

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
RGN-GROUP HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 20-11961 (BLS)
)	
Debtors.)	(Jointly Administered)
)	

**DISCLOSURE STATEMENT FOR THE JOINT PLAN OF
RGN-GROUP HOLDINGS, LLC AND ITS DEBTOR AFFILIATES
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

¹ The mailing address for the Debtors in these chapter 11 cases is 3000 Kellway Drive, Suite 140, Carrollton, Texas 75006 (Attn: James S. Feltman, Responsible Officer). Due to the large number of Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors' noticing and claims agent at <https://dm.epiq11.com/case/rgn/info> or by contacting counsel for the Debtors (Rokeysha Ramos, paralegal, at rokeysha.ramos@faegredrinker.com).

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT PLAN OF RGN-GROUP HOLDINGS, LLC AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VII HEREOF.

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

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

THE FINANCIAL PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT AND ADVISORS. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE FINANCIAL PROJECTIONS ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THE LIKELIHOOD THAT THE DEBTORS WILL ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. NO LEGAL OR TAX ADVICE IS PROVIDED BY THIS DISCLOSURE STATEMENT. THE DEBTORS ARE NOT CURRENTLY A REPORTING CORPORATION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), AND THE REORGANIZED DEBTORS MAY NOT BE A REPORTING CORPORATION AS OF THE EFFECTIVE DATE UNDER THE EXCHANGE ACT.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS “MAY,” “WILL,” “MIGHT,” “EXPECT,” “BELIEVE,” “ANTICIPATE,” “COULD,” “WOULD,” “ESTIMATE,” “CONTINUE,” “PURSUE,” OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTORS’ EXPECTATIONS WITH RESPECT TO FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN AND ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. MAKING INVESTMENT DECISIONS BASED ON THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND/OR THE PLAN IS, THEREFORE, SPECULATIVE.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THEIR BOOKS AND RECORDS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS’ BUSINESSES AND THEIR EXPECTED FUTURE RESULTS AND OPERATIONS. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR MANAGEMENT’S ASSUMPTIONS REGARDING THE DEBTORS’ BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

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

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

CONFIRMATION AND CONSUMMATION OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED OR, IF CONFIRMED, THAT SUCH MATERIAL CONDITIONS PRECEDENT WILL BE SATISFIED OR WAIVED. YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING BUT NOT LIMITED TO THE PLAN AND ARTICLE VII OF

THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS" BEFORE SUBMITTING YOUR BALLOT TO VOTE TO ACCEPT OR REJECT THE PLAN.

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

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

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. INTRODUCTION.....	1
ARTICLE II. TREATMENT OF CLAIMS AND INTERESTS.....	1
ARTICLE III. SOLICITATION AND VOTING PROCEDURES; PLAN	
CONFIRMATION TIMELINE	6
A. <i>Solicitation Packages.....</i>	<i>6</i>
B. <i>Voting Record Date.....</i>	<i>7</i>
C. <i>Voting Deadline.....</i>	<i>8</i>
D. <i>Voting Procedures.....</i>	<i>8</i>
E. <i>Proposed Plan Confirmation Timeline.....</i>	<i>9</i>
F. <i>Combined Hearing Notice.....</i>	<i>9</i>
G. <i>Combined Disclosure Statement and Confirmation Objection Deadline.....</i>	<i>10</i>
H. <i>Combined Disclosure Statement and Confirmation Hearing.....</i>	<i>10</i>
ARTICLE IV. THE DEBTORS’ BACKGROUND.....	10
A. <i>The Debtors’ Business.....</i>	<i>10</i>
B. <i>The Debtors’ Non-Debtor Affiliates.....</i>	<i>12</i>
C. <i>Canadian Proceedings.....</i>	<i>12</i>
D. <i>Luxembourg Proceedings.....</i>	<i>13</i>
E. <i>Prepetition Secured Indebtedness.....</i>	<i>13</i>
F. <i>Events Leading to the Chapter 11 Cases.....</i>	<i>13</i>
G. <i>Appointment of Responsible Officer.....</i>	<i>14</i>
ARTICLE V. EVENTS OF THE CHAPTER 11 CASES.....	14
A. <i>Chapter 11 Petitions, Case Administration, and Other Case Matters.....</i>	<i>14</i>
B. <i>Operational Relief, Lease Procedures, and Appointment of Professionals.....</i>	<i>15</i>
C. <i>Other Procedural and Administrative Relief.....</i>	<i>15</i>
D. <i>Plan Exclusivity.....</i>	<i>15</i>
E. <i>Appointment of the UCC.....</i>	<i>16</i>
F. <i>Approval of DIP Financing Facility and Related Relief.....</i>	<i>16</i>
G. <i>The Prepetition Lien and Claim Investigation.....</i>	<i>16</i>
H. <i>Liquidating SPE Debtors’ Settlement.....</i>	<i>17</i>
I. <i>Schedules and Statements, Bar Date, and Filed Proofs of Claim.....</i>	<i>18</i>
ARTICLE VI. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE	
PLAN.....	19
A. <i>Confirmation Hearing.....</i>	<i>19</i>
B. <i>Confirmation Standards.....</i>	<i>19</i>
C. <i>Confirmation without Acceptance by All Impaired Classes.....</i>	<i>22</i>
ARTICLE VII. CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE	
VOTING	22
A. <i>Risks Related to the Confirmation and Consummation of the Plan.....</i>	<i>22</i>
B. <i>Risks Related to Recoveries Under the Plan.....</i>	<i>25</i>
C. <i>Risks Related to the Debtors’ Business.....</i>	<i>26</i>
D. <i>Disclosure Statement Disclaimer.....</i>	<i>28</i>
ARTICLE VIII. CERTAIN UNITED STATES FEDERAL INCOME TAX	
CONSEQUENCES OF THE PLAN.....	30
A. <i>Introduction.....</i>	<i>30</i>

B.	<i>Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors</i>	31
C.	<i>Certain U.S. Federal Income Tax Consequences of the Plan to Holders of Allowed Claims</i>	31
ARTICLE IX. RECOMMENDATION OF THE DEBTORS		31

EXHIBITS

Exhibit A	Plan
Exhibit B	Corporate Structure Chart
Exhibit C	Prepetition Secured Indebtedness Chart
Exhibit D	Liquidation Analysis
Exhibit E	Financial Projections

**ARTICLE I.
INTRODUCTION**

RGN-Group Holdings, LLC (“RGN-Group Holdings”) and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”), are providing this disclosure statement (this “Disclosure Statement”), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against the Debtors in connection with the solicitation of votes for acceptance of the *Joint Plan of RGN-Group Holdings, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”).² The Plan includes, collectively, and to the extent applicable, (i) the Plan of Reorganization for the Reorganizing Debtors and (ii) the Plan of Liquidation for the Liquidating SPE Debtors. A copy of the Plan is attached hereto as Exhibit A and incorporated herein by reference. As set forth in Article I.H. of the Plan, the Plan constitutes a joint chapter 11 plan for each of the Debtors. The rules of interpretation set forth in Article I.B of the Plan shall govern the interpretation of this Disclosure Statement.

The Debtors are direct or indirect subsidiaries of Regus Corporation, a Delaware corporation that, together with its U.S. affiliates (“Regus”) and its global affiliates (collectively, “IWG” or the “Company”), offers a network of on-demand office and co-working spaces, including ancillary and support services, to a variety of clients across a host of industries in over one thousand locations in the United States and Canada. The Debtors’ business model is premised on entry into long-term, non-residential real property leases, which the Debtors engineer to meet the needs of individuals, companies, and organizations seeking a flexible short-term office space arrangement. The Debtors generate revenue by collecting licensing fees from these occupants, which exceed the Debtors’ costs of operating under the underlying long-term lease.

Following a strong first quarter in 2020, the Debtors experienced significant challenges as a direct result of the COVID-19 pandemic, which had a particularly acute impact on the demand for office space due to both government mandates and shifting customer preferences. Specifically, the occupancy rate at the Debtors’ properties dropped, and many existing customers were unable or unwilling to meet their obligations to the Debtors under their office licensing agreements. As a result, the Debtors defaulted under certain leases, which triggered certain cross-defaults across the Debtors’ lease portfolio. The Debtors filed the Chapter 11 Cases to prevent widespread enforcement of remedies under those leases, which would be detrimental to the Debtors’ businesses. Chapter 11 has provided the Debtors with a “breathing spell” to, among other things, evaluate their lease portfolio, determine which leases to assume, reject, and modify, and access financing to operate their businesses in the ordinary course. The proposed Plan maximizes creditor recoveries to the Reorganizing Debtors and the Liquidating SPE Debtors and best positions the Reorganizing Debtors for future success.

The formulation of the Plan, which is the result of continuous engagement with the UCC, the Prepetition Lender, the DIP Lender, and other significant stakeholders to build consensus and deliver a value-maximizing result, is a significant achievement for the Debtors in the face of challenging circumstances. The Debtors strongly believe that the Plan is in the best interests of the Debtors’ estates and represents the best available path to restructuring. As such, the Debtors seek the Bankruptcy Court’s approval of the Plan and strongly urge all Holders of Claims entitled to vote to accept the Plan by returning their ballots, so as to be **actually received** by Epiq Corporate Restructuring, LLC, the Debtors’ claims and noticing agent (the “Claims and Noticing Agent”), no later than **July 21, 2021, at 4:00 p.m., prevailing Eastern Time** (the “Voting Deadline”). The Debtors will seek the Bankruptcy Court’s approval of the Disclosure Statement and confirmation of the Plan at the Combined Hearing (as defined herein).

**ARTICLE II.
TREATMENT OF CLAIMS AND INTERESTS**

In accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims) are classified into Classes for all purposes, including voting rights, Confirmation, and distributions. A Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of

² Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan.

such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table below summarizes the treatment of all unclassified Claims under the Plan. The treatment and the projected recoveries of unclassified Claims are described in summary form below for illustrative purposes only. Risk factors addressing the effects of the actual amount of Allowed unclassified Claims exceeding the Debtors' estimates, and the effect of such variation on creditor recoveries, and other risks related to Confirmation and the Effective Date of the Plan are addressed in Article VII hereof. To the extent that any inconsistency exists between the summary contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

Unclassified Claim	Estimated Recovery
Administrative Claims	100%
Professional Fee Claims	100%
DIP Claims	100% ³
Priority Tax Claims	100%

The table below summarizes the classification, voting rights, and proposed treatment of all classified Claims and Interests against the Reorganizing Debtors or Liquidating SPE Debtors under the Plan. **The classification, treatment, and the projected recoveries of classified Claims are described in summary form below for illustrative purposes only and are subject to material change.** To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

The Plan divides the Debtors into the Liquidating SPE Debtors, the Excluded SPE Debtors (if any), and the Reorganizing Debtors. The Debtor entities that will be Liquidating SPE Debtors are RGN-Los Angeles XXV, LLC, RGN-Atlanta XXXV, LLC, RGN-Columbus IV, LLC, RGN-Chicago XLIV, LLC, RGN-Portland VII, LLC, RGN-San Jose IX, LLC, RGN-New York V, LLC, and RGN-Chicago XVI, LLC. To the extent the Landlord with respect to the Unexpired Lease of a Liquidating SPE Debtor objects to, or votes against, the Plan, then such Liquidating SPE Debtor shall be an Excluded SPE Debtor. Excluded SPE Debtors are not party to the Plan, and Claims or Interests against any such Excluded SPE Debtors will not receive any treatment under, nor be governed by, the Plan. Claims or Interests against any Liquidating SPE Debtors who do not constitute Excluded SPE Debtors will be classified into Class L1, Class L2, Class L3, Class L4, or Class L5, as applicable. All Debtors that are not Liquidating SPE Debtors or Excluded SPE Debtors are Reorganizing Debtors. Claims or Interests against the Reorganizing Debtors will be classified into Class 1, Class 2, Class 3, Class 4A, Class 4B, Class 5A, Class 5B, Class 5C, Class 6A, Class 6B, Class 6C, Class 7A, Class 7B, or Class 7C, as applicable.

All of the potential Classes for the Reorganizing Debtors and Liquidating SPE Debtors are set forth below. Certain of the Reorganizing Debtors or Liquidating SPE Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.D of the Plan.

Subject in all respects to the Plan, and to the extent a Class contains Allowed Claims or Allowed Interests with respect to any Reorganizing Debtor, the treatment of Allowed Claims and Allowed Interests with respect to Reorganizing Debtors is set forth below.

³ Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the DIP Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange for its DIP Claims against the Liquidating SPE Debtors. For the avoidance of doubt, DIP Claims and any Prepetition Credit Agreement Claims with respect to Excluded SPE Debtors are not waived or released in any manner whatsoever pursuant to the Liquidating SPE Debtors' Settlement.

