBIT D

VIP CINEMA HOLDINGS, INC.
SECOND LIEN EXIT TERM LOAN FACILITY

This term sheet (this "**Second Lien Exit Facility Term Sheet**") sets forth the principal terms of a second lien exit term facility to be provided to VIP Cinema Holdings, Inc., as borrower and a reorganized Debtor. Capitalized terms used herein but not defined have the meaning ascribed to such terms in the Restructuring Support Agreement (the "**Restructuring Support Agreement**") to which this Second Lien Exit Facility Term Sheet is attached and Exhibits B and C attached to the Restructuring Support Agreement.

SUMMARY OF PRINCIPAL TERMS	
Borrower	Same as the Borrower under Exhibit C.
Guarantors	The obligations with respect to the Second Lien Exit Facility shall be unconditionally guaranteed by the same entities that are guarantors with respect to the First Lien Exit Facility.
Administrative Agent and Collateral Agent	Wilmington Savings Fund Society, FSB, a federal savings bank, as administrative agent and collateral agent (in such capacities, the "**Second Lien Exit Agent**").
Second Lien Exit Lenders	Initially the First Lien Exit Lenders will act as lenders under the Second Lien Exit Facility (together with their permitted assignees, the "**Second Lien Exit Lenders**").
Amount & Type of Second Lien Exit Term Facility	A senior secured second lien term loan facility (the "**Second Lien Exit Facility**" and, the loans thereunder, the "**Second Lien Exit Term Loans**") in an aggregate principal amount of up to $20 million. On the Emergence Date, the aggregate principal amount of the Roll-Up Loans under the DIP Credit Agreement shall be converted into the Second Lien Exit Term Loans. Once repaid, Second Lien Exit Term Loans may not be reborrowed.
Maturity Date	The Second Lien Exit Term Facility will mature on the date that is 6 years following the Emergence Date (the "**Second Lien Maturity Date**").
Use of Proceeds	The Second Lien Exit Term Loans will be used to refinance the Roll-Up Loans in full.
Interest Rate	The Second Lien Exit Term Loans will bear interest at 10.00% per annum and will be payable in kind; provided that if the Borrower's EBITDA is equal to or greater than $20,000,000 as of the most recently ended four fiscal quarter period, a portion of the interest payable on any interest payment date will be payable in cash in an amount equal to 1.50% per annum.
Default Interest	Upon the occurrence and during the continuation of an event of default, unless otherwise waived by the Required Second Lien Lenders, all obligations will bear interest at (i) in the case of principal and interest, a rate equal to 2.00% per annum, plus the otherwise applicable rate to the relevant First Lien Exit Term Loans and (ii) in the case of all other amounts, at a rate equal to 2.00% per annum plus the rate applicable to First Lien Exit Term Loans that are ABR loans.
Amortization	None. The aggregate principal amount of the Second Lien Exit Term Loans shall be payable in full on the Second Lien Maturity Date.

Incremental Facilities	None.
Fees	*Second Lien Exit Agent Fees*: To be set forth in a separate fee letter agreement between the Second Lien Exit Agent and the Borrower.
Mandatory Prepayments	Substantially the same as the applicable provisions under the First Lien Exit Loan Documents; provided that no mandatory prepayments with respect to the Second Lien Exit Term Loans shall be permitted or required until after the payment in full of the obligations under the First Lien Exit Facility; provided, further that the Borrower shall use the proceeds declined by the First Lien Exit Lenders to offer to prepay the Second Lien Exit Term Loans, and any prepayment amount declined by a Second Lien Exit Lender shall be re-offered to non-declining Second Lien Exit Lenders. If any non-declining Second Lien Exit Lenders elect not to accept their pro rata share of such re-offered prepayment amount, such amounts may be retained by the Borrower.
Voluntary Prepayments	The Borrower may prepay the Second Lien Exit Term Loans, in whole or in part, in minimum amounts to be agreed, subject to notice and other requirements to be agreed; provided that no prepayments of Second Lien Exit Term Loans shall be permitted or required until after payment in full of the obligations under the First Lien Exit Facility.
Second Lien Exit Term Facility Documentation	The Second Lien Exit Term Facility will be evidenced by a (a) credit agreement (the "**Second Lien Exit Credit Agreement**") based on the First Lien Exit Credit Agreement (with such modifications as are necessary to reflect the terms set forth in this Second Lien Exit Facility Term Sheet (including the fixed interest rate) and the nature of the Second Lien Exit Term Facility as junior lien exit facility and to reflect (i) administrative agency and operational matters of the Second Lien Exit Agent, (ii) EU and UK bail-in provisions, (iii) Delaware limited liability company division provisions, (iv) beneficial ownership certification, (v) QFC stay rules and (vi) other modifications (including (x) adjustments to dollar baskets and dollar thresholds for negative covenants, events of default and other threshold amounts set forth therein to reflect a cushion of at least 15.0% to the corresponding baskets and thresholds under the First Lien Exit Loan Documents and (y) adjustments to baskets and thresholds based on a financial ratio to reflect a cushion to be agreed to the corresponding baskets and thresholds under the First Lien Exit Loan Documents) as may be reasonably agreed among the Second Lien Exit Agent, the Second Lien Exit Lenders and the Borrower the "**Second Lien Documentation Principles**"), (b) security documents and (c) other legal documentation (collectively, together with the Second Lien Exit Credit Agreement and security documents, the "**Second Lien Exit Loan Documents**"), which Second Lien Exit Loan Documents shall be in form and substance consistent with the Second Lien Documentation Principles and otherwise satisfactory to the Second Lien Exit Agent, the Second Lien Exit Lenders and the Borrower.
Collateral/Intercreditor Agreement	Same as the First Lien Exit Facility but, with respect to lien priority, on a second lien basis. With respect to guarantee and collateral matters, to the extent any matter requires the exercise of discretion by both the First Lien Exit Agent and the Second Lien Exit Agent, the decision made by the First Lien Exit Agent shall be binding on the Second Lien Exit Agent.
Excluded/Unrestricted Subsidiaries	Same as the First Lien Exit Facility.

Representations and Warranties	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents.
Affirmative Covenants	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents.
Negative Covenants	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents. The Second Lien Exit Facility shall include a customary anti-layering covenant.
Financial Covenants	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents.
Events of Default	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents; provided that obligations under the Second Lien Exit Loan Documents shall only cross accelerate, but not otherwise cross default, to the obligations under the First Lien Exit Facility.
Conditions Precedent to Closing	The closing of the Second Lien Exit Term Facility will be subject to satisfaction of the following: (a) all of the representations and warranties in the Second Lien Exit Loan Documents shall be true and correct in all material respects (or if qualified by materiality or material adverse effect, in all respects) as of the date of such extension of credit, or if such representation speaks as of an earlier date, as of such earlier date; (b) no default or event of default under the Second Lien Exit Term Facility shall have occurred and be continuing or would result from such extension of credit; (c) delivery of a customary borrowing notice; and (d) the occurrence of those conditions listed on Annex I hereto. "**Emergence Date**" shall mean the date on which all conditions listed in this paragraph and in Annex I shall have been satisfied and the Second Lien Exit Term Facility shall have been funded (or be deemed to have been funded) in full.
Voting/Required First Lien Lenders	Subject to the Second Lien Documentation Principles, same as applicable provisions under the First Lien Exit Loan Documents. Second Lien Exit Lenders holding more than 50% of the outstanding principal amount of the First Lien Exit Term Loans are referred to herein as the "**Required Second Lien Lenders**."
Fees and Expenses & Indemnification	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents.
Assignments and Participations	Subject to the Second Lien Documentation Principles, same as the applicable provisions under the First Lien Exit Loan Documents; provided that in no event shall the Borrower be permitted to purchase Second Lien Exit Term Loans until after payment in full of the obligations under the First Lien Exit Facility.
Other Provisions	The First Lien Exit Loan Documents shall include customary provisions regarding increased costs, illegality, tax indemnities, waiver of trial by jury and other similar

	provisions substantially the same as the applicable provisions in the First Lien Exit Loan Documents.
Governing Law	The laws of the State of New York (excluding the laws applicable to conflicts or choice of law).
Counsel to First Lien Exit Agent	Wilmer Cutler Pickering Hale and Dorr LLP
Counsel to the Initial Second Lien Exit Lenders	Davis Polk & Wardwell LLP

Annex I

ADDITIONAL CONDITIONS TO CLOSING

The borrowing (or deemed borrowing) under the Second Lien Exit Term Facility shall be subject to the following additional conditions precedent:

1. A final non-appealable order of the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") confirming the plan of reorganization approved by the proponents of such plan in accordance with the Restructuring Support Agreement (the "**Confirmation Order**"), which shall not have been reversed, vacated, amended, supplemented or otherwise modified and authorizing the Borrower to execute, deliver and perform under all documents contemplated under the Second Lien Exit Loan Documents shall have been entered and shall have become a final order of the Bankruptcy Court.

2. The execution and delivery by each of the Loan Parties of (i) the Second Lien Exit Loan Documents (including the Intercreditor Agreement (which may be in the form of an acknowledgement by the Loan Parties) (it being understood and agreed that this condition shall be satisfied in the case of the Second Lien Exit Credit Agreement if executed by the Loan Parties and the Second Lien Exit Agent)), (ii) customary legal opinions, customary evidence of authorization, customary officer's certificates, good standing certificates (to the extent applicable) in the jurisdiction of organization of each Loan Party, (iii) a solvency certificate executed by the chief financial officer or other officer of equivalent duties and (iv) all documents and instruments required to create and perfect the Second Lien Exit Agent's security interests in the Collateral under the Second Lien Exit Term Facility which shall be, if applicable, in proper form for filing (it being understood and agreed that mortgages or amended mortgages may be provided within a number of days to be agreed after the Emergence Date).

3. The Second Lien Exit Agent shall have received (i) audited consolidated balance sheets and related statements of income and cash flows of the Borrower and its subsidiaries for the fiscal years ended December 31, 2019; provided that if the Emergence Date shall have occurred prior to 180 days after December 31, 2019, this clause (i) shall be deemed satisfied by delivery of unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its subsidiaries for the fiscal year ended December 31, 2019, (ii) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its subsidiaries for each subsequent fiscal quarter (other than fiscal year end) ended at least 45 days before the Emergence Date, (iii) copies of satisfactory interim unaudited financial statements for each month ended since the last audited financial statements for which financial statements are available and will include each month ended at least 30 days before the Emergence Date, (iv) projected monthly balance sheets, income statements, statements of cash flows of the Loan Parties and their subsidiaries on a consolidated basis for the period beginning on the Emergence Date through the first anniversary of the Emergence Date, in each case as to the projections, with the results and assumptions set forth in all of such projections in form and substance reasonably satisfactory to the Required Second Lien Lenders, and an opening pro forma consolidated balance sheet for the Loan Parties in form and substance acceptable to the Required Second Lien Lenders, (v) projected quarterly balance sheets, income statements, statements of cash flows and availability of the Loan Parties and their subsidiaries on a consolidated basis for the period beginning on the first anniversary of the Emergence Date through the fifth anniversary of the Emergence Date, in each case as to the projections, with the results and assumptions set forth in all of such projections and (vi) any updates or modifications to the projected financial statements of the Loan Parties and their subsidiaries previously received by the Second Lien Exit Agent.

4. The Second Lien Exit Agent shall have received, at least three (3) business days prior to the Emergence Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and, to the extent the Borrower qualifies as a "legal entity customer" under

the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower, that has been requested in writing by the Second Lien Exit Lenders at least five (5) business days prior to the Emergence Date.

5. All fees required to be paid to the Second Lien Exit Agent and the Second Lien Exit Lenders on the Emergence Date and reasonable and documented out-of-pocket expenses (including legal expenses) required to be paid to or for the benefit of the Second Lien Exit Agent and the Second Lien Exit Lenders on the Emergence Date, to the extent invoiced at least one (1) business days prior to the Emergence Date, shall, upon the initial borrowing (or deemed borrowing) of the First Lien Exit Term Facility, have been paid.

6. All necessary governmental and third party approvals, consents, licenses and permits in connection with the Second Lien Exit Facility and the operation by the Borrower of its business shall have been obtained and remain in full force and effect.

7. Other than the Cases, as of the Emergence Date, there shall not be any Litigation pending or known by Loan Parties to be threatened against any Loan Party drawing into question any credit transaction contemplated by Second Lien Exit Facility, or that could reasonably be expected to have a material adverse effect.

8. Since the date of approval of the disclosure statement with respect to the Acceptable Plan of Reorganization, other than the Cases, there shall not have occurred any event, change, occurrence or circumstance that, individually or in the aggregate, has had or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Loan Parties and their subsidiaries, taken as a whole.

9. The First Lien Exit Term Facility shall have become effective and shall be consistent in all respects with the First Lien Exit Term Facility Term Sheet as reviewed and agreed by to by the Second Lien Exit Lenders in accordance with the Restructuring Support Agreement.

Exhibit E

Preferred Equity Term Sheet

EXECUTION VERSION

VIP CINEMA HOLDINGS, INC.

Preferred Equity Term Sheet

This term sheet ("***Term Sheet***") describes the principal terms of the preferred equity instrument to be issued in connection with the Restructuring. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Restructuring Support Agreement to which this Term Sheet is attached as Exhibit E thereto.

Reorganized Issuer:	Holdings, or such other type of Delaware entity as is reasonably acceptable to the Requisite Consenting First Lien Lenders and the Consenting Second Lien Lender (it being understood that if such entity is not a Delaware corporation, the organizational documents of such entity will provide that the officers and directors (or persons of a similar nature) of such entity will have the same fiduciary duties as officers and directors of a Delaware corporation) (the "***Company***" and the constituent governance documents of such Company, the "***organizational documents***").
Security:	Series A Non-Voting Preferred Stock (non-convertible), par value $0.0001 per share (each such share, a "***Preferred Share***" and collectively, the "***Preferred Shares***", and each holder thereof, a "***Preferred Holder***").
Liquidation Preference Amount:	$69.0 million ($[●] per share) (the "***Initial Aggregate Liquidation Preference Amount***", and on a per share basis, the "***Initial Liquidation Preference Amount***"), subject to appropriate adjustment for any stock dividends, splits, combinations and similar events affecting the Preferred Shares.
Seniority:	With respect to dividends and rights upon a Liquidation Event (as defined below), the Preferred Shares will be senior to (i) all common shares and (ii) all other present and future classes or series of capital stock unless their terms specify otherwise.
Issue Date:	Preferred Shares will be issued on the effective date of the Restructuring (the "***Issue Date***").
Issue price per share:	100% of the Initial Liquidation Preference Amount.
Maturity:	The Preferred Shares will be perpetual and redeemable only on the terms set forth herein.
Redemption:	The Preferred Shares will not be redeemable by a Preferred Holder. There will be no mandatory redemptions by the Company, except that in connection with any initial public offering of the Company, the Company shall, upon and as a condition to the closing of such offering, redeem all of the outstanding Preferred Shares at a redemption price per share thereof equal to the Liquidation Preference Amount (as defined below), plus all accrued and unpaid dividends through the redemption date, in cash.

	In addition, the Company may redeem Preferred Shares at any time, from time to time, in whole or in part, on a pro rata basis, at a redemption price per share equal to the Liquidation Preference Amount, plus all accrued and unpaid dividends through the redemption date, in cash.
Dividends; Dividend Rate:	Dividends will accumulate at an annual rate of 6.0% (the "***Dividend Rate***") on a daily basis from the Issue Date and will be payable on a quarterly basis in kind on March 31, June 30, September 30 and December 31 of each year, commencing on the first dividend payment date following completion of the Restructuring (each such date of payment, a "***Dividend Payment Date***"). On each Dividend Payment Date, dividends will be paid by compounding such dividends with the effect that an additional dividend shall accrue on each outstanding Preferred Share at a rate per annum equal to the Dividend Rate on the amount so compounded until such amount is actually paid in full (the Initial Aggregate Liquidation Preference Amount, together with all such compounded dividends, being the "***Aggregate Liquidation Preference Amount***", and on a per share basis, the "***Liquidation Preference Amount***"). Dividends shall be calculated on the basis of the actual days elapsed in a year of 360 days.
Liquidation:	Upon a Liquidation Event, the Preferred Shares will be entitled to receive, before the payment or distribution of the Company's assets or the proceeds thereof is made to the holders of any junior securities, in respect of each Preferred Share the Liquidation Preference Amount (subject to appropriate adjustment for any stock dividends, splits, combinations and similar events), plus all accrued and unpaid dividends owed with respect to such Preferred Share as of the date of the payment of the Liquidation Preference Amount. Any (a) liquidation, dissolution or winding up of the Company, (b) sale of all or substantially all assets of the Company, (c) merger or consummation by the Company of another change in control transaction, in each case in this clause (c), in which the holders of the common shares prior to such transaction own in the aggregate less than 50% of the common shares in the purchasing entity after such transaction, or (d) bankruptcy or insolvency event with respect to the Company (including any material subsidiary) will constitute a "***Liquidation Event***" unless the holders of a majority of the then outstanding Preferred Shares, voting as a separate class, elect not to treat such transaction as a Liquidation Event.
Consent Rights:	No voting rights except as set forth below. Each of the following actions by the Company or any of its subsidiaries (or any agreement or commitment to do so) shall require the affirmative vote or written consent of the Preferred Holders holding more than 50% of the outstanding Preferred Shares at such time, voting as a separate class: • any incurrence of indebtedness for borrowed money (other than indebtedness in an amount not to exceed the greater of (i) the maximum amount of borrowings permitted under the Exit Facilities Credit Agreements and (ii) such amount of borrowings as would not result in a

	pro forma leverage ratio (based on adjusted EBITDA) at the time of issuance of greater than 5.00:1.00); • any related party transactions with the Investor or one or more of its affiliates that is not on arm-length's terms; • any material change to the nature of the business; • any change in the entity classification of the Company; • any Liquidation Event, unless the Preferred Holders would receive an aggregate amount in connection therewith equal to the liquidation preference of the outstanding Preferred Shares at such time (including any accrued and unpaid dividends thereon); • any dividends or distributions on any equity interests of the Company that are junior to the Preferred Shares, other than dividends or distributions in the form of equity interests that are junior to the Preferred Shares; • any issuance of any equity interests of the Company ranking senior to, or pari passu with, the Preferred Shares with respect to the right to receive assets of the Company in connection with any dividend or other distribution by the Company or any Liquidation Event; • any redemption or repurchase of any equity interests of the Company that are junior to the Preferred Shares, other than redemptions of any equity interests of the Company held by any director, officer or employee of the Company or any of its subsidiaries in connection with such individual's termination of employment or service for a purchase price no higher than fair market value and otherwise on terms approved by the board of directors of the Company (the "***Board***"); and • changes to the preferred stock terms that adversely affect the powers, preferences or rights of the Preferred Holders; provided that neither the creation of a new class or series that is junior to the Preferred Shares or the increase of the number of any existing or new class or series of equity interests of the Company which are junior to the Preferred Shares nor the issuance by the Company of any such series or class of equity interests of the Company shall be deemed to adversely affect the Preferred Holders. The Dividend Rate then in effect will automatically increase by 2.0% (i.e., to an annual rate of 8.0%) for any period during which an Event of Default (as defined below) has occurred and is continuing; provided the Dividend Rate will immediately and automatically reset to 6.0% after all Events of Defaults have been cured. "***Event of Default***" means the taking of any action by the Company or any of its subsidiaries that requires the consent of the Preferred Holders as set forth above, if such action was taken without such consent.

Board Representation:	Preferred Holders will have the right to designate one director to the Board (the "***Preferred Designation Right***"), who will be elected by the affirmative vote or written consent of Preferred Holders holding more than 50% of the outstanding Preferred Shares, voting as a separate class; provided, that the Preferred Designation Right shall irrevocably terminate at such time as the Preferred Shares outstanding have an Aggregate Liquidation Preference Amount equal to less than 50% of the Initial Aggregate Liquidation Preference Amount. After the termination of the Preferred Designation Right as set forth in the paragraph above, the holders of at least 66-2/3% of the outstanding common shares (excluding common shares then-held by the Investor) shall have the right to designate one director to the Board in replacement of the director who would have otherwise been designated and elected by the Preferred Holders pursuant to the Preferred Designation Right. In addition, shareholders holding more than 4% of the outstanding common shares shall have the right to appoint an observer to the Board; provided, however, that at no time shall the number of board observers designated by holders of common shares in their capacity as such and pursuant to the preceding right exceed two observers.
Other Provisions:	Preferred Holders have no conversion, exchange, sinking fund, redemption or appraisal rights (except for the mandatory redemption right in connection with any initial public offering of the Company as set forth herein), have no registration rights upon an IPO, and have no rights of first refusal or preemptive rights to subscribe for any securities or indebtedness of the Company. The Preferred Holders will be subject to the restrictions on transfer and drag-along right set forth in the Summary of Principal Terms of Governance and Related Rights.