Class	Status / Voting Rights	Proposed Treatment
<p><u>Class 1</u> Other Secured Claims</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed Other Secured Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Secured Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:</p> <ol style="list-style-type: none"> a. payment in full in Cash; b. delivery of collateral securing any such Allowed Other Secured Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; c. Reinstatement of such Allowed Other Secured Claim; or d. such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
<p><u>Class 2</u> Other Priority Claims</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed Other Priority Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:</p> <ol style="list-style-type: none"> a. payment in full in Cash; or b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
<p><u>Class 3</u> Prepetition Credit Agreement Claims</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor agrees to other treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Prepetition Credit Agreement Claim, each such Holder of an Allowed Prepetition Credit Agreement Claim shall receive Reinstatement of such Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor on the terms set forth in the Prepetition Facility Documents.</p> <p>For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against a Reorganizing Debtor held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of Article III of the Plan and the Prepetition Lender Claim Settlement.</p>
<p><u>Class 4A</u> Contingent Guaranty Claims against Guarantor Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Contingent Guaranty Claim shall at the option of the applicable Reorganized Debtor(s), receive either:</p> <ol style="list-style-type: none"> a. Reinstatement of such Allowed Contingent Guaranty Claim; or b. such other treatment rendering such Allowed Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
<p><u>Class 4B</u> Non-Contingent Guaranty Claims against Guarantor Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed Non-Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Non-Contingent Guaranty Claim shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed Non-Contingent Guaranty Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty (30) calendar days after the date such Claim becomes an Allowed Non-Contingent Guaranty Claim.</p>
<p><u>Class 5A</u> General Unsecured Claims against Guarantor Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed General Unsecured Claim against the Guarantor Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each General Unsecured Claim against the Guarantor Debtors, each Holder of an Allowed General Unsecured Claim against the Guarantor Debtors shall receive:</p> <ol style="list-style-type: none"> a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty

Class	Status / Voting Rights	Proposed Treatment
		<p>(30) calendar days after the date such Claim becomes an Allowed General Unsecured Claim;</p> <p>b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or</p> <p>c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.</p>
<p><u>Class 5B</u> General Unsecured Claims against Assuming SPE Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim against Assuming SPE Debtors, each Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors shall receive the following:</p> <p>a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Assuming SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course;</p> <p>b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or</p> <p>c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired.</p>
<p><u>Class 5C</u> General Unsecured Claims against Rejecting SPE Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>Except to the extent that a Holder of an Allowed General Unsecured Claims against Rejecting SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim against Rejecting SPE Debtors shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against Rejecting SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course.</p>
<p><u>Class 6A</u> Intercompany Claims against Guarantor Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>On the Effective Date, all Intercompany Claims against Guarantor Debtors shall be Reinstated.</p>
<p><u>Class 6B</u> Intercompany Claims against Assuming SPE Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>On the Effective Date, all Intercompany Claims against Assuming SPE Debtors shall be Reinstated.</p>
<p><u>Class 6C</u> Intercompany Claims against Rejecting SPE Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>On the Effective Date, all Intercompany Claims against Rejecting SPE Debtors shall be Reinstated.</p>
<p><u>Class 7A</u> Existing Interests in Guarantor Debtors</p>	<p>Unimpaired Not Entitled to Vote (Deemed to Accept)</p>	<p>On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Guarantor Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.</p>
<p><u>Class 7B</u> Existing Interests in</p>	<p>Unimpaired</p>	<p>On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Assuming SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.</p>

Class	Status / Voting Rights	Proposed Treatment
Assuming SPE Debtors	Not Entitled to Vote (Deemed to Accept)	
<u>Class 7C</u> Existing Interests in Rejecting SPE Debtors	Unimpaired Not Entitled to Vote (Deemed to Accept)	On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Rejecting SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.

Subject in all respects to the Plan, and to the extent a Class contains Allowed Claims or Allowed Interests with respect to any Liquidating SPE Debtor, the treatment of Allowed Claims and Allowed Interests with respect to the Liquidating SPE Debtors is set forth below.⁴

Class	Status / Voting Rights	Proposed Treatment
<u>Class L1</u> Other Priority Claims against Liquidating SPE Debtors	Unimpaired Not Entitled to Vote (Deemed to Accept)	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Debtor(s), either: <ul style="list-style-type: none"> a. payment in full in Cash; or b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
<u>Class L2</u> Prepetition Credit Agreement Claims	Unimpaired Not Entitled to Vote (Deemed to Accept)	Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the Prepetition Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange of its Prepetition Credit Agreement Claims against the Liquidating SPE Debtors. For the avoidance of doubt the Prepetition Lender does not release or waive any Prepetition Credit Agreement Claims with respect to Excluded SPE Debtors in any manner whatsoever. For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against the Liquidating SPE Debtors held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of this Article III of the Plan, the Prepetition Lender Claim Settlement, and the Liquidating SPE Debtors' Settlement. For further avoidance of doubt, the preceding sentence does not apply in any respect to the Excluded SPE Debtors.
<u>Class L3</u> General Unsecured Claims against Liquidating SPE Debtors	Impaired Entitled to Vote	Except to the extent that a Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each such General Unsecured Claim, each such Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor shall receive its Pro Rata share of the applicable Liquidating SPE Debtor Distribution Pool in Cash on the Effective Date.
<u>Class L4</u> Intercompany Claims against	Impaired Not Entitled to Vote (Deemed to Reject)	On the Effective Date, all Intercompany Claims against the Liquidating SPE Debtors shall extinguished, compromised, addressed, cancelled, or settled without any distribution on account of such Claims.

⁴ For the avoidance of doubt, the treatment provided pursuant to the Plan of Liquidation shall be provided to each applicable Liquidating SPE Debtor; *provided* that, in the event that the Landlord with respect to the Unexpired Lease of a Liquidating SPE Debtor objects to, or votes against, the Plan, such Liquidating SPE Debtor shall be an Excluded SPE Debtor and shall not receive any recovery under the Plan of Liquidation.

Class	Status / Voting Rights	Proposed Treatment
Liquidating SPE Debtors		
Class L5 Existing Interests in Liquidating SPE Debtors	Impaired Not Entitled to Vote (Deemed to Reject)	On the Effective Date or as soon thereafter as is practicable, all Existing Interests in the Liquidating SPE Debtors shall be discharged, cancelled, released, and extinguished and of no further force or effect without any distribution on account of such Interests.

Based on the foregoing, (i) Holders of Claims and Interests in Class 1, Class 2, Class 3, Class 4A, Class 4B, Class 5A, Class 5B, Class 5C, Class 6A, Class 6B, Class 6C, Class 7A, Class 7B, Class 7C, Class L1, and Class L2 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan, (ii) Holders of Claims and Interests in Class L4 and Class L5 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan, and (iii) Holders of Claims in Class L3 are impaired under the Plan and therefore are entitled to vote to accept or reject the Plan.

ARTICLE III. SOLICITATION AND VOTING PROCEDURES; PLAN CONFIRMATION TIMELINE⁵

This Disclosure Statement is being distributed to Holders of Claims in the Class entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order.

THE DISCLOSURE STATEMENT ORDER IS INCORPORATED HEREIN BY REFERENCE AND SHOULD BE READ IN CONJUNCTION WITH THIS DISCLOSURE STATEMENT IN FORMULATING A DECISION TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.
PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

A. *Solicitation Packages.*

Contemporaneously herewith, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement on an Interim Basis, (II) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing, (III) Approving the Solicitation and Notice Procedures, (IV) Approving the Combined Hearing Notice, and (VI) Granting Related Relief* (the "Disclosure Statement Motion"), seeking, among other things, conditional approval of the Disclosure Statement and approval of the forms of ballot and notices. On [●], 2021, the Bankruptcy Court entered the corresponding order [Docket No. [●]] (the "Disclosure Statement Order").⁶ Pursuant to the Disclosure Statement Order, Holders of Claims who are eligible to vote to accept or reject the Plan will receive appropriate solicitation materials (in paper or electronic form) (the "Solicitation Package") including:

- a copy of the Solicitation and Voting Procedures;

⁵ For purposes of this Article III, capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Disclosure Statement Order (defined herein).

⁶ Defined terms used but not otherwise defined have the meanings ascribed in the Disclosure Statement Motion or the Disclosure Statement Order, as applicable.

- a Ballot, together with detail voting instructions and a pre-addressed postage prepaid return envelope;
- the Cover Letter;
- the Disclosure Statement (and the exhibits attached thereto, including the Plan);
- the Combined Hearing Notice;
- the Order (without exhibits except as set forth above); and
- any other materials as the Court may direct.

The Debtors shall distribute the Solicitation Package to Holders of Claims entitled to vote on the Plan in electronic format (flash drive or CD ROM). Only the Ballots, the Cover Letter, and the Combined Hearing Notice will be provided in paper format. Any party that receives the materials in electronic format but would prefer paper format (to be provided at the Debtors' expense) may contact the Claims and Noticing Agent by: (a) calling the Debtors' restructuring hotline at (877) 503-9054 (Domestic) or +1 (503) 520-4478 (International) (b) visiting the Debtors' restructuring website at: <https://dm.epiq11.com/rgn>; (c) writing to RGN-Group Ballot Processing c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005 via first class mail, hand delivery or overnight mail; and/or (d) emailing RGN@epiqglobal.com and requesting paper copies of the corresponding materials previously received in electronic format. You may also obtain these documents and any other pleadings filed in the chapter 11 cases (for a fee) via PACER at <https://ecf.deb.uscourts.gov>. The Debtors respectfully request that the Claims and Noticing Agent be authorized (to the extent not authorized by another order of the Court) to assist the Debtors in (a) distributing the Solicitation Packages, (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by Holders of Claims against the Debtors, (c) responding to inquiries from Holders of Claims and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other related documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, (d) soliciting votes on the Plan, and (e) if necessary, contacting creditors regarding the Plan.

Additionally, the Debtors will provide (a) complete Solicitation Packages (excluding the Ballots) to the U.S. Trustee, and (b) the Disclosure Statement Order (in electronic format) and the Combined Hearing Notice to all parties required to be notified under Bankruptcy Rule 2002 and Local Rule 2002 1 (the "2002 List") as of the Voting Record Date. Any party that receives the materials in electronic format, but would prefer paper format, may contact the Claims and Noticing Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense) by (a) calling the Debtors' restructuring hotline at (877) 503-9054 within North America or, outside of North America, by calling +1 (503) 520-4478; (b) visiting the Debtors' restructuring website at: <https://dm.epiq11.com/rgn>; (c) writing to RGN-Group - Ballot Processing c/o Epiq Corporate Restructuring, LLC, P.O. Box 4422, Beaverton, OR 97076-4422 by first class mail or RGN-Group - Ballot Processing c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005 via hand delivery or overnight courier; and/or (d) emailing tabulation@epiqglobal.com and requesting paper copies of the corresponding materials previously received in electronic format. You may also obtain these documents and any other pleadings filed in the chapter 11 cases (for a fee) via PACER at <https://ecf.deb.uscourts.gov>. The Debtors will not mail Solicitation Packages or other solicitation materials to Holders of Claims and Interests that have already been paid in full during the chapter 11 cases or that are expected to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court in the chapter 11 cases.

B. *Voting Record Date.*

Pursuant to the Disclosure Statement Motion, the Debtors have requested that the Voting Record Date be set for **June 16, 2021**. The Voting Record Date (as defined in the Disclosure Statement Order) is the date on which it will be determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim.

C. *Voting Deadline.*

Pursuant to the Disclosure Statement Motion, the Debtors have requested that the Voting Deadline be set for **July 21, 2021, at 4:00 p.m., prevailing Eastern Time**. In order to be counted as votes to accept or reject the Plan, all ballots must be properly executed, completed, and delivered in accordance with the instructions on your ballot so that the ballots are **actually received** by the Claims and Noticing Agent on or before the Voting Deadline.

DELIVERY OF BALLOTS

By first class mail to:

RGN-Group - Ballot Processing
c/o Epiq Corporate Restructuring, LLC
P.O. Box 4422
Beaverton, OR 97076-4422

Via overnight courier or hand delivery to:

RGN-Group - Ballot Processing
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Boulevard
Beaverton, OR 97005

and/or

In addition, to submit your Ballot via the Claims and Noticing Agent's online portal, please visit <https://dm.epiq11.com/rgn>. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

D. *Voting Procedures.*

The Debtors are distributing this Disclosure Statement, accompanied by a Ballot to be used for voting to accept or reject the Plan, to the Holders of Claims entitled to vote to accept or reject the Plan. If you are a Holder of a Claim in Class L3 (General Unsecured Claims against Liquidating SPE Debtors) you may vote to accept or reject the Plan by completing the Ballot and returning it according to the instructions received.

The Debtors have retained Epiq Corporate Restructuring, LLC to serve as the Claims and Noticing Agent [Docket No. 376]. The Claims and Noticing Agent is available to answer questions, provide additional copies of all materials, oversee the voting process, and process and tabulate ballots for each class entitled to vote to accept or reject the Plan.

VOTING INQUIRIES

If you have any questions on the procedure for voting on the Plan, please call the Claims and Noticing Agent at:

(877) 503-9054 (within North America) or,
+1 (503) 520-4478 (outside of North America)

More detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to Holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by following the instructions set forth in the applicable ballot. All ballots must be properly executed, completed, and delivered according to their respective voting instructions, so that the votes are **actually received** by the Claims and Noticing Agent no later than the Voting Deadline. Ballots received by facsimile or by electronic means will not be counted, unless specifically authorized in the applicable ballot.

Each Holder of a Claim entitled to vote to accept or reject the Plan may cast only one ballot for each Claim held by such Holder. By signing and returning a ballot or otherwise voting pursuant to the instructions set forth on the ballot, each Holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Debtors that no other votes with respect to such Claim has been cast or, if any other votes have been cast with respect to such Claim, such earlier votes are superseded and revoked.

All ballots will be accompanied by return envelopes or alternate instructions for submitting your vote. The Holder must follow the specific instructions provided therein, as failing to do so may result in the Holder's vote not being counted.

No ballot will be counted toward Confirmation if, among other things: (1) any ballot that is illegible or contains insufficient information to permit the identification of the Holder of such Claim; (2) any ballot cast by any Entity that does not hold a Claim in a Voting Class; (3) any Ballot cast for a Claim scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed by the Voting Record Date (unless the applicable bar date has not yet passed, in which case such Claim shall be entitled to vote in the amount of \$1.00); (4) any unsigned ballot or ballot lacking an original signature (for the avoidance of doubt, a ballot submitted via the Claims and Noticing Agent online balloting portal shall be deemed an original signature); (5) any ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; and (6) any ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.**

E. *Proposed Plan Confirmation Timeline.*

Pursuant to the Disclosure Statement Motion, the Debtors have proposed the following dates with respect to Plan Confirmation, subject to Bankruptcy Court approval and availability.