Exhibit F

Corporate Governance Term Sheet

EXECUTION VERSION

Summary of Principal Terms of Governance and Related Rights

This summary of principal terms (this "Term Sheet") is a description of certain proposed terms for the Stockholders' Agreement (the "Stockholders' Agreement") to be entered into by and among the Company (as defined in the Preferred Equity Term Sheet) and the Company Shareholders (as defined below) effective upon the closing (the "Closing") of the proposed transactions contemplated by the Plan (the "Transaction"). For the purposes of this Term Sheet, "Common Holders" shall mean, collectively, the holders of Common Shares from time to time. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Restructuring Support Agreement to which this Term Sheet is attached as Exhibit F thereto.

Parties:	The Company and the Company Shareholders.
Capital Structure:	The Company's issued capital stock will initially consist of: • one class of common stock, par value $0.0001 per share (each such share, a "Common Share" and collectively, the "Common Shares"); and • one class of non-voting preferred stock, par value $0.0001 per share (each such share, a "Preferred Share" and collectively, the "Preferred Shares", and such holders thereof collectively, the "Preferred Holders", and together with the Common Holders, the "Company Shareholders"), on the terms set forth in the Preferred Equity Term Sheet.
Board of Directors:	The Board of Directors (the "Board") of the Company shall consist of seven (7) members (each, a "Director") and shall consist of (i) four (4) members designated by the Investor, (ii) the Chief Executive Officer of the Company, (iii) one (1) member selected by the Consenting Second Lien Lender; and (iv) one (1) member selected by the Preferred Holders or the Common Holders, as set forth in the Preferred Equity Term Sheet. Board designation rights of the Consenting Second Lien Lender shall be transferable by the Consenting Second Lien Lender to any transferee of all of the Common Shares owned by the Consenting Second Lien Lender. Subject to certain exceptions to be agreed upon, each committee of the Board and each of the board of directors (or its equivalent) of any subsidiary of the Company (or any committee thereof) will have the same composition as the Board.

	Directors that are not employees of the Company may receive compensation (if any) in respect of their service on the Board or any committee thereof as the Board shall approve from time to time, and each Director shall be entitled to customary reimbursement by the Company of expenses incurred by such Director in connection with attending or participating in Board or committee meetings or otherwise carrying out his or her services as a Director, as determined by the Board.
Governance:	All decisions of the Board referenced herein shall require the approval of a majority of the Board. The Board may act either at a duly called meeting or by unanimous written consent. Board meetings may be held upon 24 hours' advance notice to all Directors and may be conducted by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Subject to certain approval rights of the Common Holders (described below) and Preferred Holders (as set forth in the Preferred Equity Term Sheet), and except as otherwise required by law, the Board shall have full and complete authority, power and discretion to manage and control the business, affairs, properties and assets of the Company and its subsidiaries, and to make all decisions regarding such matters. Notwithstanding the foregoing, the approval of the Investor, so long as it holds a majority of all outstanding Common Shares, shall be required for the following matters: • merger, sale of all or substantially all assets of the Company or of any subsidiary, or consummation by the Company of a change in control transaction (a "Sale Transaction") or entry by the Company into any agreement providing for any of the foregoing; • registration of any Company securities under the Securities Exchange Act of 1934; • an IPO or other registered public offering of the Company's capital stock; • listing of any Company securities on a national securities exchange or OTC marketplace; • entry into, or a material amendment or renewal of, any agreement, arrangement or transaction with (i) any affiliate of the Company or (ii) any owner of five percent

	(5%) or more of the capital stock of the Company, or an affiliate or related fund of such owner; • entry into a new line of business; • other than arrangements entered into or amended in the ordinary course of business consistent with past practices, any material acquisition or disposition (in one transaction or a series of related transactions) of any assets or business of the Company or of any of its subsidiaries; and • any change in the Company or any of its subsidiaries' tax elections. In addition, (A) the Company shall not change its entity classification for tax purposes, and (B) the Company shall not and shall not permit any of its subsidiaries to enter into, or amend or renew, any agreement, arrangement or transaction with (i) any affiliate of the Company or (ii) any owner of five percent (5%) or more of the capital stock of the Company, or an affiliate or related fund of such owner, unless (x) the change in entity classification is approved by the holders of a majority of the Common Shares that are not owned or controlled by the Investor or (y) the agreement, arrangement, transaction, amendment or renewal, as applicable, is approved by the holders of a majority of the Common Shares that are not owned or controlled by any holder of Common Shares that is or is affiliated with or a related fund of the person or entity involved in such agreement, arrangement, transaction, amendment or renewal; provided, that any such agreement, arrangement, transaction, amendment or renewal that is on fair market value terms, as determined by a majority of the disinterested Directors, shall not be subject to such approval. Any Director that was designated by a holder of Common Shares that is or is affiliated with or a related fund of the person or entity involved in any such agreement, arrangement, transaction, amendment or renewal shall not constitute a disinterested Director for purposes of determining whether such agreement, arrangement, transaction, amendment or renewal is on fair market value terms. When determining the percentage of shares owned by the Investor and when determining whether other thresholds under this Term Sheet have been met (e.g., whether a Company Shareholder is a Principal Investor (as defined below)) any shares or other securities issued pursuant to the MIP (or any successor or similar plan) shall be excluded.

General Transfer Restrictions:	The capital stock of the Company will be freely transferrable without Company consent, subject to compliance with applicable securities laws and the restrictions described below. The following transfers shall be prohibited: • any transfer of capital stock of the Company that would result in the triggering of an SEC reporting obligation by the Company; and • any transfer of capital stock of the Company to any direct competitor of the Company or the parties listed on Exhibit A (collectively, the "Prohibited Holders"), other than any such transfer (i) made with the prior written consent of the Board or (ii) pursuant to the tag-along rights or the drag-along rights described below; provided, that no Company Shareholder that is party to the Stockholders' Agreement or any of its affiliates (including affiliated funds) shall be deemed a competitor of the Company.
Tag-Along Rights:	Each Common Holder owning more than two and one-half percent (2.5%) of the outstanding Common Shares (such Common Holders, the "Principal Investors") shall have the right to sell its Common Shares on a proportionate basis, or "tag-along", in any sale (or series of sales) of Common Shares by one or more Common Holders (so long as such Common Holders, together with its affiliates, own more than fifty percent (50%) of the outstanding Common Shares) (the "Tag-Along Common Sellers") to an unaffiliated third party (a "Common Acquirer"); provided, that such Common Acquirer shall be required to make an offer to purchase from each Principal Investor a portion of such Principal Investor's Common Shares (based on the percentage of outstanding Common Shares to be sold) on the same terms offered to the Tag-Along Common Sellers; provided, further, that such tag-along rights shall not apply to (x) a transfer as part of an underwritten public offering pursuant to an SEC registration statement for which piggyback registration rights apply, (y) a transfer to any affiliate of the transferor or (z) a transfer pursuant to the drag-along rights. Each Preferred Holder shall have the right to sell its Preferred Shares on a proportionate basis, or "tag-along", in any sale (or series of sales) by one or more Preferred Holders (so long as such selling Preferred Holders, together with its/their affiliates, own more than fifty percent (50%) of the outstanding Preferred Shares) (the "Tag-Along Preferred Sellers") to an unaffiliated third party (a "Preferred Acquirer"); provided, that such Preferred Acquirer shall be required to make an offer to purchase from each Preferred Holder a portion of such Preferred Holder's Preferred Shares (based on the percentage of outstanding Preferred Shares

	to be sold) on the same terms offered to the Tag-Along Preferred Sellers; provided, further, that such tag-along rights shall not apply to (x) a transfer to any affiliate of the transferor or (y) a transfer pursuant to the drag-along rights.
Drag-Along Rights:	Subject to the consent rights of the Preferred Holders as set forth in the Preferred Equity Term Sheet, (a) the Investor, so long as it holds more than 25% of all outstanding Common Shares, and (b) Common Holders holding a majority of all outstanding Common Shares, shall each have the right to effect, and to cause the Company and each of the Company Shareholders to consent to and participate in, a sale of the Company to an unaffiliated third party (whether by merger, consolidation or sale of all or substantially all of the assets or equity interests and whether in one or a series of transactions), without the approval of any of the Company Shareholders, subject to customary protections for such Company Shareholders, including that the purchase price for such sale shall be in cash or publicly traded securities not subject to any contractual restrictions on transfer from and after the consummation thereof and no requirement that any of the Company Shareholders enter into, or agree to, any non-competition, non-solicitation or other restrictive covenants.
Preemptive Rights:	Prior to an IPO, the Principal Investors shall have *pro rata* preemptive rights to acquire capital stock or other equity securities of the Company or any of its subsidiaries issued by the Company or any of its subsidiaries, except for issuances: (i) in connection with the exercise of options or warrants, or conversion of convertible securities, that were issued in compliance with the preemptive rights, (ii) in connection with acquisitions of unaffiliated third parties to the unaffiliated selling entity or equityholders of such unaffiliated third parties; (iii) to lenders that are not affiliates of the Company in connection with the incurrence of debt, (iv) to joint venture partners in connection with a joint venture with parties that are not affiliates of the Company, (v) pursuant to a public offering, (vi) in connection with stock splits, combinations, dividends or similar actions and (vii) to employees and directors of the Company pursuant to a Board approved plan or agreement; provided, that in the case of clauses (i) - (iv), subject to an aggregate cap of ten percent (10%) of the outstanding Common Shares as of such date (unless such issuance is approved by a majority of the Directors not appointed by the Investor).

Information Rights:	The Company shall provide each Company Shareholder with customary information and access rights ("Information Rights") so long as such Company Shareholder is not a Prohibited Holder.
	
	For the Company Shareholders, "Information Rights" shall at a minimum, include the following:
	
	• For all Company Shareholders, copies of (or access to a virtual data room which includes):
	  ◦ audited annual financial statements as soon as provided to the Company's lenders and in no event later than 120 days of year-end;
	  ◦ quarterly financial statements as soon as provided to the Company's lenders and in no event later than 75 days of quarter-end; and
	  ◦ monthly financial statements as soon as provided to the Company's lenders and in no event later than 60 days of month-end.
	• All Company Shareholders shall receive an invitation to an annual MD&A conference call with members of the Company's senior management.
	• The Principal Investors shall have customary inspection rights over the Company's books and records.
	
	In addition, Company Shareholders shall be permitted to provide prospective purchasers of the capital stock of the Company with access to Company information previously provided to such Company Shareholder pursuant to the Information Rights set forth in the first bullet point of this section for the purpose of evaluating such acquisition of capital stock of the Company so long as (a) such prospective purchaser is not a Prohibited Holder, (b) such prospective purchaser executes and delivers a confidentiality agreement in form and substance reasonably acceptable to the Company, and (c) each Company Shareholder holding less than 4% of the outstanding Common Shares may only provide such information to two prospective purchasers in any twelve month period.

Indemnification:	In addition to any indemnification obligations set forth in the Plan, the Company shall indemnify, defend and hold harmless its and its subsidiaries' current or former directors,

	managers and officers (collectively, "Representatives") from any and all losses, costs, claims, liabilities, damages or expenses (including the advancement of legal fees and expenses) arising from stockholder and third party claims relating to such Representatives' service to or on behalf of the Company or its subsidiaries, subject to customary exceptions, including, but not limited to, fraud, willful misconduct, and gross negligence.
IPO Demand Rights:	Common Holders holding a majority of all outstanding Common Shares shall have the right to effect, and to cause the Company and each other Common Holder to consent to, an IPO resulting in gross proceeds to the Company and the Company Shareholders of at least $200 million and the Common Shares being listed on the NYSE or Nasdaq (a "Qualified IPO"), without the approval of any other Company Shareholders.
Registration Rights:	Following an initial public offering of the Company's capital stock, the Principal Investors shall have customary demand registration rights, shelf registration rights and piggyback rights, and would be subject to customary lock-up obligations in connection with all offerings. Additionally, the Common Holders who are not Principal Investors also shall have customary piggyback rights.
Corporate Opportunities:	The Company Shareholders and their respective Board designees and affiliates shall have no obligation to present corporate opportunities to the Company or any of its subsidiaries, nor any obligation to refrain from competing with the Company or any of its subsidiaries.
Termination:	Upon (i) the closing of a Qualified IPO or (ii) the consummation of a Sale Transaction, the transfer restrictions, drag-along rights, tag-along rights and all special rights provisions in the organizational documents will terminate other than, in the case of the registration rights provisions.
Amendments to Organizational Documents:	Amendments or waivers to the Stockholders' Agreement shall require the approval of at least three Common Holders that (a) are not affiliated with, or related funds of, one another, (b) that together own at least 55% of the outstanding Common Shares and (c) each of which owns at least 0.5% of the outstanding Common Shares; provided, that amendments or waivers that are materially and disproportionately adverse to one or more Common Holders (each, an "Affected Common Holder") relative to any of the other Common Holders must be approved by Affected Common Holders holding, in aggregate, a majority of all outstanding Common

	Shares owned by the Affected Common Holders. In addition, the amendments or waivers to the Stockholders' Agreement that affect the rights of the Preferred Holders shall require the approval of Preferred Holders holding at least a majority of the outstanding Preferred Shares. The Company's certificate of incorporation and bylaws, including any amendments thereof or supplements thereto, shall not include any provisions that are inconsistent with the terms of the Stockholders' Agreement.
No Side Letters	As of the date of the Stockholders' Agreement, the Company Shareholders will represent that other than the transaction documents, there exist no other side letters, agreements or other arrangements relating to an investment in the Company by, among or between (i) the Company or any of its subsidiaries, on the one hand, and any Company Shareholder or any of its affiliates, on the other hand, or (ii) any Company Shareholder or any of its affiliates, on the one hand, and any other Company Shareholder or any of its affiliates, on the other hand.

Exhibit G

Management Incentive Plan

Management Incentive Plan

Exit EBITDA		$30.0	$30.0	$35.0	$35.0	$41.0	$41.0	$41.0	$41.0	$41.0
Exit Multiple		6.2x	6.8x	6.4x	7.0x	6.5x	7.0x	7.3x	7.5x	8.0x
Enterprise Value		**$184.5**	**$205.0**	**$225.5**	**$246.0**	**$266.5**	**$287.0**	**$300.0**	**$307.5**	**$328.0**
Less: Transaction Fees		(7.4)	(8.2)	(9.0)	(9.8)	(10.7)	(11.5)	(12.0)	(12.3)	(13.1)
Less: Est. New Money Loans		-	-	-	-	-	-	-	-	-
Less: Est. Rollover Loans		(32.3)	(32.3)	(32.3)	(32.3)	(32.3)	(32.3)	(32.3)	(32.3)	(32.3)
Plus: Est. Cash		54.2	54.2	61.0	61.0	69.3	69.3	69.3	69.3	69.3
Less: Preferred Equity		(92.5)	(92.5)	(92.5)	(92.5)	(92.5)	(92.5)	(92.5)	(92.5)	(92.5)
Less: Management Pool		-	-	-	-	-	-	-	-	-
Common Equity for Distribution		**$106.5**	**$126.2**	**$152.7**	**$172.4**	**$200.3**	**$220.0**	**$232.5**	**$239.7**	**$259.3**
Common Equity Breakdown	Pre-Dilution	Fully Diluted								
HIG	51.0%	44.8%	43.8%	42.5%	41.6%	40.3%	39.5%	39.2%	39.2%	39.2%
1st Lien	23.0%	20.2%	19.8%	19.2%	18.7%	18.2%	17.8%	17.7%	17.7%	17.7%
2nd Lien	25.0%	22.0%	21.5%	20.8%	20.4%	19.8%	19.4%	19.2%	19.2%	19.2%
Michael Blatz	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Management	-	12.0%	14.0%	16.5%	18.3%	20.7%	22.4%	23.0%	23.0%	23.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
1st Lien Lenders	At Close									
New Money Loans + Interest	$11.0	$13.2	$13.2	$13.2	$13.2	$13.2	$13.2	$13.2	$13.2	$13.2
Roll-Up Loans + PIK Interest	$20.0	32.3	32.3	32.3	32.3	32.3	32.3	32.3	32.3	32.3
Preferred Equity	$60.0	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4
Common Equity		21.5	24.9	29.3	32.3	36.4	39.2	41.1	42.3	45.8
Total		**$147.5**	**$150.9**	**$155.2**	**$158.3**	**$162.4**	**$165.1**	**$167.0**	**$168.3**	**$171.8**
Recovery % ($176M)		*83.8%*	*85.7%*	*88.2%*	*89.9%*	*92.3%*	*93.8%*	*94.9%*	*95.6%*	*97.6%*
2nd Lien Lenders	At Close									
Preferred	$2.0	$2.7	$2.7	$2.7	$2.7	$2.7	$2.7	$2.7	$2.7	$2.7
Common Equity		23.4	27.1	31.8	35.1	39.6	42.6	44.6	46.0	49.8
Total		**$26.1**	**$29.8**	**$34.5**	**$37.8**	**$42.3**	**$45.2**	**$47.3**	**$48.7**	**$52.5**
Recovery % ($47M)		*55.5%*	*63.4%*	*73.4%*	*80.4%*	*89.9%*	*96.3%*	*100.7%*	*103.6%*	*111.7%*
HIG $ Return	At Close									
Preferred	$7.0	$9.4	$9.4	$9.4	$9.4	$9.4	$9.4	$9.4	$9.4	$9.4
Common Equity		47.8	55.3	64.9	71.6	80.7	86.8	91.1	93.9	101.6
Total		**$57.1**	**$64.7**	**$74.3**	**$81.0**	**$90.1**	**$96.2**	**$100.5**	**$103.3**	**$111.0**
Recovery % ($70.5M)		*81.0%*	*91.7%*	*105.3%*	*114.9%*	*127.8%*	*136.4%*	*142.4%*	*146.4%*	*157.4%*
MOIC (Original + New)		*0.81x*	*0.92x*	*1.05x*	*1.15x*	*1.28x*	*1.36x*	*1.42x*	*1.46x*	*1.57x*
Management										
Value of Management Options		$12.7	$17.6	$25.2	$31.6	$41.6	$49.2	$53.4	$55.0	$59.5
Management Pool		-	-	-	-	-	-	-	-	-
Preferred Equity		-	-	-	-	-	-	-	-	-
Total		**$12.7**	**$17.6**	**$25.2**	**$31.6**	**$41.6**	**$49.2**	**$53.4**	**$55.0**	**$59.5**
Implied Management % of Equity (Pre-Pool)		*12.0%*	*14.0%*	*16.5%*	*18.3%*	*20.7%*	*22.4%*	*23.0%*	*23.0%*	*23.0%*
Michael Blatz Common Equity		*$1.1*	*$1.3*	*$1.5*	*$1.7*	*$2.0*	*$2.2*	*$2.3*	*$2.4*	*$2.6*

Commentary

- Management Options
  - 8.0% Time-Vested
  - 15.0% Performance-Vested, subject to H.I.G. MOIC targets (based on $70.5M)
    - Performance options "start" at 0.6x
    - Ramp up linearly to 15.0% at 1.4x
  - Targets $55M total pool value at base case ($41M of EBITDA @ 7.5x multiple)
  - 2-year cliff vest
- "Management Pool"
  - No management pool
- Preferred Equity
  - Management receives no Preferred Equity
- Other Assumptions
  - Assumes debt paydown / cash generation
  - Assumes exit transaction fees are 4% of TEV

Note: payout amounts above are presented on a pre-tax basis.
Note: assumes full vesting of time-vesting options.
Note: numbers represent value of the total option pool, which may not necessarily be fully awarded out.

Exhibit H

Provision for Transfer Agreement Joinder

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of [●], 2020 (the "**Agreement**"),[1] by and among the Company bound thereto and the Consenting Stakeholders, including the transferor to the Transferee of any Claims against, or Interests in, the Company (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions of the Agreement to the extent the Transferor was thereby bound, and shall be deemed a "Consenting Stakeholder" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of (or other actions taken in support of the Restructuring by) the Transferor if such vote was cast (or other action taken) before the effectiveness of the Transfer discussed herein.

Date Executed:

_____

Name:
Title:
Address:
E-mail:

Aggregate Amounts Beneficially Owned or Managed on Account of:	
First Lien Loans	$[●]
Second Lien Loans	$[●]
Other	$[●]

[1] Capitalized terms used but not otherwise defined herein shall having the meanings ascribed to such terms in the Agreement.