<u>Event</u>	<u>Date</u>
Voting Record Date	June 16, 2021
Solicitation Deadline	June 23, or as soon as reasonably practical thereafter
Service of Assumption and Assignment and Rejection Notices	July 7, 2021
Plan Supplement Filing Deadline	July 14, 2021
Voting Deadline for Liquidating Debtors	July 21, 2021, at 4:00 p.m. ET
Disclosure Statement, Plan Confirmation, and Cure Objection Deadline	July 21, 2021, at 4:00 p.m. ET
Confirmation Brief and Reply Deadline	July 26, 2021, at 12:00 p.m. ET
Combined Disclosure Statement and Confirmation Hearing Date	July 28, 2021, at 10:00 a.m. ET, subject to the Bankruptcy Court's availability

F. *Combined Hearing Notice.*

Following entry of the Disclosure Statement Order, the Debtors will promptly serve notice of the Combined Hearing (the "Combined Hearing Notice") on (i) all known Holders of Claims and Interests and (ii) the list of all parties required to be notified under Bankruptcy Rule 2002 and Local Rule 2002-1. In addition to the foregoing distribution, the Debtors will publish the Combined Hearing Notice in *The New York Times* (national edition) and *USA Today* (national edition).

The Combined Hearing Notice includes the following: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Disclosure Statement Order, and all other materials in the Solicitation Package (excluding Ballots) from the Notice and Claims Agent or the Court's

website via PACER; (b) notice of the Voting Deadline (d) notice of the date by which the Debtors will file the Plan Supplement; (e) notice of the Combined Objection Deadline; and (f) notice of the Combined Hearing and information related thereto. The Combined Hearing Notice also includes information on the Debtor Release, the Third-Party Release, and injunction and exculpation provisions contained in the Plan, including excerpts of those provisions.

G. *Combined Disclosure Statement and Confirmation Objection Deadline.*

Pursuant to the Disclosure Statement Motion, the Debtors have requested that the Bankruptcy Court, among other things, require any objections to the Plan or the Disclosure Statement be filed with the Bankruptcy Court and served so that they are **actually received** on or before **July 21, 2021, at 4:00 p.m., prevailing Eastern Time** (the “**Combined Objection Deadline**”). The Debtors believe the proposed Combined Objection Deadline will afford the Bankruptcy Court, the Debtors, and other parties in interest reasonable time to consider the objections to the Plan before a Confirmation Hearing. Any objection to the Plan must: (1) be in writing; (2) conform to the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court for the District of Delaware; (3) state the name, address, phone number, and e-mail address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (4) state with particularity the basis and nature of any objection to the Disclosure Statement or Plan and, if practicable, a proposed modification to the Disclosure Statement or Plan that would resolve such objection; and (5) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received by the Combined Objection Deadline. **Unless an objection to the Plan or Disclosure Statement is timely served and filed, it may not be considered by the Bankruptcy Court.**

H. *Combined Disclosure Statement and Confirmation Hearing.*

Assuming the requisite acceptances are obtained for the Plan, the Debtors intend to seek approval of the Disclosure Statement and confirmation of the Plan at a hearing the Debtors have requested be scheduled for **July 28, 2021, at 10:00 a.m., prevailing Eastern Time**, subject to the Bankruptcy Court’s approval and availability, before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in Courtroom No. 1 of the United States Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, DE 19801 (such hearing, the “**Combined Hearing**”). The Combined Hearing may 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 on the entities who have filed objections to the Plan, without further notice to other parties in interest. It is anticipated that the Combined Hearing will be held by video via Zoom. Any party wishing to participate in the Combined Hearing must appear through Zoom. The information for appearing via Zoom will be provided in an agenda to be filed in advance of the Combined Hearing. The Bankruptcy Court, in its discretion and before the Combined Hearing, may put in place additional procedures governing such hearing. The Plan may be modified, if necessary, before, during, or as a result of the hearing to confirm the Plan without further notice to parties in interest.

This Disclosure Statement, the Plan, the Plan Supplement, and other documents referenced in the foregoing and materials related thereto may be obtained by may be obtained free of charge by visiting <https://dm.epiq11.com/case/rgn/info>. You may also obtain copies of any pleadings by visiting the Bankruptcy Court’s website at <http://www.deb.uscourts.gov> in accordance with the procedures and fees set forth therein.

ARTICLE IV. THE DEBTORS’ BACKGROUND

A. *The Debtors’ Business.*

1. The Debtors’ Corporate History.

IWG was founded in 1989 in Brussels, Belgium by its current Chief Executive Officer, Mark Dixon, a renowned entrepreneur with prior experience in the retail and wholesale industries. After seeing tremendous early growth across the European market, the Company expanded internationally through the late 1990s, opening business centers in North America, Latin America, Asia, Australia, and Africa. Based on its proven and scalable business model, the Company was able to secure private equity funding to support further growth opportunities. Ultimately,

the Company's achievements enabled it to complete a successful initial public offering on the London Stock Exchange in 2000. IWG remains listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

Despite the Company's initial rapid growth, around 2001, the economic downturn in the wake of the dot com bubble led to an oversupply of office space and drove down rental values, significantly impacting the Company's U.S. business. In 2002, as part of a rescue financing deal, the Company sold a 58% stake in its U.K. business—which it repurchased four years later—to stave off a potential bankruptcy in the U.S. and meet upcoming debt repayments. Nonetheless, in 2003, facing mounting pressure, the Company's U.S. arm filed for chapter 11 protection. It emerged from chapter 11 less than a year later.

After emerging from chapter 11 on sound footing, the Company continued its U.S. and global expansion both organically and through further acquisitions. In 2004, the Company acquired HQ Global Holdings, a major U.S. competitor. As a result, the Company became the world's largest provider of flexible workspaces, with 650 business centers in 52 countries. By 2008, the Company had expanded to 400,000 customers across 950 locations in 70 countries, soaring to over one million customers across 92 countries in 2012. The Company continued to see healthy growth through the past decade while navigating an uncertain economic environment by, among other things, entering into strategic partnerships, utilizing a long-term approach by investing in research and development, and focusing on overhead efficiency through economies of scale. In 2019, the Company celebrated its thirtieth anniversary, having grown from a Brussels-based startup to a global powerhouse across 120 countries.

2. The Debtors' Business.

The Company's business model begins with entry into long-term non-residential real property leases (each, a "Lease") with property owners that provide the Company with office space (each office, a "Center"). Based on significant market research regarding potential client needs in local markets and the unique requirements of its existing clients, Regus engineers each of the Centers to meet the architectural style, service, space, and amenity needs of those individuals, companies, and organizations who will contract for use of subportions of the Centers. Regus markets its Centers under an umbrella of different brand names, each tailored to appeal to different types of clients and those clients' specialized needs. These clients (the "Occupants") enter into short-term licenses to use subportions of the Centers, which are customizable as to duration, configuration, services, and amenities. When operating at a profit, a Center's Occupants' license payments will exceed the combined cost of the underlying long-term lease, management cost, and general operating expenses of the Center.

The lessee on each Lease (each, a "Lease Holder") is typically a special-purpose entity ("SPE") formed for the specific purpose of entering into these Leases, though certain Regus entities have acted as Lease Holder for multiple Leases, including RGN-National Business Centers, LLC ("RGN-National") and H Work, LLC ("H Work"). The Lease Holders' obligations under their respective Leases are often partially or fully guaranteed by another Regus entity, including, as applicable, Debtors RGN-Group Holdings, H Work, and RGN-National (collectively, the "Guarantor Debtors").⁷

Debtor RGN-Group Holdings differs from other Debtors in that it is not a Lease Holder, but rather owns all of the furniture, fixtures, equipment, and other personal property (collectively, the "FF&E") located in the respective Centers in the United States. RGN-Group Holdings leases this FF&E to the applicable Lease Holder—including the SPE Debtors, RGN-National, and H-Work, as well as hundreds of non-debtor entities—pursuant to the Equipment Lease Agreements described below.

⁷ Non-debtor Redox plc S.A. (f/k/a Regus plc S.A.), a company registered in the Bailiwick of Jersey and in Luxembourg, is also guarantor of certain of the Leases. See *infra* Article IV, Section D.

3. The Debtors' Principal Assets.⁸

The Debtors' principal assets consist of their FF&E, their rights under their respective Franchise Agreements, Equipment Lease Agreements, Management Agreements, Guaranty Fees, Leases, as well as their right to receive the net Occupancy Fees from the operation of their respective Centers.

B. *The Debtors' Non-Debtor Affiliates.*

The Debtors are each single-member, member-managed Delaware⁹ limited liability companies that are indirect or direct, wholly-owned subsidiaries of non-Debtor Regus Corporation. Regus Corporation is a wholly-owned subsidiary of non-Debtor Regus Group Limited, a company organized under the laws of the United Kingdom. Regus Group Limited is a wholly-owned subsidiary of non-Debtor IWG Group Holdings Sarl, a company organized under the laws of Luxembourg. IWG Group Holdings Sarl is a wholly-owned subsidiary of non-Debtor IWG Enterprise Sarl, a company also organized under the laws of Luxembourg. IWG Enterprise Sarl is a wholly-owned subsidiary of non-Debtor IWG plc, a company organized under the laws of the Bailiwick of Jersey and registered in Luxembourg with a head office in Switzerland, and the ultimate parent of the IWG corporate structure. A corporate structure chart is attached as **Exhibit B**.

C. *Canadian Proceedings.*

On August 20, 2020, the Bankruptcy Court entered an order [Docket No. 25] authorizing RGN-National to serve as "foreign representative" for the purpose of commencing recognition proceedings in Canada (the "CCAA Recognition Proceedings") pursuant to Part IV of the *Companies' Creditors Arrangement Act* (the "CCAA"). On August 24, 2020, RGN-National, in its capacity as foreign representative of the Debtors, commenced the CCAA Recognition Proceedings before the Ontario Superior Court of Justice (Commercial List) (the "CCAA Court"). The Debtors' Chapter 11 Cases were recognized as a "foreign main proceeding" under Part IV of the CCAA by the CCAA Court—similar to the chapter 15 process under the Bankruptcy Code. The Canadian Recognition Proceedings are ancillary in nature to the Chapter 11 Cases, which are the focus of the Debtors' restructuring efforts.

In addition to the CCAA Recognition Proceedings, on August 31, 2020, certain Canadian affiliates of the Debtors (the "CCAA Debtors") with leases guaranteed by the Guarantor Debtors commenced separate proceedings (the "CCAA Proceedings") under the CCAA before the CCAA Court to stay potential termination events related to the commencement of the Chapter 11 Cases under their Center Leases. The CCAA Proceedings have progressed in a coordinated manner with the Chapter 11 Cases and the CCAA Court has currently granted a stay of proceedings in respect of the CCAA Debtors until June 30, 2021.

If the Bankruptcy Court enters the Confirmation Order contemplated by the Plan, RGN-National, in its capacity as foreign representative of the Debtors, will seek an order of the CCAA Court recognizing the Confirmation Order (the "CCAA Recognition Order"), including provisions prohibiting termination of any Center Lease as result of the commencement of the Chapter 11 Cases or the impairment of any claim against the Guarantor Debtors under the Plan. In addition to the CCAA Recognition Order, the CCAA Debtors will seek an order of the CCAA Court (the "CCAA Termination Order") which will, among other things, (a) terminate and discharge the CCAA Proceedings, and (b) prohibit the termination of any Center Lease of the CCAA Debtors as result of the commencement of the CCAA Proceedings or the insolvency or financial condition of the CCAA Debtors. Issuance of the CCAA Recognition Order and the CCAA Termination Order by the CCAA Court are condition precedents to implementation of the Plan.

⁸ Capitalized terms used in this section but not otherwise defined herein have the meanings ascribed to them in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Implement an Integrated Cash Management System, (B) Execute Deposit Account Control Agreements, (C) Perform Under Intercompany Agreements, and (D) On a Final Basis Only, Pay Certain Prepetition Intercompany Claims, and (II) Granting Related Relief* [Docket No. 331].

⁹ Debtor entity Corporate Offices of California, LLC is incorporated in California.

D. *Luxembourg Proceedings.*

On October 9, 2020, the District Court of Luxembourg, sitting in commercial matters, declared the public limited company Redox plc S.A. (“Redox”) to be bankrupt and commenced bankruptcy proceedings (the “Luxembourg Proceedings”). Redox is a foreign affiliate of the Debtors and the guarantor under 22 of the Debtors’ Leases. The Luxembourg Proceedings are ancillary in nature to the Chapter 11 Cases, which are the focus of the Debtors’ restructuring efforts.

E. *Prepetition Secured Indebtedness.*

The Debtors, certain other borrowers thereunder, and Regus Corporation are parties to that certain Senior Loan and Secured Agreement, dated as of August 1, 2013 (as amended, restated, or modified at any time, the “Loan Agreement” and, together with the other documents, instruments, and agreements executed in connection therewith or related thereto, the “Loan Documents”), whereby Regus Corporation provides working capital loans, on a senior-secured basis, for the operation of the Debtors’ respective businesses. Pursuant to the Loan Documents, the Debtors’ obligations to Regus Corporation are secured by a first-priority security interest in all of the Debtors’ assets.

The Debtors’ approximate aggregate prepetition indebtedness under the Loan Agreement, including principal, interest, fees, and charges payable pursuant to the Loan Documents is \$584,477,003. The breakout by individual Debtor is provided in the prepetition intercompany indebtedness chart attached as Exhibit C.

As more fully described in the Plan and Article V, Section G of this Disclosure Statement, the Debtors and the Prepetition Lender have entered into a good-faith compromise and settlement granting the Prepetition Lender an Allowed Claim in the aggregate amount of \$381,284,678, which Allowed Claim shall fully and finally satisfy, settle, release, and discharge all Prepetition Credit Agreement Claims held by the Prepetition Lender, in accordance with the terms of, and as more fully set forth in, the Plan, the Prepetition Lien and Claim Investigations Settlement, and the Prepetition Lender Claims Settlement; *provided, however*, that the Prepetition Lender agrees that all Prepetition Credit Agreement Claims held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and otherwise treated in accordance with the terms of the Plan.

F. *Events Leading to the Chapter 11 Cases.*

Following a strong first fiscal quarter, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. In response to the pandemic, national, state, and local governments in the United States and throughout the world imposed quarantines, social distancing protocols, and shelter-in-place orders. While the entire global economy was disrupted on a massive scale, the pandemic had a particularly acute impact on the Debtors’ business, one that generates value from shared office spaces. With the near universal adoption of work-from-home policies (either voluntary or government-mandated) by U.S. businesses during the early months of the pandemic, demand for temporary office space—particularly co-working office space—has been severely depressed.

The pandemic has impacted the Debtors’ revenue generation in a number of ways. First, Regus actively invests in acquiring and engineering new spaces based on the anticipated return on investment from the projected occupancy thereof. During the pandemic, occupancy rates have been drastically reduced. Accordingly, Regus has expended significant resources without the corresponding revenue generation. Second, to attract and retain Occupants in this environment, Regus has had to cut pricing for new sales and renewals, resulting in a reduction in revenue across the Debtors’ portfolio. Finally, many of the Debtors’ Occupants’ have been significantly financially impacted by the pandemic and have been either unwilling or unable to timely pay their Occupancy Fees.

In response to the extreme impact of the pandemic on their business, Regus took comprehensive steps to reduce costs and improve cash flow and liquidity, including the deferral of rent payments and engagement with landlords to negotiate forbearances, temporary accommodations, and permanent modifications to the Leases to bring them in line with pandemic-adjusted market realities. In the lead-up to the filing of the Chapter 11 Cases, Regus had some success in negotiations with their landlords. At the same time, the risk of failure in negotiations loomed. Such breakdowns had the potential to put the entire portfolio on less-sure footing, by requiring the immediate deployment

of a disproportionate amount of capital (e.g., to cure an accumulated Lease arrearage) to avoid the potential closure of a Center and corresponding loss of business from Occupants at that location.

Certain of the Debtors commenced their Chapter 11 Cases in response to notices from their respective Landlords that they would be locked out of their Centers as of a date certain, while others were at peril of immediate termination of their Leases and subsequent eviction from their Centers. The Guarantor Debtors commenced their Chapter 11 Cases shortly thereafter to preempt both a potential “run on the bank” by landlords exercising their rights under the various guarantee agreements, and the inevitable “race to the courthouse” that would follow. The Guarantor Debtors’ Chapter 11 Cases triggered cross-defaults across the Debtors’ Lease portfolio and further filings thereafter.

G. *Appointment of Responsible Officer.*

As of the date hereof, James S. Feltman is serving as the Debtors’ Responsible Officer. Mr. Feltman is a managing director at Duff & Phelps LLC (“Duff & Phelps”) where his practice focuses on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. Mr. Feltman’s career has spanned more than thirty years across a variety of roles, including many within the distressed space. Mr. Feltman received a B.A. from the University of Wisconsin, Madison, an M.P.S. from Cornell University, and is a Certified Public Accountant.

In light of the Debtors’ position as subsidiaries of Regus Corporation within the Regus corporate structure, the Debtors’ management understood the importance of establishing an independent, disinterested officer with authority to make final decisions related to the Debtors’ restructuring. On July 20, 2020, the Debtors engaged Mr. Feltman serve as Responsible Officer with the assistance of certain additional personnel from Duff & Phelps, which had been providing prepetition interim management services to the Debtors.

Pursuant to the duties delegated to him under the resolutions authorizing his appointment as Responsible Officer, Mr. Feltman is responsible for, among other things, assisting in the management of the Debtors’ operations, overseeing their liquidity management, and assisting with their restructuring process. As further described herein, in addition to his day-to-day management duties, Mr. Feltman undertook an investigation of potential claims and causes of action that the Debtors may be able to pursue for the benefit of their estates, including into certain potential claims and causes of action arising out of or relating to the Prepetition Lien and Claim Matters.

**ARTICLE V.
EVENTS OF THE CHAPTER 11 CASES**

A. *Chapter 11 Petitions, Case Administration, and Other Case Matters.*

As described above, the Debtors commenced these chapter 11 proceedings on a rolling basis. The first of the SPE Debtors filed its chapter 11 petition on July 30, 2020, with 106 SPE Debtors following thereafter between August 3, 2020, and March 11, 2021. During the course of these cases, four SPE debtor cases have been voluntarily dismissed [Docket Nos. 437, 601, 775]. On August 17, 2020, the three Guarantor Debtors filed their voluntary chapter 11 petitions. As of the date hereof, 106 total Debtor cases are currently pending before the Bankruptcy Court.

To ease the administrative burden on the Debtors and other parties in interest, on August 20, 2020, the Bankruptcy Court entered an initial order authorizing the joint administration and procedural consolidation of the Chapter 11 Cases [Docket No. 27] and has since entered thirteen additional orders supplementing such relief [Docket Nos. 260, 269, 279, 290, 310, 402, 439, 568, 692, 749, 877, 984, 1072]. At various times, the Bankruptcy Court has entered orders applying certain previously-entered relief to later-filed Debtors [Docket Nos. 378, 589, 854, 966, 1017, 1120].

Prior to early September 2020, the Debtors proceeded as “small business debtors” under subchapter V of chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 1181–1195, and the Bankruptcy Court appointed a subchapter V trustee [Docket No. 32]. As the Debtors approached the statutory cap imposed by section 101(51D) of the Bankruptcy Code, however, on September 4, 2020, the Bankruptcy Court entered an order redesignating the subchapter V cases as non-small business debtor cases under chapter 11, and the subchapter V trustee was discharged [Docket No. 211].

B. *Operational Relief, Lease Procedures, and Appointment of Professionals.*

Throughout these cases, the Debtors have continued to operate their businesses and manage their properties as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. To minimize disruption to the Debtors' operations, the Bankruptcy Court has authorized the Debtors to: (i) obtain postpetition financing and use of cash collateral [Case No. 20-11894, Docket No. 12; Docket Nos. 178, 380, 587, 756], as described more fully below; (ii) establish a cash management system and make postpetition payments in the ordinary course under certain intercompany agreements [Docket Nos. 379, 567]; and (iii) pay for utility services [Docket Nos. 40, 374].

The Bankruptcy Court has also entered various operational orders with respect to executory contracts and unexpired leases. Specifically, on September 3, 2020, the Bankruptcy Court entered an order establishing rejection procedures for executory contracts and unexpired leases and modification procedures for unexpired leases [Docket No. 182], which procedures were modified on October 23, 2020, when the Bankruptcy Court entered an order allowing, among other things, the Debtors to pay prepetition rent obligations in connection with unexpired lease modifications [Docket No. 588]. On November 16, 2020, the Bankruptcy Court entered an order establishing procedures for the assumption or assumption and assignment of executory contracts and unexpired leases [Docket No. 695]. Also on November 16, 2020, the Bankruptcy Court entered an order extending the deadline by which each Debtor must choose to assume or reject its Leases by ninety days [Docket No. 693]. These procedures and additional time to evaluate their Leases have been crucial to the Chapter 11 Cases, facilitating the assumption of twenty-nine Leases [Docket Nos. 375, 437, 691, 761, 785, 807, 848, 855, 897, 955, 977, 1037, 1062, 1094, 1116, 1189, 1200, 1215, 1253], modification of forty-two Leases [Docket Nos. 410, 592, 602, 660, 739, 826, 837, 897, 906, 977, 988, 1013, 1020, 1086, 1145, 1171, 1183, 1195, 1214, 1233], and rejection of eight Leases [Docket Nos. 321, 440, 757, 1002, 1048, 1073, 1121] as of the date hereof, optimizing the Debtors' Lease portfolio and positioning them for success into the future. The Debtors have also voluntarily dismissed the cases of four SPE entities [Docket Nos. 437, 601, 775]. Further, the Bankruptcy Court has approved settlement agreements resolving prepetition litigation over certain Leases and establishing the modification and assumption thereof, as applicable [Docket Nos. 691, 897, 977].

To assist the Debtors in the administration and strategic development of the Chapter 11 Cases, the Bankruptcy Court entered various orders authorizing the Debtors to retain professional advisors, compensate such advisors, and establish procedures related thereto. Specifically, the Bankruptcy Court authorized the Debtors to retain: (i) Kirkland & Ellis LLP and Kirkland & Ellis International LLP as co-counsel for the Debtors [Docket No. 652]; (ii) Faegre Drinker Biddle & Reath LLP as co-counsel for the Debtors [Docket No. 573]; (iii) James S. Feltman as Responsible Officer with Additional Personnel from Duff & Phelps LLC [Docket No. 619]; (iv) AlixPartners, LLP as financial advisor for the Debtors [Docket No. 257]; and (v) Epiq Corporate Restructuring, LLC as claims and noticing agent [Docket No. 12] and administrative advisor [Docket No. 376]. The Bankruptcy Court also entered an order authorizing the Debtors to retain and compensate certain professionals utilized in the ordinary court of business [Docket No. 377]. On October 21, 2020, the Bankruptcy Court entered an order establishing procedures for interim compensation and reimbursement of expenses of professionals [Docket No. 572]. The foregoing professionals are, in part, responsible for the administration of the Chapter 11 Cases and the postpetition compensation of all of the Debtors' professionals is subject to the approval of the Bankruptcy Court.

C. *Other Procedural and Administrative Relief.*

The Debtors filed additional motions to reduce the administrative burdens of the Chapter 11 Cases. This includes, among other relief, orders: (i) establishing procedures for settling certain de minimis claims and causes of action brought by or against the Debtors [Docket No. 571]; (ii) extending the period within which the Debtors may remove civil actions [Docket Nos. 688, 899, 1157]; and (iii) extending the period within which the Debtors may assume or reject unexpired leases of nonresidential real property [Docket Nos. 697, 1000].

D. *Plan Exclusivity.*

On November 16, 2020, the Bankruptcy Court entered an order extending each Debtor's exclusive period to file a chapter 11 plan, which would have otherwise expired between November 27, 2020, and February 17, 2021, to March 16, 2021, and to solicit acceptances thereof to May 17, 2021 [Docket No. 694]. On February 11, 2021, the Bankruptcy Court entered an order further extending each Debtor's exclusive period to file a chapter 11 plan to June 23, 2021, and to solicit acceptances thereof to August 23, 2021 [Docket No. 999]. On June 7, 2021, the Debtors filed

a motion seeking to further extend each Debtor's exclusive period to file a chapter 11 plan to October 1, 2021, and to solicit acceptances thereof to December 1, 2021 [Docket No. 1264], which motion is pending as of the date hereof.

E. *Appointment of the UCC.*

On September 21, 2020, the U.S. Trustee filed the *Notice of Appointment of Committee of Unsecured Creditors* (the "UCC") [Docket No. 291], notifying parties in interest that the U.S. Trustee had appointed members to the UCC in the Chapter 11 Cases. The UCC is currently composed of the following members: (a) CBRE Global Investors, (b) Steelbridge Las Olas West LLC, (c) Thoits Bros., Inc., and (d) Arch Vine LLC.¹⁰ The UCC has retained Frost Brown Todd LLC and Cole Schotz P.C. as its legal co-counsel [Docket Nos. 701, 702] and FTI Consulting, Inc. as its financial advisor [Docket No. 703].

F. *Approval of DIP Financing Facility and Related Relief.*

The Debtors negotiated a new money multi-draw term loan debtor in possession financing facility (the "DIP Facility") with their direct or indirect parent and existing working capital lender, Regus Corporation (in such capacity, the "DIP Lender"). On September 29, 2020, the Bankruptcy Court entered an order authorizing the Debtors to borrow up to \$17.5 million under the DIP Facility on an interim basis [Docket No. 380], which also incorporated two prior cash collateral stipulations [Case No. 20-11894, Docket No. 12; Docket No. 169]. On October 23, 2020, the Bankruptcy Court entered an order authorizing the Debtors to borrow up to \$50 million under the DIP Facility on a final basis [Docket No. 587] (the "Final DIP Order"). The DIP Facility provides the Debtors with necessary access to liquidity during the pendency of the Chapter 11 Cases on terms that the Debtors and their advisors consider to be reasonable under the circumstances. The DIP Facility also enables the Debtors to meet current estimated capital expenditures, allowing them to invest in critical improvements for their go-forward business.

On December 1, 2020, the Bankruptcy Court entered an order authorizing the Debtors and the DIP Lender to amend the DIP Term Sheet (as defined in the Final DIP Order) to provide the Debtors with access to an additional \$47 million in financing [Docket No. 756] (the "DIP Amendment"). The additional funding provided under the DIP Amendment accounted for, among other things, additional financing to fund the Chapter 11 Cases and the provision of letters of credit for the benefit of Landlords in connection with entry into certain Lease amendments. On February 11, 2021, the Bankruptcy Court entered an order authorizing the Debtors and the DIP Lender to amend the DIP Term Sheet further to provide the Debtors with access to an additional \$43 million in financing, extend the milestones set forth therein, and enter into letter agreements, among other things [Docket No. 1001] (the "Second DIP Amendment"), which reflected a global consensus with the UCC. As part of the Second DIP Amendment, the Debtors agreed to pay stub rent to consenting landlords that entered into a letter agreement and waive any claim or right to assert on behalf of their estates any payment or transfer by a Debtor to the consenting landlord is a preference, fraudulent conveyance, or similar voidable transfer under the Bankruptcy Code or applicable non-bankruptcy law. In exchange, each consenting landlord and the UCC agreed to waive any objections to the Debtors' requests for an extension of the deadlines for each Debtor under section 365(d)(4) of the Bankruptcy Code, to file a chapter 11 plan and solicit acceptances thereof, and the relief requested in the Second DIP Amendment. As of the date hereof, the aggregate amount of DIP Claims outstanding is \$58,572,149.