Exhibit I

Restructuring Support Agreement
Joinder

Restructuring Support Agreement Joinder

This joinder (this "**Restructuring Support Agreement Joinder**") to the Restructuring Support Agreement (the "**Agreement**"), dated as of [_], 2020, by and among: (i) HIG Cinema Intermediate Holdings, Inc., VIP Cinema Holdings, Inc., VIP Cinema, LLC, VIP Property Management II, LLC, VIP Components, LLC, and the (ii) the Consenting Stakeholders, is executed and delivered by [_____] (the "**Joining Party**") as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Restructuring Support Agreement Joinder as Annex A (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Consenting Stakeholders, as applicable.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the debt or equity interest identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 11 hereof to each other Party.

3. Governing Law. This Restructuring Support Agreement Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. DIP Commitment Election.

□ By checking this box on or before the Election Date, the Joining Party hereby represents and warrants that as of February [14], 2020 it held First Lien Loans in the amount set forth below, and hereby commits to provide a share of the DIP Facility on the terms and conditions consistent with the DIP Term Sheet, as applicable:

(A) Principal Amount of First Lien Loans: $_____

(B) Principal Amount of First Lien Loans set forth in (A) above divided by $[ ],[1] expressed as a percentage:

_____

[1] Outstanding principal amount of all First Lien Loans.

(C) Percentage of the DIP Facility the Joining Party hereby agrees to commit to, which shall not be greater than the percentage set forth in (B) above: _____

5. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING
PARTY]
[ADDRESS]
Attn:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Party has caused this Restructuring Support Agreement Joinder to be executed as of the date first written above.

[JOINING PARTY]

By: _____
Name:
Title:

Aggregate Amounts Beneficially Owned or Managed on Account of:	
First Lien Loans	$[●]
Second Lien Loans	$[●]
Other	$[●]

EXHIBIT C

Liquidation Analysis

LIQUIDATION ANALYSIS

Section 1129(a)(7) of title 11 of the United States Code (the "**Bankruptcy Code**") requires that each Holder of an Impaired Allowed Claim or Interest either (i) accept the Plan or (ii) receive or retain under the Plan, property of a value, as of the Effective Date, that is not less than the value such Holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan. This is referred to as the "Best Interests Test."

To demonstrate that the Plan satisfies the Best Interests Test under section 1129(a)(7), the Debtors[1] have prepared a hypothetical liquidation analysis (the "**Liquidation Analysis**"). The Liquidation Analysis estimates the realizable liquidation value of the Debtors' assets and estimates the distribution to creditors resulting from the liquidation. The Liquidation Analysis indicates that Holders of Allowed Claims in each Impaired Class will receive at least as much under the Plan as they would if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Therefore, the Debtors believe that the Plan satisfies the Best Interest Test set forth in section 1129(a)(7) of the Bankruptcy Code.

The Liquidation Analysis is predicated on the following assumptions: (a) the Debtors file a chapter 11 proceeding on February 17, 2020; (b) the Debtors obtain interim financing pursuant to the Interim DIP Order; (c) the chapter 11 case is subsequently converted to a chapter 7 case on March 31, 2020 (the "**Liquidation Date**") and a chapter 7 trustee (the "**Trustee**") is appointed to convert all assets into cash; (d) there are be no adequate protection Claims; and (e) all property of the Estates is encumbered.

The Liquidation Analysis is based on the Company's estimated book values as of December 31, 2019 unless otherwise noted. The book values are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date.

Under Chapter 7, the Debtors' assets would be subject to liquidation and values would be measured under an orderly liquidation value premise.

For purposes of this Liquidation Analysis, it is assumed that the Debtors' operations would cease immediately upon conversion to Chapter 7. The Trustee would then consolidate the Debtors' operations, retaining certain minimal operational, accounting, treasury, IT and other management services necessary to wind-down the estates, and to dispose of the available property of the Debtors' Estates by selling them piecemeal. The Trustee would commence a short two to three month marketing process, during which time all of the unencumbered property of the Debtors' Estates would be sold. The amount of proceeds available from the liquidation of the property of the Estates would be the net proceeds of property of the Estates that is not otherwise encumbered ("**Liquidation Proceeds**"). This Liquidation Analysis assumes that the Liquidation Proceeds would be distributed in accordance with section 726 of the Bankruptcy Code. After payment of the Liquidation Costs, the Liquidation Proceeds would be applied in the order of priority set forth

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[1] Capitalized terms used but not defined herein shall have the meanings set forth in the *Joint Chapter 11 Plan of Reorganization of VIP Cinema Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan").

in section 726 of the Bankruptcy Code: (i) first, to satisfy all prepetition secured debt; (ii) second, to satisfy Allowed Administrative Expense Claims; (iii) third, to satisfy any other Priority Claims; and (iv) fourth, to satisfy General Unsecured Claims.

The Liquidation Analysis does not include estimates for: (i) the tax consequences, either foreign or domestic, that may be triggered upon the liquidation and sale of property of the Debtors' Estates; (ii) environmental Claims resulting from the shut down or sale of the Company's manufacturing facilities; (iii) damages as a result of breach or rejection of obligations incurred and leases and executory contracts assumed or entered into; or (iv) recoveries resulting from any potential preference, fraudulent transfer or other litigation or avoidance actions. More specific assumptions are detailed in the Notes below.

Estimated recoveries in any hypothetical Chapter 7 liquidation is an uncertain process involving the extensive use of estimates and assumptions which, although considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors or the Trustee. These values have not been subject to any review, compilation or audit by any independent accounting firm. In the event of a Chapter 7 liquidation, the actual results may very materially from the estimates and projections set forth herein. Similarly, the actual amount of Allowed Claims in a Chapter 7 liquidation could materially and significantly differ from the amount of Claims estimated in this Liquidation Analysis.

LIQUIDATION ANALYSIS – SUMMARY OF RECOVERY

ILLUSTRATIVE ASSET RECOVERIES

($000's)	Net Book Value	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High	Note
GROSS RECOVERY PROCEEDS						
Cash and Cash Equivalents	$ 2,140	100.0%	100.0%	$ 2,140	$ 2,140	1
Restricted Cash and Collateral	300	83.2%	83.2%	250	250	
Accounts Receivable	8,361	44.2%	58.2%	3,694	4,862	
Inventory	10,554	29.0%	55.2%	3,060	5,825	
PP&E - Land and Buildings	8,894	52.8%	70.7%	4,699	6,290	
PP&E - Furniture, Fixtures, and Equipment	7,292	6.3%	12.8%	458	930	
Other Current Assets	573	0.0%	0.0%	-	-	
Prepaid Income Taxes	1,887	0.0%	0.0%	-	-	
Other Assets	321	0.0%	0.0%	-	-	
Technology	22,000	1.3%	10.1%	279	2,229	
Trade Name	10,323	0.0%	0.0%	-	-	
Goodwill	164,509	0.0%	0.0%	-	-	
TOTAL GROSS RECOVERY PROCEEDS	**$ 237,154**	**6.1%**	**9.5%**	**$ 14,580**	**$ 22,527**	
POST-PETITION PROCEEDS/EXPENSES						
Trustee Expenses				(437)	(451)	2
Wind-down / Trustee Professional Expenses				(796)	(642)	3
TOTAL POST-PETITION PROCEEDS/EXPENSES				**(1,233)**	**(1,093)**	
NET RECOVERY AVAILABLE FOR ALLOCATION				**$ 13,347**	**$ 21,434**	

SUMMARY OF CREDITOR RECOVERIES

	Claim Amount	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High	Note
($000's)						
DIP Loans						
DIP New Money Loan	$ 10,000	100.0%	100.0%	10,000	10,000	
DIP Loan (Pre-Petition Roll-up)	20,000	16.7%	57.2%	3,347	11,434	
Total DIP Loans	**30,000**	**44.5%**	**71.4%**	**13,347**	**21,434**	
Pre-Petition						
1st Lien Revolving Facility	20,000	0.0%	0.0%	-	-	
1st Lien Term Loan	124,375	0.0%	0.0%	-	-	4
2nd Lien Term Loan	45,000	0.0%	0.0%	-	-	
Ch. 11 Admin & Priority Claims	2,901	0.0%	0.0%	-	-	
Unsecured Claims	28,308	0.0%	0.0%	-	-	
Total Pre-Petition	**220,584**	**0.0%**	**0.0%**	**-**	**-**	
TOTAL RECOVERY	**$ 250,584**	**5.3%**	**8.6%**	**$ 13,347**	**$ 21,434**	

NOTES

1 Based on estimated cash balance at 3/31/2020
2 Trustee Fees include all fees paid to the Trustee, estimated at 3% (low recov.) and 2% (high recov.) of gross recovery proceeds
3 Includes operating wind-down expenses and professional fees
4 Assumes that $20 million of the $144 million pre-petition 1st Lien Term Loan is rolled into the DIP Loan

ASSETS[2]

1. **Cash, Cash Equivalents** include cash in the Debtors' domestic bank accounts, cash equivalents, and investments that mature within 90 days or less. The estimated recovery for this category of assets is 100%.

2. **Restricted Cash, and Collateral** include cash collateral held at CIBC, with an expected recovery of 83.2%.

3. **Accounts Receivable** is based on the book value of the accounts receivable as of February 10, 2020. Accounts receivable include all third-party trade accounts receivable. The liquidation of accounts receivable assumes that certain personnel from the Debtors would be maintained after the Liquidation Date to oversee an aggressive collection effort of outstanding trade accounts receivable for the Debtors and non-Debtor legal entities undergoing a liquidation of their individual assets in an orderly wind-down. The analysis takes into account collectability estimates for aged receivables as well as incremental Claims for damages resulting from customer disruptions, attempts by customers to setoff outstanding amounts owed to the Debtors against such Claims, and concessions that might be required to facilitate the collection of certain accounts. Recoveries range from 44% to 58%.

($000's)	Net Book Value	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High
Accounts Receivable:					
Current	$ 2,956	70.0%	85.0%	$ 2,069	$ 2,513
30 days	2,056	65.0%	80.0%	1,337	1,645
60 days	545	50.0%	75.0%	273	409
90 days	151	10.0%	20.0%	15	30
120 days	2,652	0.0%	10.0%	-	265
Other	-	0.0%	0.0%	-	-
Total	**$ 8,361**	**44.2%**	**58.2%**	**$ 3,694**	**$ 4,862**

4. **Inventory** includes raw material, work-in-process and intermediary products ("**WIP**"), and finished goods. The basis for the analysis is book value of inventory at December 31, 2019. The recovery rates were based upon an assessment of the various sub-accounts within raw materials, WIP, and finished goods, and determined liquidated values for each inventory category. The valuation assumptions include the following:

(i) Inventory assumed to be liquidated through an orderly sale process over a period of two to three months.

(ii) Sales would be on a cash-only basis.

(iii) Finished goods would primarily be sold to the Debtors' current customer base, with discounts offered to account for lack of warranty and the "as is where is" nature of the inventory. Incremental discounting would be offered to motivate customers to purchase inventory in excess of normal procurement patterns. Buyers would be

[2] Recoveries are the same for all Debtors except where noted. Debtors with no asset value on the balance sheet have not been presented in the accompanying exhibits as there is no recorded or estimated unrecorded value.

responsible for shipping costs. The basis for low recovery of 75% assumes significant discounts were provided to buyers. The high end of recovery of 125% assumes that finished goods could be sold above cost to buyers, yet still at a large discount from typical sales price.

(iv) The analysis assumes that none of the WIP would be converted into finished goods and no recovery is assumed.

(v) Raw materials assume a sale of commodity type feedstocks at recovery rates equal to prevailing market rates at the time of the sale, less cash discounts for lack of warranty. Certain Proprietary and project and customer-specific raw materials are assumed to yield little to no value.

a. Electronics – recovery rates are assumed to be 20%-50%

b. Hardware – represents specific scissor mechanisms for reclining and deemed to have a low recovery of 5-10%

c. Filling – recovery rates are deemed to be 10%-30%

d. Frames – recovery rates of 0%-5% based on customer specific raw materials

e. Kit – no recovery expected on the kits based on customer specific raw materials

f. Packaging – recovery of 10%-30%

g. Other – low recovery of 5%-10% on other raw materials

The estimated recovery rate is 9% to 21% for raw materials, 0% for WIP, and 70% to 125% for finished goods. The overall inventory recovery rate is 29% to 55%.

($000's)	Net Book Value	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High
Inventory:					
Raw Materials					
Raw Materials - Electronics	$ 1,962	20.0%	50.0%	$ 392	$ 981
Raw Materials - Hardware	2,772	5.0%	10.0%	139	277
Raw Materials - Filing	77	10.0%	30.0%	8	23
Raw Materials - Frames	33	0.0%	5.0%	-	2
Raw Materials - Kit	348	0.0%	0.0%	-	-
Raw Materials - Packaging	171	10.0%	30.0%	17	51
Raw Materials - Other	1,737	5.0%	10.0%	87	174
Raw Materials, sub-total	**$ 7,100**	**9.1%**	**21.2%**	**$ 643**	**$ 1,508**
Finished Goods	3,454	70.0%	125.0%	2,418	4,318
WIP	-	0.0%	0.0%	-	-
Total	**$ 10,554**	**29.0%**	**55.2%**	**$ 3,060**	**$ 5,825**

5. **Property, Plant, and Equipment – Land & Buildings** includes land and buildings. The estimated recoveries were based upon a third-party asset valuation which analyzed the value of real estate and recent transaction price. Each property was evaluated separately, and the liquidation values are based upon appraised methodologies used for similar types of assets. An estimated recovery % (high & low) was used for each property on the appraisals to calculate a gross recovery. Since the property appraisals were valued on an individual property basis and the proximity of the properties to one another, a low and high recovery rate of is assumed 75% for Corporate HQ, Plant 1, Plant 2, Plant 3, and Plant 6. The Components property is assumed to have a low recovery rate of 75%, with a high recovery rate of 100% due to the property's recent acquisition in December 2019.

Appraisal Sources:

(i) Corporate HQ: Hodges Appraisal & Realty Company's appraisal dated December 10, 2019
(ii) Plant 1: CBIZ's Real Property Valuation dated March 1, 2017 (In Use Value for Low, In Exchange Value for High)
(iii) Plant 2: Hodges Appraisal & Realty Company's appraisal dated December 5, 2019
(iv) Plant 3: CBIZ's Real Property Valuation dated March 1, 2017 (In Use Value for Low, In Exchange Value for High)
(v) Plant 6: CBIZ's Real Property Valuation dated March 1, 2017 (In Use Value for Low, In Exchange Value for High)
(vi) Components: Purchase price of the building in December 2019

The recovery for each property is listed below:

	Appraisal $		Estimated Gross Recovery %		Gross Recovery $		Net Recovery $	
($000's)	Low	High	Low	High	Low	High	Low	High
PP&E - Land & Buildings								
Corporate HQ - 101 Industrial	$ 825	825	75.0%	75.0%	619	619	588	588
Plant 1 - 1003 Denmill	1,520	2,330	75.0%	75.0%	1,140	1,748	1,083	1,660
Plant 2 - 302 Glendfield	800	800	75.0%	75.0%	600	600	570	570
Plant 3 - Cut & Sew - 100 Industrial	390	710	75.0%	75.0%	293	533	278	506
Plant 6 - 406 Futorian/1201 Bankhead	1,760	2,430	75.0%	75.0%	1,320	1,823	1,254	1,731
Components - 115 Ford St	1,300	1,300	75.0%	100.0%	975	1,300	926	1,235
Total	**$ 6,595**	**$ 8,395**	**75.0%**	**78.9%**	**$ 4,946**	**$ 6,621**	**$ 4,699**	**$ 6,290**

	Gross	Recovery %		Recovery $	
($000's)	Book Value	Low	High	Low	High
Land & Buildings (All)	$ 8,894	52.8%	70.7%	$ 4,699	$ 6,290

The average estimated recovery rate is 53% to 71% of gross book value for real estate properties. The gross book value date used for such assets is December 31, 2019. Both the low and the high gross recoveries were reduced by 5% to account for transactional costs that were not included within the third-party estimates of value. The Property, Plant and Equipment of the Debtors' Estates is encumbered.

6. **Property, Plant, and Equipment – Furniture, Fixtures, and Equipment** includes software, furniture and equipment, hardware, machinery, trailers and vehicles. The estimated recoveries were based upon an assessment of potential sales value and determined liquidated values for each category. The liquidation values are based upon methodologies used for the distressed sale of similar types of assets:

($000's)	Net Book Value	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High
PP&E - Furniture, Fixtures, and Equipment:					
Software	$ 4,814	0.0%	0.0%	-	-
Other Fixed Asset	54	5.0%	10.0%	3	5
Furniture & Equipment	1,733	20.0%	40.0%	347	693
Hardware	299	10.0%	25.0%	30	75
Machinery	288	20.0%	40.0%	58	115
Trailers/Vehicles	105	20.0%	40.0%	21	42
Total	**$ 7,292**	**6.3%**	**12.8%**	**$ 458**	**$ 930**

The average estimated recovery rate for this account is 6% to 13%. The book value date used for such assets is December 31, 2019. Substantially all Property, Plant and Equipment of the Debtors is considered encumbered collateral.

7. **Other Current Assets** includes prepaid agency fees, prepaid insurance, prepaid subscriptions, and other miscellaneous prepaid expenses. No recovery is estimated for these other current assets.

8. **Prepaid Income Taxes** includes pre-paid income taxes. The prepaid income taxes are offset by a corresponding tax liability and as a cash taxpayer the Debtors are not expecting any meaningful refunds. No recovery is estimated for prepaid income taxes.

9. **Other assets** include deferred financing costs on outstanding debt and utility deposits. Other assets are estimated to have no value in a liquidation scenario.

10. **Goodwill, & Intangibles** comprise primarily of patents, trademarks, and other intellectual property ("**IP**"). The valuation methodology assumes cash flow from royalties on the at a fair market royalty rate of 2.0% for patents and unpatented technology which rates are applied to the future revenues associated with the IP of the WOW Chair. In order to estimate a fair market value for the IP, the Debtors then calculated the net present value of the projected cash flows by discounting such cash flows at a rate of 15% annually. The estimated recovery is $279,000 to $2,229,000.

LIQUIDATION EXPENSES

Converting these cases to Chapter 7 cases under the Bankruptcy Code would result in additional costs to the Debtors, including compensation of the Trustee, retained counsel, and other professionals.

The Liquidation Analysis assumes that the Debtors' prepetition secured lenders or a third party would provide financing in order to fund expenses of liquidation. Therefore, costs

specifically related to the liquidation of individual assets and all other costs associated with the liquidation are netted against the recovery value of those assets, except where noted.

The chapter 7 costs include the following:

1. **Trustee Fees** are estimated at approximately 3% (low recovery) to 2% (high recovery) of gross proceeds.

2. **Wind-Down Costs / Professional Fees** contemplate the orderly wind-down and liquidation of the Debtors' U.S. operations during the liquidation. To maximize recoveries on remaining assets, minimize the amount of Claims, and generally ensure an orderly liquidation, the Trustee will need to retain a number of individuals currently employed at the Debtors. These individuals will primarily be responsible for operating and maintaining the Debtor's assets, collecting outstanding receivables, facilitating the liquidation of the Debtors' assets, providing historical knowledge and insight to the Trustee regarding the Debtors' businesses and the chapter 11 cases, and concluding the administrative wind-down of the business after the disposition of the Debtors' assets. Wind-down costs primarily consist of reduced general and administrative costs required to operate the Debtors' assets during the wind-down process; employment of certain factory personnel and key management to wind-down the operations and to prepare and facilitate the sale of assets, including machinery and equipment; incentive and/or severance payments to retain necessary personnel; and additional interest expense associated with the Trustee's financing needs with respect to the liquidation.

Professional fees are also included as part of the wind down process. Professional Fees include the cost of financial advisors, attorneys, and other professionals retained by the Trustee in connection with the wind-down of the estates (*e.g.*, Claims reconciliation, legal fees, tax and accounting fees, etc.).

Total wind-down expenses and professional fees are estimated at approximately $600,000 to $800,000.

				Total Expenses	
($000's)	**Apr 2020**	**May 2020**	**June 2020**	**Low**	**High**
Wind-Down Costs / Professional Fees					
Operating Expenses	$ 48.8	40.0	35.0	**123.8**	**88.8**
Payroll / Benefits / Taxes	204.3	148.9	68.7	**421.9**	**353.2**
Professional Fees	100.0	100.0	50.0	**250.0**	**200.0**
Total	**$ 353.1**	**$ 288.9**	**$ 153.7**	**$ 795.7**	**$ 642.0**

SECURED CLAIMS

For the purpose of this analysis, the Liquidation Proceeds will pay down the following Claims set forth in the various inter-creditor agreements.