G. *The Prepetition Lien and Claim Investigation.*

During the pendency of the Chapter 11 Cases, through their independent Responsible Officer, James S. Feltman, the Debtors conducted an investigation into, among other things, certain claims or Causes of Action arising out of or relating to the historic transactions entered into by the Debtors prior to the Petition Date, including with the Debtors' affiliates, the Prepetition Lender, and certain of its Affiliates. Throughout the Responsible Officer's investigation, the UCC conducted a parallel investigation, and, as part of their engagement with the UCC, the Debtors provided substantial diligence to the UCC to assist its investigation, and the Prepetition Lender and the DIP Lender offered significant cooperation, responded to a number of discovery requests, and engaged in numerous

¹⁰ During the pendency of the Chapter 11 Cases, Hudson Merrill Place resigned from the UCC and, to date, has not been replaced by an additional member.

meet-and-confer conferences with the UCC's advisors. The Debtors' advisors, at the direction of the Responsible Officer, reviewed all diligence and discovery provided to the UCC as part of parallel investigations. The Debtors also made their management team available to and regularly corresponded with the Responsible Officer and the UCC regarding any investigation matters. The Challenge Deadline (as defined in the Final DIP Order) was consensually extended by the Prepetition Lender and the DIP Lender several times throughout the Chapter 11 Cases to provide the Responsible Officer and the UCC additional time to evaluate documentation, complete the investigations, and facilitate continued discussions amongst all parties, including the Responsible Officer, the UCC, and the Prepetition Lender and the DIP Lender.

As a result of the Debtors' investigation and engagement with the UCC, the Debtors identified certain historic transactions that, subject to further analysis, and in the absence of the Prepetition Lender Claims Settlement and the Prepetition Lien and Claim Investigations Settlement, could be construed to potentially give rise to potential estate claims and Causes of Action. The Prepetition Lender and DIP Lender deny that any such potential claims and/or Causes of Action exist. Following extensive negotiations with the Prepetition Lender and the DIP Lender, and in exchange for the commitments to fund the unimpairment Plan with respect to the Reorganizing Debtors, the consideration offered pursuant to the Liquidating SPE Debtors' Settlement, and to right size the Debtors' balance sheet and avoid costly and time consuming litigation the outcome of which would be speculative, the Debtors, through the Responsible Officer, have agreed to settle and release any claims and Causes of Action arising out of or relating to historic transactions with the Debtors' affiliates, the Prepetition Lender, the DIP Lender, and certain of their Affiliates and their Related Parties. Such settlement and release is in the best interests of the Debtors' estates, as they can proceed to Confirmation on the swift timeline contemplated herein without the distraction and significant expense of potential prolonged litigation.

H. *Liquidating SPE Debtors' Settlement.*

As previously discussed, the Debtors' business is principally organized around SPE entities formed for the specific purpose of entering into Leases. During these Chapter 11 Cases, the Debtors have determined in their reasonable business judgment to reject certain SPE Debtor Leases, which Lease rejections have been approved by the Bankruptcy Court. Contemporaneously with rejecting such Leases, the Debtors have closed the respective Centers and wound down operations. These SPE Debtors no longer seek to retain their sole material asset or conduct operations and, accordingly, seek to proceed to Confirmation pursuant to a Plan of Liquidation (such SPE Debtors, the "Liquidating SPE Debtors").

Following the Debtors' thorough investigation discussed in Article V.G. hereof, the Liquidating SPE Debtors, through their independent Responsible Officer, James S. Feltman, and with the assistance of their legal and financial advisors, engaged in extensive, good-faith, and arm's-length negotiations with Regus Corporation regarding a settlement specific to the potential claims and Causes of Action such Liquidating SPE Debtors may hold against Regus Corporation and certain of its Affiliates and Related Parties. Regus Corporation denies that any such potential claims and/or Causes of Action exist. Ultimately, such negotiations concluded in the Liquidating SPE Debtors' Settlement, which the Debtors believe is, among other things, fair and equitable, in the best interests of their estates, and a value-accretive resolution to the potential claims and Causes of Action taking into account the inherent risk of litigation and attendant expenses.

Pursuant to the Liquidating SPE Debtors' Settlement, which is subject to, and for which the Debtors will seek, Bankruptcy Court approval, Regus Corporation will contribute the Liquidating SPE Debtors' Settlement Amount to the Liquidating SPE Debtors in exchange for the full and final satisfaction and release of any and all claims and/or Causes of Action held by the Liquidating SPE Debtors against Regus Corporation and certain of its Affiliates and Related Parties. As further consideration for such release, Regus Corporation, in its capacity as DIP Lender and Prepetition Lender, agrees to release and waive any DIP Claims and Prepetition Credit Agreement Claims, respectively, it holds against the Liquidating SPE Debtors, solely to the extent such Liquidating SPE Debtor is not an Excluded SPE Debtor. For the avoidance of doubt, (a) contribution of the Liquidating SPE Debtors' Settlement Amount is expressly contingent on Bankruptcy Court approval of the Liquidating SPE Debtors' Settlement, Consummation of the Plan of Reorganization, and any other applicable requirements and conditions in the Liquidating SPE Debtors' Settlement Documents, and (b) Regus does not release or waive any DIP Claims or Prepetition Credit Agreement Claims against any Excluded SPE Debtors in any manner whatsoever.

The Plan shall incorporate all settlements previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019, including, but not limited to, the Liquidating SPE Debtors' Settlement (if applicable).

I. *Schedules and Statements, Bar Date, and Filed Proofs of Claim.*

Each Debtor filed its Schedules of Assets and Liabilities and Statement of Financial Affairs (the "Schedules and Statements"), as may have been amended from time to time, at various times throughout the Chapter 11 Cases. The Bankruptcy Court entered orders [Docket Nos. 39, 381, 612, 763, 900] extending the deadline for certain Debtors to file their Schedules and Statements.

On November 4, 2020, the Debtors filed a motion seeking to set bar dates and establish procedures for filing proofs of claim (the "Proofs of Claim") in the Chapter 11 Cases [Docket No. 657] (the "Bar Date Motion").¹¹ On November 16, 2020, the Bankruptcy Court entered an order approving the Bar Date Motion [Docket No. 689] (the "Bar Date Order"), which established: (i) 5:00 p.m., prevailing Eastern Time, on the date that is 28 days after service of the applicable Bar Date Notice as the General Claims Bar Date; (ii) the later of (A) the General Claims Bar Date or Governmental Bar Date, as applicable, (B) 5:00 p.m., prevailing Eastern Time, on the date that is 35 days after service of an order approving the rejection of the applicable executory contract or unexpired lease of the Debtors, and (C) any such other date that the Bankruptcy Court may fix in the applicable order approving such rejection as the Rejection Damages Bar Date; (iii) 5:00 p.m., prevailing Eastern Time, on the date that is 180 days after each applicable Debtor's Petition Date as the Governmental Bar Date; and (iv) the later of (A) the General Claims Bar Date or the Governmental Bar Date, as applicable, (B) 5:00 p.m., prevailing Eastern Time on the date that is 21 days from the date the notice of the filing, amendment, or supplement is served, and (C) any such other day that the Bankruptcy Court may fix as the Amended Schedules Bar Date, in each case solely with respect to any Holders of Claims affected by such filing, amendment, or supplement. The Bar Date Order also approved a corresponding form of notice (a "Bar Date Notice").

The Debtors established December 18, 2020 as the General Claims Bar Date and served a Bar Date Notice reflecting such date on all known potential claimants of each applicable Debtor entity.¹² Pursuant to the Bar Date Order, the Bar Date Notice provided that all persons and entities asserting a claim against the Debtors which arose prior to the Petition Date were required to submit Proofs of Claim so they were actually received on or before such claimants' applicable bar date. The first page of the Bar Date Notice specifically identified the Guarantor Debtors and noted that "[t]hese entities may, in certain circumstances, be guarantor entities to various leases held by landlords of SPE Debtors in the Chapter 11 Cases as well as various leases held by landlords whose tenants are not SPE Debtors in the Chapter 11 Cases. Please be advised that you may have claims against guarantor entities as well as SPE Debtors, as applicable. If your claim is against a guarantor, you must file a claim by the Bar Date." Moreover, the Bar Date Notice specified, pursuant to the Bar Date Order, the specific types of claims for which a Proof of Claim was required, including any claims identified as "disputed," "contingent," or "unliquidated" on the Schedules and Statements. The

¹¹ Capitalized terms used in this section but not otherwise defined herein shall have the meaning ascribed to them in the Bar Date Motion.

¹² In addition to the Debtors' fulsome service of the Bar Date Notice, the Debtors published the Bar Date Notice in *The New York Times* (national edition) and *USA Today* (national edition) at least 21 days before the General Claims Bar Date. See Docket No. 759.

In light of potential future SPE Debtor chapter 11 filings following the establishment of the General Claims Bar Date and service and publication of a Bar Date Notice for the then-Debtor entities, the Bar Date Order provided that any additional SPE Debtor would serve a Bar Date Notice after filing its Schedules and Statements and establish 5:00 p.m., prevailing Eastern Time, on the date that was 28 days after service of such Bar Date Notice as such Debtor's General Claims Bar Date. In accordance with the foregoing, the Debtors have established the following General Claims Bar Dates for Claims against later-filed SPE Debtors: RGN-Portland VII, LLC (January 4, 2021); RGN-Baltimore V, LLC (February 11, 2021); RGN-Chicago XLIV, LLC (March 16, 2021); RGN-Milwaukee IV, LLC (April 12, 2021); and RGN-New York V, LLC (May 13, 2021). A Bar Date Notice specific to each later-filed SPE Debtor was published in a local newspaper depending on each such Debtor's geographic location. See Docket Nos. 800, 907, 1015, 1074, 1154.

Bar Date Notice also provided instructions for filing Proofs of Claim and the consequences for failure to do so—that such party “shall not be treated as a creditor with respect to such claim for any purpose of voting or distribution.”

The below table provides a summary of the Proofs of Claim that were filed by each Debtor’s respective bar date, which Proofs of Claim informed and enabled the proposed unimpairment Plan structure for the Reorganizing Debtors.

Filed Proofs of Claim¹³		
Debtor Entity	Total Number of Filed Proofs of Claim	Total Amount of Asserted Claims
H Work, LLC	94	\$87,791,347
RGN-NBC, LLC	133	\$57,128,139
RGN-Group Holdings, LLC	67	\$530,675,501
Debtor SPEs	148	\$168,426,480

ARTICLE VI. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors with respect to the summary provided in the Disclosure Statement.

A. Confirmation Hearing.

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to conduct a hearing to consider confirmation of a chapter 11 plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. As set forth above, pursuant to the Disclosure Statement Motion, the Debtors have requested that the Bankruptcy Court schedule the Combined Hearing for **July 28, 2021, at 10:00 a.m., prevailing Eastern Time**, subject to Bankruptcy Court approval and availability. The Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court, by agenda filed with the Court, or by a notice of adjournment filed with the Court and served on all parties on the master service list, in accordance with the order approving the Disclosure Statement and Solicitation Procedures.

B. Confirmation Standards.

1. Requirements for Confirmation of the Plan.

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan “does not discriminate unfairly” and is “fair and equitable” as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the “best interests” of Holders of Claims or Interests. Based on the Unimpaired status of each

¹³ This table reflects the aggregate amount of filed Proofs of Claim against the Debtors and the associated asserted monetary value of all such Claims as of each Debtor’s respective Bar Date. Nothing contained herein is intended or should be construed as an admission to (a) the validity of any Proof of Claim or (b) the allowance or disallowance of any Claim. The Debtors reserve all rights to object to any and all Claims pursuant to sections 502(a) and (b) of the Bankruptcy Code and Bankruptcy Rule 3007. This summary table excludes any Proofs of Claim for which a Debtor entity was not identified and includes only the amended Proof of Claim in instances where an earlier filed Proof of Claim was amended.

Class of Claims and Interests, pursuant to and in accordance with section 1126(f) of the Bankruptcy Code, the Debtors are not soliciting votes from any Holders of Claims or Interests against the Reorganizing Debtors, and all such holders are deemed to accept the Plan.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

2. The Debtors' Releases, Third-Party Release, Exculpation, and Injunction Provisions.

Article VIII of the Plan provides for releases of certain claims and Causes of Action the Debtors may hold against the Released Parties (the "Debtor Release"). The Released Parties means collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus Corporation; (d) Regus Management Group, LLC; (e) Franchise International GmbH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) all Holders of Interests in the Debtors; (j) the Creditors' Committee and each of its members; and (k) each Related Party of each Entity in clauses (a) through (j); provided, however, that any Entity identified in the foregoing clauses (a) through (j) that opts out of the releases shall not be a Released Party.

Article VIII of the Plan provides for releases of certain claims and Causes of Action that Holders of Claims or Interests may hold against the Released Parties in exchange for the good and valuable consideration and the valuable compromises made by the Released Parties (the "Third-Party Release"). The Releasing Parties means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus Corporation; (d) Regus Management Group, LLC; (e) Franchise International GmbH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) the Creditors' Committee and each of its members; (j) all Holders of Claims or Interests that are Unimpaired under the Plan; (k) all Holders of Claims or Interests that vote to accept or are deemed to accept the Plan; (l) all Holders of Claims that vote to reject the Plan or do not vote to accept or reject the Plan but, in either case, do not affirmatively elect to "opt out" of being a releasing party by either timely objecting to the Plan's third-party release provisions or checking the opt-out box on such Holder's ballot; (m) all Holders of Claims or Interests that are deemed to reject the Plan that do not affirmatively elect to "opt out" of being a releasing party by timely objecting to the Plan's third-party release provisions; and (n) each Related Party of each Entity in clauses (a) through (m).