1. The DIP Loans;

2. The Pre-Petition Revolver and Pre-Petition First Lien Term Loan pro-rata to their respective Claim; and

3. The Pre-Petition Second Lien Term Loan.

The recoveries related to secured collateral can be found in the table below.

($000's)	Debt Outstanding	Recovery % Low	Recovery % High	Recovery $ Low	Recovery $ High
DIP Loans					
DIP New Money Loan	$ 10,000	100.0%	100.0%	10,000	10,000
DIP Loan (Pre-Petition Roll-up)	20,000	16.7%	57.2%	3,347	11,434
Total DIP Loans	**$ 30,000**	**44.5%**	**71.4%**	**$ 13,347**	**$ 21,434**
Pre-Petition					
1st Lien Revolving Facility	$ 20,000	0.0%	0.0%	-	-
1st Lien Term Loan	124,375	0.0%	0.0%	-	-
2nd Lien Term Loan	45,000	0.0%	0.0%	-	-
Total Pre-Petition	**$ 189,375**	**0.0%**	**0.0%**	**$ -**	**$ -**

1. "**DIP New Money Loan"** includes $10,000,000 in debtor-in-possession financing. The DIP New Money Loan is secured by senior, super-priority non-priming liens on the respective collateral for each facility.

2. **"DIP Loan (Pre-Petition Roll-up)"** is comprised of $20,000,000 roll-up of the pre-petition 1L Term Loan.

3. **"Revolving Credit Facility"** includes $20,000,000 of L+600 due 2022 issued pursuant to an Indenture dated as of March 1, 2017, with BNP Paribas Securities Corp as administrative agent, and Goldman Sachs Bank USA as Syndication Agent.

4. **"First Lien Term Loan"** include $124,437,000 of L+600 due 2023 issued pursuant to an Indenture dated as of March 1, 2017, with BNP Paribas Securities Corp as administrative agent, and Goldman Sachs Bank USA as Syndication Agent.

5. **"Second Lien Term Loans"** include $45,000,000 of L+950 due 2024 issued pursuant to an Indenture dated as of March 1, 2017, with BNP Paribas Securities Corp as administrative agent, and Goldman Sachs Bank USA as Syndication Agent.

CHAPTER 11 ADMINISTRATIVE AND PRIORITY POST-PETITION CLAIMS

Chapter 11 Administrative and Priority Post-Petition Claims include unpaid professional fees and incurred from the petition date of February 17, 2020 until the Liquidation Date of March 31, 2020.

	Debt Outstanding		Recovery %		Recovery $	
($000's)	Low	High	Low	High	Low	High
Ch. 11 Admin & Priority Claims	$ 2,901	2,901	0.0%	0.0%	-	-

GENERAL UNSECURED CLAIMS

General Unsecured Claims include all unsecured Claims, including Claims for services, goods and products as well as Claims for breach of contract and damages, litigation and warranty Claims, including Claims asserted in the Regal Litigation, and employee benefits Claims in excess of the allowed priority cap. If the case converts to a Chapter 7 case, the Debtors estimate that incremental Claims would also increase as a result of the Trustee rejecting some executory contracts or unexpired leases that the Debtors entered into or would otherwise assume pursuant to a plan of reorganization; however, the value of those Claims have not been estimated for the purpose of this Liquidation Analysis.

	Debt Outstanding		Recovery %		Recovery $	
($000's)	Low	High	Low	High	Low	High
General Unsecured Claims	$ 28,308	$ 28,308	0.0%	0.0%	$ -	$ -

EXHIBIT D

Valuation Analysis

VALUATION ANALYSIS[1]

THE INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THIS INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.

Solely for the purposes of the Plan and the Disclosure Statement, UBS Securities LLC ("UBS"), as proposed investment banker to the Debtors, has estimated the enterprise value ("Enterprise Value") and implied equity value ("Equity Value") for the Reorganized Debtors *pro forma* for the transactions contemplated by the Plan (the "Valuation Analysis"). This Valuation Analysis is dated as of February 14, 2020 and is based on data and information as of that date. UBS makes no representations as to changes to such data and information that may have occurred since February 14, 2020.

The Plan and the restructuring transactions in connection therewith represent the culmination of extensive multi-month negotiations to obtain the capital commitments necessary for the Debtors to reorganize and execute their post-chapter 11 business plan. Based on the financial projections provided by the Debtors (the "Financial Projections"), the Debtors and the RSA Parties engaged in extensive negotiations regarding the capital structure of the Reorganized Debtors and eventually reached agreement on the terms of a consensual transaction to be implemented through a prepackaged chapter 11 plan of reorganization to maximize the value of the Debtors' assets. Notably, the Plan contemplates that the Investor shall receive on account of its $7.0 million New Money Commitment on the Effective Date (a) Reorganized Preferred Stock with an initial stated value of $7 million, and (b) 51% of the Reorganized Common Stock, prior to dilution from the Management Incentive Plan.

The Debtors and UBS believe that the valuation implied by the New Money Commitment is currently the best measure of the Reorganized Debtors' value given the facts and circumstances of these cases, which include:

- A substantial capital infusion is necessary for the Debtors to reorganize and the restructuring provides for that necessary capital;
- Significant new capital would be likely unobtainable; and

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[1] Capitalized terms used but not defined herein have the meanings given to such terms elsewhere in this Valuation Analysis or in the *Disclosure Statement for the Joint Prepackaged Plan of Reorganization of VIP Cinema Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* to which this is annexed (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"), as applicable.

- The terms of the New Money Commitment are the result of robust, good faith, arms'-length, and comprehensive negotiations among the RSA Parties and each of their financial and legal advisors.

Given that the Investor shall receive 51% of common equity in exchange for a New Money Commitment of $7 million pursuant to the Plan, the implied Common Equity Value is approximately $13.7 million. This implies a total enterprise value of approximately $113.7 million assuming outstanding debt and preferred stock of $100 million[2] on the Effective Date. For purposes of this analysis, UBS assumes no material changes that would affect value between the date of the Disclosure Statement and the Effective Date.

UBS's view as to the value of the reorganized Debtors based on consummation of the restructuring and the post-reorganization capital structure does not constitute a recommendation as to how to vote on the Plan and does not constitute an opinion as to the fairness from a financial point of view of the consideration to be received under the Plan or of the terms and provisions of the Plan.

[2] Includes $11 million First Lien Exit Facility, $20 million Second Lien Exit Facility, and $69 million Reorganized Preferred Stock. Given that all cash on the balance sheet is necessary for execution of the Debtors' business plan, UBS assumes no excess cash will be available.

EXHIBIT E

Financial Projections

FINANCIAL PROJECTIONS

The financial projections for the Debtors are based on the Debtors' 2020–2024 business plan (the "Financial Projections") as informed by current and projected conditions in each of the Debtors' markets and business. The Financial Projections have been prepared on a consolidated basis, consistent with the Debtors' financial reporting practices, and include all Debtor and non-Debtor entities (hereafter defined as the "Company"). Projected financial statements have been included for the nine-month period ending December 31, 2020 and for the fiscal years ending December 31, 2021 through December 31, 2024 (the "Projection Period").

The Financial Projections were prepared by the Company's management with the assistance of the Debtors' advisors and are based upon a number of assumptions made by management with respect to the future performance of the Debtors' operations. **Although management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, there can be no assurance that such assumptions will be realized. As described in detail in the Disclosure Statement,[1] a variety of risk factors could affect the Debtors' financial results and should be considered. Accordingly, the Financial Projections should be reviewed in conjunction with a review of the risk factors set forth in Article VII of the Disclosure Statement and the assumptions described herein, including all relevant qualifications and footnotes. Additionally, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated projections to the holders of Claims or Equity Interests after the date of the Disclosure Statement, or to otherwise make such information public.**

The Debtors believe that the Plan meets the feasibility requirements set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the formulation and development of the Plan and for the purposes of determining whether the Plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

The Financial Projections were not prepared with a view toward compliance with published guidelines of the United States Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. An independent auditor has not examined, compiled, or performed any procedures with respect to the prospective financial information contained in these Financial Projections and, accordingly, neither the Debtors nor any independent auditor has expressed an opinion or any other form of assurance on such information or the ability of the Debtors to meet the Financial Projections. The Debtors' independent auditor assumes no responsibility for, and denies any association with, the prospective financial information.

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[1] Capitalized terms used but not defined herein have the meanings given to such terms elsewhere in these Financial Projections or in the *Joint Prepackaged Plan of Reorganization of VIP Cinema Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"), as applicable.

Principal Assumptions for the Financial Projections

The Financial Projections are based on, and assume the successful implementation of, the Debtors' long-term business plan. Both the business plan and the Financial Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of the Reorganized Debtors, emergence from chapter 11 on March 31, 2020, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors. In addition, there is significant uncertainty regarding the disruption of business that may accompany a restructuring in the Bankruptcy Court. Therefore, although the Financial Projections are necessarily presented with numerical specificity, the actual results achieved during the Projection Period will likely vary from the projected results. These variations may be material. Accordingly, no representation can be or is being made with respect to the accuracy of the Financial Projections or the ability of the Reorganized Debtors to achieve the projected results of operations.

While the Debtors believe that the expectations are based on reasonable assumptions within the bounds of their knowledge of their business and operations, parties in interest are cautioned that any such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

In deciding whether to vote to accept or reject the Plan, Holders of Claims entitled to vote to accept or reject the Plan must make their own determinations as to the reasonableness of such assumptions and the reliability of the Financial Projections. See Article VII of the Disclosure Statement entitled "Certain Factors to be Considered."

Under Accounting Standards Codification "ASC" 852, "Reorganizations," the Debtors note that the Financial Projections reflect the operational emergence from chapter 11. Fresh start accounting requires all assets, liabilities, and equity instruments to be valued at "fair value." The Financial Projections account for the reorganization and related transactions pursuant to the Plan. The Projections have been prepared to reflect a simplified ''fresh-start'' presentation, assuming the Debtors emerge on March 31, 2020. The Financial Projections assume a reorganization equity value for the Company of approximately $14 million. Consistent with this value, the Financial Projections reflect a downward adjustment to goodwill and other intangible assets of approximately $121 million, accounting for the reorganization value of assets and liabilities in excess of amounts allocable to identifiable assets.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995

The Financial Projections contain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the United States Securities Exchange Act of 1934. Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and management with respect to the timing of, completion of, and scope of the current restructuring, Plan, business plan, and market conditions, and the Debtors' future liquidity, as well as the assumptions upon which such statements are based.