Article VIII of the Plan provides for the exculpation of each Exculpated Party for certain acts or omissions taken in connection with the Chapter 11 Cases. The exculpated claims are limited to those claims or Causes of Action that may have arisen in connection with, related to, or arising out of the Plan, this Disclosure Statement, or the Chapter 11 Cases. The "Exculpated Parties" means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) each of the Reorganized Debtors; (c) the Creditors' Committee and each of its members; (d) the Subchapter V Trustee; and (e) with respect to each of the foregoing in clauses (a) through (d), such Entity's Related Parties, in each case in their capacity as such.

Article VIII of the Plan permanently enjoins Entities who have held, hold, or may hold Claims, Interests, or Liens that have been discharged or released pursuant to the Plan or are subject to exculpation pursuant to the Plan from asserting such Claims, Interests, or Liens against each Debtor, the Reorganized Debtors, and the Released Parties.

The Plan provides that all Holders of Claims or Interests who are entitled to vote on the Plan who vote to accept the Plan or are Unimpaired under the Plan will be granting a release of any claims or rights they have or may have as against many individuals and Entities. In addition, certain other Holders of Claims or Interests identified in the definition of "Releasing Parties" may grant a release of any claims or rights they have or may have as against many individuals and Entities in a variety of other ways, including by:

- being a Holder of a Claim or Interest, or a Related Party of such Holder, that is entitled to vote to reject or accept the plan but in either case, in either case, does not affirmatively elect to "opt out" of being a

- releasing party by either timely objecting to the Plan's third-party release provisions or checking the opt-out box on such Holder's ballots; or
- being a Holder of a Claim or Interest, or a Related Party of such Holder, that is deemed to reject the Plan but does not affirmatively elect to "opt out" of being a releasing party by timely objecting to the Plan's third-party release provisions.

The Third-Party Release includes any and all claims that such Holders may have against the Released Parties, which in any way relate to the Debtors, their operations either before or after the Chapter 11 Cases began, including the Prepetition Lien and Claim Matters, any securities of the Debtors, whether purchased or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors.

Under applicable law, a debtor release of the Released Parties is appropriate where: (a) there is an identity of interest between the debtor and the third party, such that a suit against the released non-debtor party is, at core, a suit against the debtor or will deplete assets of the estate; (b) there is a substantial contribution by the non-debtor of assets to the reorganization; (c) the injunction is essential to the reorganization; (d) there is overwhelming creditor support for the injunction; and (e) the chapter 11 plan will pay all or substantially all of the claims affected by the injunction. *Indianapolis Downs, LLC*, 486 B.R. 286, 303 (Bankr. D. Del. 2013). Importantly, these factors are "neither exclusive nor are they a list of conjunctive requirements," but "[i]nstead, they are helpful in weighing the equities of the particular case after a fact-specific review." *Id.* Further, a chapter 11 plan may provide for a release of third party claims against non-debtors, such as the Third-Party Release, where such releases are consensual. *Id.* at 304–06. In addition, exculpation is appropriate where it applies to estate fiduciaries. *Id.* at 306. Finally, an injunction is appropriate where it is necessary to the reorganization and fair pursuant to section 105(a) of the Bankruptcy Code. *In re W.R. Grace & Co.*, 475 B.R. 34, 107 (D. Del. 2012). In addition, approval of the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of Confirmation of the Plan will be limited to the extent such releases, exculpations, and injunctions are permitted by applicable law.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things, the releases are appropriately tailored to the Debtors' restructuring proceedings and the circumstances of the Chapter 11 Cases, and each of the Released Parties, including the Prepetition Lender, the DIP Lender and certain of their Affiliates, has contributed value to the Debtors and aided in the reorganization process, thereby facilitating the Debtors' ability to propose and pursue confirmation of the Plan, which renders Holders of Allowed Claims and Interests against the Reorganizing Debtors Unimpaired and offers meaningful recovery to Holders of Claims against the Liquidating SPE Debtors. The Debtors believe that each of the Released Parties has played an integral role in formulating the Plan, including the Prepetition Lender Claims Settlement, the Prepetition Lien and Claim Investigations Settlement, and the Liquidating SPE Debtors' Settlement, and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan, including the Prepetition Lender Claims Settlement, the Prepetition Lien and Claim Investigations Settlement, and the Liquidating SPE Debtors' Settlement, which are integral to the unimpairment structure of the Plan with respect to the Reorganizing Debtors and the recovery provided pursuant to the Liquidating SPE Debtors' Settlement with respect to the Liquidating SPE Debtors. Without such releases, exculpations, and injunctions, the Debtors do not believe that they could achieve support for the current Plan structure. In addition, the Debtors believe the Third-Party Release is entirely consensual under the established case law in the United States Bankruptcy Court for the District of Delaware, and therefore such release is appropriate. See *Indianapolis Downs*, 486 B.R. at 304–06. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of Confirmation of the Plan.

3. Best Interests of Creditors/Liquidation Analysis.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (a) has accepted the plan or (b) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting Holder would receive or retain if the debtors liquidated under chapter 7.

Attached hereto as **Exhibit D** and incorporated herein by reference is a liquidation analysis (the “Liquidation Analysis”) prepared by the Debtors with the assistance of the Debtors’ advisors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Liquidating SPE Debtors’ businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Claims or Interests as compared to distributions contemplated under the Plan pursuant to the Liquidating SPE Debtors’ Settlement. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Claims or Interests against the Liquidating SPE Debtors than would a liquidation under chapter 7 of the Bankruptcy Code.

4. Financial Feasibility.

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation or 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 financial projections (the “Financial Projections”), which projections and the assumptions upon which they are based are attached hereto as **Exhibit E**. Based on these Financial Projections, the Debtors believe the deleveraging contemplated by the Plan meets the financial feasibility requirement. Moreover, the Debtors believe that sufficient funds will exist to make all payments required by the Plan. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

C. *Confirmation without Acceptance by All Impaired Classes.*

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; provided that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class’s rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent’s request, in a procedure commonly known as a “cramdown” so long as the plan does not “discriminate unfairly” and is “fair and equitable” with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the “cramdown” provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

**ARTICLE VII.
CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING**

Holders of Claims and Interests entitled to vote should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement and the documents delivered together with this Disclosure Statement, referred to or incorporated by reference in this Disclosure Statement, before voting to accept or reject the Plan. These factors should not be regarded as constituting the only risks present in connection with the Debtors’ business or the Plan and its implementation.

A. *Risks Related to the Confirmation and Consummation of the Plan.*

1. Parties in Interest May Object to the Plan’s Classification of Claims and 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 the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as

applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

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

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met and not waived, the Effective Date will not take place.

3. The Debtors May Fail to Satisfy Vote Requirements.

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

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

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

There can be no assurance that the Bankruptcy Court will confirm the Plan or that the CCAA Court will recognize such confirmation in Canada. A Holder of an Allowed Claim might object to confirmation of the Plan on a variety of grounds. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

5. Nonconsensual Confirmation.

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

6. Continued Risk Upon Confirmation.

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as industry deterioration or other changes in economic conditions, and increasing expenses, particularly in light of the COVID-19 pandemic. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors obtained the exclusive right to propose the Plan upon filing their petitions and obtained extensions thereof during the Chapter 11 Cases. If the Bankruptcy Court terminates that right, however, or the extended exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan to achieve the Debtors' stated goals.

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

If the bankruptcy court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the bankruptcy court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of, among other things, (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, when commodities prices are at historically low levels, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of unexpired leases and other executory contracts in connection with cessation of operations. In the Canadian Proceedings, a liquidation of the Canadian debtors' assets may proceed under the provisions of Canada's federal Bankruptcy and Insolvency Act, RSC, 1985, c B-3.

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

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

9. Risk of Non-Occurrence of the Effective Date.

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

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

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

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary

from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

11. The Plan's Release, Injunction, and Exculpation Provisions May Not Be Approved.

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, Released Parties, or Exculpated Parties, as applicable. As discussed above, these provisions are a necessary and critical component of the Plan, including the Prepetition Lender Claims Settlement and the Prepetition Lien and Claim Investigations Settlement provided for therein. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties, including the Prepetition Lender and the DIP Lender, may withdraw their support for the Plan.

12. The Total Amount of Allowed Unsecured Claims May Be Higher Than Anticipated By the Debtors.

With respect to Holders of Allowed General Unsecured Claims, the claims filed against the Debtors' estates may be materially higher than the Debtors have estimated.

13. The Total Amount of Allowed Administrative and Priority Claims May Be Higher and/or the Amount of Distributable Cash May Be Lower Than Anticipated by the Debtors.

The amount of Cash the Debtors' ultimately receive prior to and following the Effective Date may be lower than anticipated. Additionally Allowed Administrative Claims and Allowed Priority Claims maybe higher than anticipated. Accordingly, there is a risk that the Debtors will not be able to pay in full in cash all Administrative Claims and Priority Claims on the Effective Date as is required to confirm a chapter 11 plan of reorganization.

B. *Risks Related to Recoveries Under the Plan.*

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

The Financial Projections represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Debtors' operations, as well as the United States and world economies in general, and the particular industry segments in which the Debtors operate, all of which may continue to be significantly impacted by the effects of the COVID-19 pandemic. The Financial Projections also depend on other factors such as the state of the market, the financial health of the Debtors' landlords, suppliers, and customers, and the continued business of major customers. While the Debtors believe that the Financial Projections are reasonable, there can be no assurance that they will be realized and are subject to known and unknown risks and uncertainties, many of which are beyond their control. If the Debtors do not achieve these projected financial results, (a) the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date and (b) the Reorganized Debtors may be unable to service their debt obligations as they come due, including the Exit Facility and any debt obligations under the Prepetition Credit Facility or DIP Facility that are Reinstated pursuant to the Plan]. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. The Conditions Precedent to the Liquidating SPE Debtors' Settlement May Not Be Satisfied.

The contribution of the Liquidating SPE Debtors' Settlement Amount is expressly contingent on Bankruptcy Court approval of the Liquidating SPE Debtors' Settlement, Consummation of the Plan of Reorganization, and any other applicable requirements and conditions in the Liquidating SPE Debtors' Settlement Documents. There can be no assurance that any or all of these conditions will be met and, as a result, the recoveries by Holders of Claims against the Liquidating SPE Debtors may be materially reduced.

3. Certain Tax Consequences of the Plan.

Holders of Allowed Claims should carefully review Article VIII of this Disclosure Statement, entitled “*Certain United States Federal Tax Consequences of the Plan*,” to determine how the tax implications of the Plan and the Chapter 11 Cases may affect the Debtors and Holders of Claims and Interests.

C. *Risks Related to the Debtors’ Business.*

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

For the duration of the Chapter 11 Cases, the Debtors’ operations and their ability to execute their business strategy will be subject to the risks and uncertainties associated with the bankruptcy proceedings. These risks include:

- the Debtors’ ability to continue as a going concern;
- the Debtors’ ability to develop, confirm, and consummate a chapter 11 plan, an alternative restructuring transaction, or a sale;
- the Debtors’ ability to obtain court approval with respect to motions filed in the Chapter 11 Cases from time to time;
- the Debtors’ ability to comply with and operate under the terms of any cash management orders entered by the Bankruptcy Court from time to time, which subject the Debtors to restrictions on transferring cash and other assets;
- the Debtors’ ability to maintain adequate cash on hand and to generate cash from operations throughout the Chapter 11 Cases;
- the Debtors’ ability to fund their emergence and to fund their operations after emergence from the bankruptcy process on reasonable terms;
- the Debtors’ ability to comply with the covenants and conditions of the DIP Facility;
- the Debtors’ ability to maintain contracts and leases that are critical to their operations;
- the Debtors’ ability to execute their business plan;
- the ability of third parties to seek and obtain court approval to terminate contracts, leases, and other agreements with the Debtors;
- the ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to a chapter 7 proceeding (or, in the case of the Canadian Proceedings, to either a chapter 7 proceeding or a proceeding under the provisions of Canada’s federal Bankruptcy and Insolvency Act, RS, 1985, c B-3); and
- the actions and decisions of the Debtors’ creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors’ plans.

Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot predict or quantify the ultimate impact that events occurring during the chapter 11 reorganization process may have on the Debtors’ business, financial condition and results of operations, and there is no guarantee as to their ability to continue as a going concern.

Difficulties providing services while attempting to reorganize the Debtors’ businesses in bankruptcy may make it more challenging to maintain and promote their services and attract customers to their services and to keep their suppliers. As a result of the Chapter 11 Cases, the Debtors may experience collection issues with otherwise valid receivables of certain customers. Adverse resolution of these disagreements may impact the Debtors’ revenues and other costs of services, both prospectively and retroactively. It is too soon for the Debtors to predict with any certainty the ultimate impact of these potential disagreements. The Debtors’ landlords, suppliers, vendors, and services providers may require stricter terms and conditions, and the Debtors may not find these terms and conditions acceptable. In addition, the Debtors may experience a loss of confidence by current and prospective suppliers, customers, landlords, employees, or other stakeholders, which could make it more difficult for the Debtors to operate and have an adverse effect on the Debtors’ businesses, financial condition, and results of operations. Any failure to timely obtain suitable rental space and supplies at competitive prices could materially adversely affect the Debtors’ businesses, financial condition, and results of operations.

2. The Debtors' Operations or Ability to Emerge from Bankruptcy May Be Impacted by the Continuing COVID-19 Pandemic.

The continued spread of COVID-19 has had and could continue to have a significant impact on the Debtors' business. On a macro level, the pandemic could dampen global growth and ultimately lead to an economic recession. Given the unprecedented and evolving nature of the pandemic and the swift-moving response from multiple levels of government, the impact of these changes and other potential changes on the Debtors are uncertain at this time.

- (a) The COVID-19 pandemic could continue to adversely affect the Debtors' business, financial condition, and results of operations.

The COVID-19 pandemic has materially adversely affected the Debtors' financial results and business operations in a number of ways and may continue to do so into the future. First, the Debtors actively invest in acquiring and engineering new centers based on the anticipated return on investment from the projected occupancy thereof. During the pandemic, occupancy rates have been drastically reduced. Accordingly, Regus has expended significant resources without the corresponding revenue generation. Second, to attract and retain Occupants in this environment, Regus has had to cut pricing for new sales and renewals, resulting in a reduction in revenue across the Debtors' portfolio. Finally, many of the Debtors' customers have been significantly financially impacted by the pandemic and have been either unwilling or unable to timely pay their Occupancy Fees. These adverse impacts could continue, increase, or decrease depending on the duration and severity of the COVID-19 pandemic, the length of time it takes for normal economic and operating conditions to resume, additional governmental actions that may be taken and/or extensions of time for restrictions that have been imposed to date, and numerous other uncertainties. Such events could materially affect the Debtors' business, financial condition, and results of operations.

- (b) The Debtors cannot predict the impact of the COVID-19 pandemic on their customers, landlords, suppliers, vendors, and other business partners.

The Debtors cannot predict the impact of the COVID-19 pandemic on their customers, landlords, suppliers, vendors, and other business partners. The Debtors rely upon third parties for many aspects of our business, including the rental space that they occupy and the provision of goods and services related to their businesses. The COVID-19 pandemic's potential effects on the third parties on which the Debtors rely could have a material and adverse effect on their business, financial condition, and results of operations. For example, if the Debtors' customers' businesses are substantially impaired for an extended period of time because of the COVID-19 pandemic, the Debtors' sales may be materially reduced.

- (c) The full effects of the COVID-19 pandemic are highly uncertain and cannot be predicted.

The COVID-19 pandemic could significantly affect the Debtors' operations. The Debtors are continuously monitoring their own operations and intend to take appropriate actions to mitigate the risks arising from the COVID-19 pandemic to the best of their abilities, but there can be no assurances that the Debtors will be successful in doing so. The Debtors will seek to minimize disruptions to their rental space and services, but many circumstances will be beyond the Debtors' control. Governmental action may further cause the Debtors to temporarily close their centers and/or regional quarantines may result in labor shortages and work stoppages. The COVID-19 pandemic may continue to make it difficult or impossible for certain employees to return to their office space. As a result, the Debtors may experience a decline in the number of new customers using their centers and may see increased attrition from existing customers. All of these factors may have far reaching direct and indirect impacts on the Debtors' business, operations, and financial results and condition. The ultimate extent of the effects of the COVID-19 pandemic on the Debtors is highly uncertain and will depend on future developments which cannot be predicted.

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

A long period of operations under bankruptcy court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of

operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that customers, landlords, suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The Chapter 11 Cases also require debtor-in-possession financing to fund the Debtors' operations. If the Debtors are unable to fully draw on the availability under the DIP Facilities, the chances of successfully reorganizing the Debtors' businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate or sell their assets may be increased, and, as a result, creditor recoveries may be significantly impaired.

4. 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 and/or treatment under the plan of reorganization and/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.

5. Adverse Publicity in Connection with the Chapter 11 Cases or Otherwise Could Negatively Affect the Debtors' Businesses.

Adverse publicity or news coverage relating to Regus, including, but not limited to, publicity or news coverage in connection with the Chapter 11 Cases, may negatively impact the Debtors' efforts to establish and promote name recognition and a positive image after emergence from the Chapter 11 Cases.

D. *Disclosure Statement Disclaimer.*

1. Information Contained in this Disclosure Statement is for Soliciting Votes.

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

2. This Disclosure Statement Was Not Filed with or Approved by the United States Securities and Exchange Commission.

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

3. No Legal or Tax Advice Is Provided to You by this Disclosure Statement.

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

4. No Admissions Made.

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

5. 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 Interest is, or is not, identified in this Disclosure Statement. The Debtors may seek to investigate, File, and prosecute Claims and Interests and may object to Claims or Interests after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or Interests or objections to such Claims or Interests.

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

The vote by a Holder of a Claim or Interest for or against the Plan does not constitute a waiver or release of any claims, causes of action, or rights of the Debtors (or any entity, as the case may be) to object to that Holder's Claim or Interest, 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 or the Reorganized Debtors are specifically or generally identified in this Disclosure Statement.

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

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

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

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

9. No Representations Outside this Disclosure Statement Are Authorized.

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained

in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the counsel to the Debtors and the U.S. Trustee.

**ARTICLE VIII.
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

A. *Introduction.*

The following discussion summarizes certain United States (“U.S.”) federal income tax consequences of the consummation of the Plan to the Debtors, the Reorganized Debtors, and to certain Holders (which solely for purposes of this discussion means the beneficial owners for U.S. federal income tax purposes) of certain Claims. 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 IRS, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such changes, or new or differing interpretations, could significantly affect the U.S. federal income 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 of the Plan discussed below. 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 discussion does not address non-U.S., state, local or non-income tax consequences of the Plan (including such consequences with respect to the Debtors), 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 (including persons who are related to the Debtors within the meaning of the Tax Code, persons liable for alternative minimum tax, U.S. Holders whose functional currency is not the U.S. dollar, U.S. expatriates, broker-dealers, banks, mutual funds, insurance companies, certain Holders who prepare “applicable financial statements” (as defined in Section 451 of the Tax Code), financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, controlled foreign corporations, passive foreign investment companies, partnerships (or other entities treated as partnerships or other pass-through entities), beneficial owners of partnerships (or other entities treated as partnerships or other pass-through entities), trusts, governmental authorities or agencies, dealers and traders in securities, subchapter S corporations, persons who hold Claims or who will hold any consideration received pursuant to the Plan as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, 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 Claims will be treated in accordance with their form for U.S. federal income tax purposes. 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.

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 entities treated as 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, NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. *Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors.*

As “disregarded entities” for U.S. federal income tax purposes, the Debtors are not subject to U.S. federal income taxation. Instead, Regus, as the “regarded” direct or indirect equity holder of the Debtors, is generally required to report on its U.S. federal income tax return, and is subject to tax in respect of, each item of income, gain, loss, deduction and credit of the Debtors. The Debtors, as reorganized pursuant to the Plan, are expected to continue to be treated as a disregarded entities for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of the Restructuring Transactions under the Plan generally will not be borne by the Debtors.

C. *Certain U.S. Federal Income Tax Consequences of the Plan to Holders of Allowed Claims.*

1. Holders of Allowed Claims.

All Allowed Claims are to be paid in full in Cash or Reinstated under the Plan. As such, Holders of Allowed Claims generally will not have material U.S. federal income tax consequences from the Restructuring Transactions under the Plan.

2. Information Reporting and Back-Up Withholding.

The Debtors and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8) or otherwise establishes such non-U.S. Holder’s eligibility for an exemption. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, 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 subject to the Plan 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.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER’S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

**ARTICLE IX.
RECOMMENDATION OF THE DEBTORS**

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Holders of Allowed Claims and Allowed Interests than would

otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Allowed Interests than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.

Dated: June 11, 2021

RGN-GROUP HOLDINGS, LLC
on behalf of itself and its debtor affiliates

/s/ James S. Feltman

James S. Feltman
Responsible Officer
RGN-Group Holdings, LLC and its Debtor Affiliates

Exhibit A

Plan

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	
In re:)	Chapter 11
)	
RGN-GROUP HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 20-11961 (BLS)
)	
Debtors.)	(Jointly Administered)
)	

**JOINT PLAN OF RGN-GROUP HOLDINGS, LLC AND ITS
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Co-Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Dated: June 11, 2021

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

¹ The mailing address for the Debtors in these chapter 11 cases is 3000 Kellway Drive, Suite 140, Carrollton, Texas 75006 (Attn: James S. Feltman, Responsible Officer). Due to the large number of Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors' noticing and claims agent at <https://dm.epiq11.com/case/rgn/info> or by contacting counsel for the Debtors (Rokeysha Ramos, paralegal, at rokeysha.ramos@faegredrinker.com).

TABLE OF CONTENTS

	Page
INTRODUCTION	1
ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES.....	1
A. Defined Terms	1
B. Rules of Interpretation	13
C. Computation of Time	13
D. Governing Law	13
E. Reference to Monetary Figures	13
F. Reference to the Debtors or the Reorganized Debtors	13
G. Controlling Document.....	14
H. Nonconsolidated Plan	14
ARTICLE II. ADMINISTRATIVE AND PRIORITY CLAIMS.....	14
A. Administrative Claims	14
B. Professional Fee Claims.....	15
C. Priority Tax Claims.....	16
D. DIP Claims.....	16
ARTICLE III. CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS.....	16
A. Classification of Claims and Interests.....	16
B. Treatment of Classes of Claims and Interests	18
C. Special Provision Governing Unimpaired Claims	27
D. Elimination of Vacant Classes	27
E. Voting Classes; Presumed Acceptance by Non-Voting Classes	27
F. Subordinated Claims	27
G. Controversy Concerning Impairment.....	27
H. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.....	28
ARTICLE IV. MEANS FOR IMPLEMENTATION OF THE PLAN	28
A. General Settlement of Claims and Interests	28
B. Restructuring Transactions	28
C. Sources of Consideration for Plan Distributions	29
D. Corporate Existence	30
E. Corporate Action.....	30
F. Vesting of Assets in the Reorganized Debtors.....	31
G. Cancellation of Notes, Instruments, Certificates, and Other Documents	31
H. Effectuating Documents; Further Transactions.....	31
I. Exemptions from Certain Taxes and Fees.....	32
J. Directors and Officers	32
K. Preservation of Causes of Action.....	32
ARTICLE V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	33
A. Assumption and Rejection of Executory Contracts and Unexpired Leases	33
B. Claims Based on Rejection of Executory Contracts or Unexpired Leases.....	34
C. Cure of Defaults and Objections to Cure and Assumption	34
D. Insurance Policies	35
E. Indemnification Provisions	35
F. Director, Officer, Manager, and Employee Liability Insurance.....	36
G. Employee and Retiree Benefits	36
H. Modifications, Amendments, Supplements, Restatements, or Other Agreements	36
I. Reservation of Rights.....	37

J.	Non-Occurrence of Effective Date.....	37
K.	Contracts and Leases Entered Into After the Petition Date.....	37
L.	Amended FF&E Contracts.....	37
ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS		37
A.	Timing and Calculation of Amounts to Be Distributed	37
B.	Distributions on Account of Obligations of Multiple Debtors.....	37
C.	Distribution Agent	38
D.	Rights and Powers of Distribution Agent	38
E.	Delivery of Distributions	38
F.	Manner of Payment.....	39
G.	Compliance Matters	39
H.	Allocation Between Principal and Accrued Interest	39
I.	Setoffs and Recoupment	39
J.	Claims Paid or Payable by Third Parties.....	39
ARTICLE VII. PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS.....		40
A.	Allowance of Claims.....	40
B.	Claims Administration Responsibilities.....	40
C.	Estimation of Claims.....	40
D.	Adjustment to Claims Without Objection.....	41
E.	Time to File Objections to Claims	41
F.	Disallowance of Claims	41
G.	Amendments to Claims	41
H.	No Distributions Pending Allowance.....	42
I.	Distributions After Allowance	42
ARTICLE VIII. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS		42
A.	Compromise and Settlement of Claims, Interests, Causes of Action, and Controversies	42
B.	Discharge of Claims.....	42
C.	Release of Liens	43
D.	Debtor Release	43
E.	Third-Party Release.....	44
F.	Exculpation	45
G.	Injunction	46
H.	Protection Against Discriminatory Treatment	46
I.	Recoupment	47
J.	Reimbursement or Contribution.....	47
K.	Term of Injunctions or Stays.....	47
L.	Document Retention	47
ARTICLE IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE.....		47
A.	Conditions Precedent to the Effective Date.	47
B.	Waiver of Conditions Precedent	48
C.	Substantial Consummation	48
D.	Effect of Non-Occurrence of Conditions to Consummation.....	48
ARTICLE X. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN.....		48
A.	Modification of Plan	48
B.	Effect of Confirmation on Modifications.....	49
C.	Revocation or Withdrawal of Plan.....	49

ARTICLE XI. RETENTION OF JURISDICTION	49
ARTICLE XII. MISCELLANEOUS PROVISIONS	50
A. Immediate Binding Effect.....	50
B. Additional Documents	51
C. Statutory Fees.....	51
D. Payment of Certain Fees and Expenses.....	51
E. Reservation of Rights.....	51
F. Successors and Assigns.....	51
G. Service of Documents	51
H. Entire Agreement	53
I. Plan Supplement Exhibits	53
J. Non-Severability	53
K. Votes Solicited in Good Faith.....	53
L. Waiver or Estoppel.....	54
M. Closing of Chapter 11 Cases	54

INTRODUCTION

RGN-Group Holdings, LLC and its Debtor affiliates in the Chapter 11 Cases propose this joint plan of reorganization for the resolution of the outstanding Claims against and Interests in the Debtors pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in Article I.A of the Plan. The Plan does not contemplate substantive consolidation of any of the Debtors. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, businesses, properties and operations, projections, and risk factors, a summary and analysis of this Plan, and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY, PARTICULARLY HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN (IF ANY).

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

A. *Defined Terms*

1. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estates and operating the Debtors' businesses incurred on or after the Petition Date until and including the Effective Date; and (b) Allowed Professional Fee Claims.