While the Debtors believe that the expectations are based upon reasonable assumptions within the bounds of their knowledge of their business and operations, parties-in-interest are cautioned that any such forward-looking statements are not guarantees of future performance, involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Select Risk Factors Related to the Financial Projections

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the Debtors' management team's control. Many factors could cause actual results, performance, or achievements to differ materially from any future results, performance, or achievements expressed or implied by these forward-looking statements. A description of the risk factors associated with the Plan, the Disclosure Statement, and the Financial Projections is included in Article VII of the Disclosure Statement.

General Assumptions and Methodology

The Financial Projections, which are presented on a consolidated basis, include the Debtors' operations for the nine months ending December 31, 2020 and for fiscal years 2021–2024. The Financial Projections for 2020 were developed using a bottoms-up approach of the Debtors' business segments. The Financial Projections for 2021–2024 are based on longer-term trend assumptions for revenue growth and profitability by product type. Specific growth drivers, including new business initiatives, and productivity improvements have been incorporated. Furthermore, expansion into faster-growing product categories and geographies are embedded in the revenue and margin assumptions.

The Financial Projections consist of the following unaudited pro forma financial statements for each year in the Projection Period: (1) projected income statement, (2) projected balance sheets, and (3) projected statements of cash flows.

Business Description

The Company is a manufacturer of premium seats for cinema exhibitors and auditoriums. Since 2008, the Company has manufactured recliners, love seats and other plush mechanical chairs for its customer base. The Company also offers its customers a wide array of value-added options, including snack trays, LED lighting, adjustable reclining features and massage and heating features. The Company also offers aftermarket parts to its customers to allow for maintenance on existing installations.

Ninety percent of the Company's revenue comes from sales to movie theaters, with the remaining balance coming from sales to auditoriums, aftermarket parts and services. The Company's customers include some of the largest cinema exhibitors in the United States, Europe and the Middle East. The Company's projections include the development of new products, including recliners and other theater seating, as well as the further expansions to markets in the Middle East and Europe.

Projected Income Statement Assumptions

A. Revenue

Order projections in the Financial Projections have been informed by near-term currently visible opportunities, discussions with customers and additional opportunities estimated by management. Projections include sales from WOW Chair, Recliner, and other products in multiple geographies. Projections of future bookings are uncertain and inherently speculative and are subject to the risk factors noted herein.

B. Cost of Goods Sold

Cost of goods sold ("Costs of Goods Sold") consists of raw materials and other direct materials expense, freight, direct labor and facility costs.

C. Selling General & Administrative

Selling, general and administrative costs consist of expenses related to operating each of the business units. These costs primarily comprise salaries, bonuses, commissions, travel, insurance, rent, administrative and IT spending. It also includes the cost of engineers who develop new products and other research and development costs.

D. Depreciation & Amortization

Depreciation expense is related to real property, personal property, intangible assets and other assets. Finite-lived intangible assets are amortized over their estimated remaining useful economic lives. All expenses are forecasted using straight line methods during the Projection Period.

E. Interest Expense

Interest expense is modeled based on the terms from the Restructuring Support Agreement and assumes a First Lien Exit Facility with a cash interest rate of L + 600, Second Lien Exit Facility with a PIK interest rate of 10.0%, and Reorganized Preferred Stock with a PIK dividend of 6.0%.

F. Income Tax Expense

Income tax expense is forecasted assuming a 27% all-in tax rate.

Projected Cash Flow Statement and Balance Sheet Assumptions

A. Changes in Working Capital

Changes in working capital are expected to be tied to growth in the business, and terms with customers and vendors are not expected to change significantly during the projection period.

B. Capital Expenditures

Capital expenditures include the Debtors' forecasts of both maintenance and growth capex. The maintenance capex includes spending related to the upkeep of existing infrastructure. Growth capex includes tooling spend related to improving the existing infrastructure as the Debtors' implement their business plan. Run rate capital expenditures total approximately $1 million per year.

C. Opening Cash Balance

Management expects to have approximately $10 million of cash on the Effective Date after taking into account the New Money Commitment.

D. Shareholders' Equity

The Shareholders' equity line item reflects preliminary fresh-start accounting adjustments.

E. Debt

The March 31, 2020 pro-forma capital structure includes the following:

- 5-year $11 million First Lien Term Loan;
- 6-year $20 million Second Lien Term Loan; and
- $69 million of Preferred Equity

Income Statement					
	Fiscal Year Ending December 31				
($ in Millions)	Apr - Dec 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E
Revenue	**$53,186**	**$70,617**	**$91,296**	**$111,992**	**$136,620**
% Growth		*8.7%*	*29.3%*	*22.7%*	*22.0%*
Costs of Goods Sold	(29,377)	(37,734)	(47,300)	(57,890)	(70,561)
Gross Profit	**$23,808**	**$32,883**	**$43,995**	**$54,102**	**$66,058**
% Margin	*44.8%*	*46.6%*	*48.2%*	*48.3%*	*48.4%*
Selling, General & Administrative	(17,218)	(23,228)	(23,819)	(24,394)	(25,028)
Adjusted EBITDA	**$6,590**	**$9,654**	**$20,176**	**$29,708**	**$41,030**
% Margin	*12.4%*	*13.7%*	*22.1%*	*26.5%*	*30.0%*
Depreciation & Amortization	(7,897)	(10,691)	(10,691)	(10,691)	(10,691)
Adjustments	(724)	(965)	(965)	(965)	(965)
Interest Expense	(5,364)	(7,560)	(8,066)	(8,622)	(9,225)
Other	(215)	(215)	(215)	(215)	(215)
Income Tax Expense	(1,524)	(1,808)	(3,815)	(5,616)	(7,756)
Net Income	**($9,134)**	**($11,584)**	**($3,575)**	**$3,599**	**$12,178**

Statement of Cash Flows					
	Fiscal Year Ending December 31				
($ in Millions)	Apr - Dec 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E
Operating Activities					
Adjusted EBITDA	6,590	9,654	20,176	29,708	41,030
Adjustments	(724)	(965)	(965)	(965)	(965)
Cash Interest	(630)	(829)	(817)	(816)	(817)
Cash Taxes	(1,524)	(1,808)	(3,815)	(5,616)	(7,756)
Changes in Working Capital	354	(414)	(1,771)	(2,608)	(2,417)
Other, net	-	-	-	-	-
Cash from Operations	**$4,066**	**$5,639**	**$12,808**	**$19,702**	**$29,075**
Investing Activities					
Capital Expenditures	(1,282)	(1,000)	(1,000)	(1,000)	(1,000)
Cash from Investing	**($1,282)**	**($1,000)**	**($1,000)**	**($1,000)**	**($1,000)**
Financing Activities					
Debt Repayment	(83)	(110)	(110)	(110)	(110)
Cash from Financing	**($83)**	**($110)**	**($110)**	**($110)**	**($110)**
Change in Cash	**$2,702**	**$4,529**	**$11,698**	**$18,592**	**$27,965**

Balance Sheet					
	Fiscal Year Ending December 31				
($ in Millions)	2020E	2021E	2022E	2023E	2024E
Cash	13,721	18,250	29,948	48,541	76,506
Net A/R	9,681	10,921	14,497	18,709	23,021
Inventories	10,811	11,092	13,904	17,017	20,741
Other Current Assets	2,489	2,534	2,696	2,858	3,051
Total Current Assets	**$36,703**	**$42,796**	**$61,045**	**$87,124**	**$123,319**
Property Plant & Equipment, net	12,939	12,160	11,381	10,602	9,824
Other Non Current Assets	82,786	73,873	64,961	56,048	47,135
Total Assets	**$132,428**	**$128,830**	**$137,387**	**$153,775**	**$180,278**
Accounts Payable	3,474	3,564	4,467	5,467	6,664
Other Current Liabilities	12,174	13,235	17,111	20,990	25,606
Total Current Assets	**$15,648**	**$16,799**	**$21,578**	**$26,457**	**$32,270**
First Lien Term Loan	10,918	10,808	10,698	10,588	10,478
Second Lien Term Loan	21,558	23,825	26,333	29,105	32,169
Preferred Equity	72,176	76,639	81,380	86,414	91,759
Other Non Current Liabilities	7,537	7,751	7,966	8,180	8,395
Total Liabilities	**$127,836**	**$135,822**	**$147,954**	**$160,744**	**$175,070**
Shareholders' Equity	**$4,592**	**($6,992)**	**($10,568)**	**($6,969)**	**$5,209**

Pro Forma Balance Sheet						
	Fiscal Year Ending December 31					
($ in Millions)	Pre-Emergence 3/31/2020	Plan Settlement	New Debt	New Equity	Fresh Start Adjustments	Pro Forma 3/31/2020
Cash	4,246	(226)		7,000		11,020
Net A/R	11,080					11,080
Inventories	12,628					12,628
Other Current Assets	2,589					2,589
Total Current Assets	**$30,543**	**($226)**	-	**$7,000**	-	**$37,316**
Property Plant & Equipment, net	12,870					12,870
Other Non Current Assets	197,176			13,725	(121,431)	89,471
Total Assets	**$240,588**	**($226)**	-	**$20,725**	**($121,431)**	**$139,657**
Accounts Payable	4,658	(600)				4,058
Other Current Liabilities	14,551					14,551
Total Current Assets	**$19,209**	**($600)**	-	-	-	**$18,609**
DIP / New First Lien Term Loan	33,000	(22,000)				11,000
New Second Lien Term Loan	-		20,000			20,000
New Preferred Equity	-		62,000	7,000		69,000
Liabilities Subject to Compromise						
First Lien Revolving Credit Facility	20,187	(20,187)				-
First Lien Term Loan	145,087	(145,087)				-
Second Lien Term Loan	46,816	(46,816)				-
Note Payable	1,875	(1,875)				-
Total Debt	**$246,964**	**($235,964)**	**$82,000**	**$7,000**	-	**$100,000**
Other Non Current Liabilities, net	1,863	5,459				7,322
Total Liabilities	**$268,037**	**($231,105)**	**$82,000**	**$7,000**	-	**$125,931**
Shareholders' Equity	**($27,448)**	**$230,879**	**($82,000)**	**$13,725**	**($121,431)**	**$13,725**

EXHIBIT F

Corporate Organizational Chart

VIP Cinema Seating
Organization Legal Entity Chart