2. “*Administrative Claims Bar Date*” means the deadline for Filing requests for payment of Administrative Claims (other than (a) Professional Fee Claims and (b) Administrative Claims arising in the ordinary course of business), which shall be the first Business Day that is thirty days after the Effective Date; *provided, however*, that the deadline for Filing requests for payment of Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code shall be the Claims Bar Date.

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

4. “*Allowed*” means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Administrative Claims Bar Date or Claims Bar Date, as applicable (or a Claim, for which, under the Plan, the Bankruptcy Code, or pursuant to a Final Order, a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order by the Bankruptcy Court. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, unless specifically Allowed by this Plan, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein unless specifically Allowed pursuant to the Plan, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor. For the avoidance of doubt: (x) a Proof

of Claim Filed after the Administrative Claims Bar Date or Claims Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. “Allow” and “Allowing” shall have correlative meanings.

5. “*Amended DIP Facility Term Sheet*” means that certain Amended DIP Facility Term Sheet, dated as of November 17, 2020, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender [Docket No. 756, Ex. 1].

6. “*Amended FF&E Contracts*” means those FF&E Contracts that will be amended as of the Effective Date by the applicable Debtors and/or applicable Reorganized Debtors.

7. “*Assumed Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors or the Reorganized Debtors, as applicable, in consultation with the DIP Lender and the Prepetition Lender, of Executory Contracts and Unexpired Leases (with proposed cure amounts) that will be assumed by the Reorganized Debtors, which list shall be included in the Plan Supplement as may be amended, modified, or otherwise supplemented from time to time by the Debtors or Reorganized Debtors, as applicable, in accordance with the Plan. For the avoidance of doubt, each of the Debtors’ management agreements with Regus Management Group, LLC and each of the Debtors’ franchise agreements with Franchise International S.A.R.L. (a) are deemed Assumed Executory Contracts and Unexpired Leases, (b) shall be included on the Assumed Executory Contract and Unexpired Lease List, (c) shall reflect a cure amount as stipulated and agreed to among the Debtors, Regus Management Group, LLC, and Franchise International S.A.R.L., and (d) shall not be rejected or removed from the Assumed Executory Contract and Unexpired Lease List without the consent of Regus Management Group, LLC or Franchise International S.A.R.L., as applicable.

8. “*Assumed Executory Contracts and Unexpired Leases*” means those Executory Contracts and Unexpired Leases to be assumed by the applicable Reorganized Debtors, as set forth on the Assumed Executory Contract and Unexpired Lease List. For the avoidance of doubt, Assumed Executory Contracts and Unexpired Leases includes each of the Debtors’ management agreements with Regus Management Group, LLC and each of the Debtors’ franchise agreements with Franchise International S.A.R.L.

9. “*Assuming SPE Debtor*” means an SPE Debtor that has previously assumed, or will assume under this Plan or an otherwise pending motion or notice to assume, all of its Unexpired Leases.

10. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

11. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.

12. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court, as now in effect or hereafter amended.

13. “*Bar Date Order*” means the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, (II) Approving Procedures for Submitting Proofs of Claim, (III) Approving Notice Thereof, and (IV) Granting Related Relief* [Docket No. 696].

14. “*Business Day*” means any day, other than a Saturday, Sunday, or a legal holiday, as defined in Bankruptcy Rule 9006(a).

15. “*Cash*” or “*\$*” means the legal tender of the United States of America or the equivalent thereof, including bank deposits, checks, and cash equivalents, as applicable.

16. “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, Liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or 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.

17. “*CCAA*” means the Companies’ Creditors Arrangement Act, R.S.C., 1985, c. C-36, as amended.

18. “*CCAA Court*” means the Ontario Superior Court of Justice (Commercial List) having jurisdiction over the CCAA Proceedings and the CCAA Recognition Proceedings.

19. “*CCAA Debtors*” means, collectively: (a) RGN Alberta IV Limited Partnership, RGN Alberta Limited Partnership, RGN Alberta X Limited Partnership, RGN Alberta XIII Limited Partnership, RGN Alberta XIV Limited Partnership, RGN Alberta XVII Limited Partnership, RGN British Columbia XX Limited Partnership, RGN British Columbia XVI Limited Partnership, RGN British Columbia XXV Limited Partnership, RGN British Columbia XXIV Limited Partnership, RGN Manitoba II Limited Partnership, RGN Ontario L Limited Partnership, RGN Ontario LV Limited Partnership, RGN Ontario LVI Limited Partnership, RGN Ontario LVIII Limited Partnership, RGN Ontario LXII Limited Partnership, RGN Ontario XI Limited Partnership, RGN Ontario XLI Limited Partnership, RGN Ontario XLII Limited Partnership, RGN Ontario XLV Limited Partnership, RGN Ontario XLVI Limited Partnership, RGN Ontario XLVII Limited Partnership, RGN Ontario XLVIII Limited Partnership RGN Ontario XXI Limited Partnership, RGN Ontario XXIV Limited Partnership, RGN Ontario XXIX Limited Partnership, RGN Ontario XXV Limited Partnership, RGN Ontario XXVIII Limited Partnership, RGN Ontario XXXI Limited Partnership, RGN Ontario XXXII Limited Partnership, RGN Ontario XXXIII Limited Partnership, RGN Quebec V Limited Partnership, RGN Quebec VI Limited Partnership, RGN Quebec XIV Limited Partnership, and RGN Quebec XVI Limited Partnership and their respective general partners; (b) Guardian Financial Corp.; and (c) RGN Services Limited.

20. “*CCAA Proceedings*” means the proceedings commenced by the CCAA Debtors under the CCAA.

21. “*CCAA Recognition Order*” means an order of the CCAA Court recognizing and enforcing the Confirmation Order in Canada.

22. “*CCAA Recognition Proceedings*” means the proceedings commenced by RGN-National Business Centers, LLC under Part IV of the CCAA recognizing the Chapter 11 Cases as “foreign main proceedings.”

23. “*CCAA Termination Order*” means an order of the CCAA Court terminating and discharging the CCAA Proceedings and ordering that no Unexpired Lease of the CCAA Debtors may be terminated or modified, and no right or obligation under any Unexpired Lease may be terminated or modified, at any time after the Effective Date, as a result of (a) the commencement of the CCAA Proceedings and (b) the insolvency or financial condition of any CCAA Debtor at any time before the termination and discharge of the CCAA Proceedings.

24. “*Chapter 11 Cases*” means the procedurally consolidated cases filed or to be filed (as applicable) for the Debtors in the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

25. “*Claim*” means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors, whether or not assessed or Allowed.

26. “*Claims and Noticing Agent*” means Epiq Corporate Restructuring LLC, in its capacity as the claims and noticing agent retained by the Debtors for the Chapter 11 Cases.

27. “*Claims Bar Date*” means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

28. “*Claims Objection Deadline*” means the deadline for objecting to a Claim, which shall be on the date that is the later of (a) with respect to (i) Administrative Claims (other than Professional Fee Claims and Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code), sixty days after the Administrative Claims Bar Date or (ii) all other Claims (other than Professional Fee Claims), 180 days after the Effective Date, (b) such date as may be fixed by the Bankruptcy Court, after notice and a hearing, upon a motion by the Reorganized Debtors, or (c) such date as may be agreed to for such objection by the Reorganized Debtors and the Holder of any asserted Disputed Claim.

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

30. “*Class*” means a category of Holders of Claims or Interests under section 1122(a) of the Bankruptcy Code.

31. “*Confirmation*” means entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 11 Cases.

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

33. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court pursuant to Bankruptcy Rule 3020(b)(2) and section 1128 of the Bankruptcy Code, including any adjournments thereof, at which the Bankruptcy Court will consider confirmation of the Plan.

34. “*Confirmation Objection Deadline*” means the date that is at least five (5) Business Days prior to the date first set by the Bankruptcy Court for the Confirmation Hearing, or any other date as may be proposed by the Debtors and approved by the Bankruptcy Court.

35. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Prepetition Lender and the DIP Lender.

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

37. “*Contingent Guaranty Claim*” means a Claim of a Landlord against a Guarantor Debtor that arises under or in connection with (a) a Guaranty for an Unexpired Lease that is not rejected, terminated, or expired by its terms as of the Effective Date or (b) an Unexpired Lease that is not rejected, terminated, abandoned, or expired by its terms as of the Effective Date under which the Guarantor Debtor was the original tenant and remained co-liable following the assignment of such Unexpired Lease to an Affiliate. For the avoidance of doubt, Contingent Guaranty Claims do not include Claims of Landlords arising under or in connection with Unexpired Leases under which the Guarantor Debtor is the current tenant.

38. “*Creditors’ Committee*” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code.

39. “*Cure Claim*” means a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor’s defaults under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

40. “*D&O Liability Insurance Policies*” means all insurance policies (including any “tail policy”) maintained by the Debtors as of the Petition Date for liabilities against any of the Debtors’ current or former directors, managers, and officers.

41. “*Debtor*” means one or more of the Debtors, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

42. “*Debtors*” means, collectively: (a) RGN-Group Holdings, LLC; RGN-National Business Centers, LLC; H Work, LLC (f/k/a HQ Global Workplaces LLC); RGN-Columbus IV, LLC; RGN-Chicago XVI, LLC; RGN-Fort Lauderdale III, LLC; RGN-Lehi I, LLC; RGN-Lehi II, LLC; RGN-Atlanta XXXV, LLC; RGN-Arlington VI, LLC; RGN-Chevy Chase I, LLC; RGN-Philadelphia IX, LLC; RGN-Denver XVI, LLC; RGN-Los Angeles XXV, LLC; RGN-New York XXXIX, LLC; RGN-San Jose IX, LLC; RGN-Culver City I, LLC; RGN-Denver XI, LLC; RGN-Austin VI, LLC; RGN-Beachwood I, LLC; RGN-Boston XIX, LLC; RGN-Houston XXV, LLC; RGN-San Antonio XIV, LLC; RGN-Huntsville II, LLC; RGN-New York XLIII, LLC; RGN-New York XLI, LLC; RGN-Alpharetta II, LLC; RGN-Baton Rouge I, LLC; RGN-Boston I, LLC; RGN-Boulder II, LLC; RGN-Beaverton II, LLC; Corporate Offices of California, LLC; RGN-Chicago XXVI, LLC; RGN-Fort Worth VI, LLC; RGN-Frisco II, LLC; RGN-Clayton I, LLC; RGN-Greenwood Village II, LLC; RGN-Jenkintown I, LLC; RGN-Dallas XIX, LLC; RGN-Jupiter II, LLC; RGN-Downers Grove I, LLC; RGN-Katy I, LLC; RGN-Lakewood I, LLC; RGN-Las Vegas VII, LLC; RGN-Englewood III, LLC; RGN-Las Vegas X, LLC; RGN-Los Angeles I, LLC; RGN-Fort Worth IV, LLC; RGN-Metairie II, LLC; RGN-Metro Dallas VI, LLC; RGN-Miami I, LLC; RGN-Oak Park I, LLC; RGN-Oklahoma City I, LLC; RGN-Pasadena I, LLC; RGN-Santa Fe I, LLC; RGN-Pasadena II, LLC; RGN-Scottsdale V, LLC; RGN-Phoenix III, LLC; RGN-Scottsdale VI, LLC; RGN-Phoenix XII, LLC; RGN-Southfield I, LLC; RGN-St. Louis II, LLC; RGN-Phoenix XIII, LLC; RGN-Sugarland I, LLC; RGN-Sacramento IV, LLC; RGN-San Diego XII, LLC; RGN-San Diego XV, LLC; RGN-San Francisco XIII, LLC; RGN-Tampa V, LLC; RGN-Tulsa III, LLC; RGN-Tucson I, LLC; RGN-Uniondale I, LLC; RGN-Washington DC XIV, LLC; RGN-Atlanta XII, LLC; RGN-Austin XV, LLC; RGN-Austin XIII, LLC; RGN-Braintree I, LLC; RGN-Cambridge III, LLC; RGN-Dallas XX, LLC; RGN-Irving II, LLC; RGN-Long Island City I, LLC; RGN-Miami Beach II, LLC; RGN-Milwaukee II, LLC; RGN-New York LVIII, LLC; RGN-New York XLVII, LLC; RGN-Novato II, LLC; RGN-Palo Alto III, LLC; RGN-San Diego XVI, LLC; RGN-San Francisco XIX, LLC; RGN-San Francisco XX, LLC; RGN-Seattle XVII, LLC; RGN-Tulsa V, LLC; RGN-Baltimore IV, LLC; RGN-Cincinnati III, LLC; RGN-New York VIII, LLC; RGN-Plano V, LLC; RGN-Portland VII, LLC; RGN-Raleigh VII, LLC; RGN-Reston II, LLC; RGN-Roseville III, LLC; RGN-Santa Monica VI, LLC; RGN-Sausalito II, LLC; RGN-Washington DC I, LLC; RGN-Baltimore V, LLC; RGN-Chicago XLIV, LLC; RGN-Milwaukee IV, LLC; and RGN-New York V, LLC;² and (b) any additional entities that have filed petitions for relief in the Chapter 11 Cases, and for which the case of such entity has not been dismissed.

43. “*Debtor Release*” means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.D of the Plan.

44. “*DIP Claims*” means any and all Claims held by the DIP Lender against any Debtor arising under, derived from, secured by, or based on the DIP Documents or the DIP Orders, including all principal amounts outstanding, accrued and unpaid interest, fees, expenses, costs, or other charges arising under or related to the DIP Facility, in each case, as authorized or approved by the DIP Orders.

45. “*DIP Documents*” means the DIP Facility Term Sheet and all related agreements, documents, and instruments executed in connection with the DIP Facility Term Sheet and authorized or approved by the DIP Orders, each as may be amended, modified, or supplemented from time to time.

46. “*DIP Facility*” means the senior secured superpriority term loan credit facility contemplated under the terms of the DIP Facility Term Sheet and the DIP Orders.

² For the avoidance of doubt, additional entities may be added as Debtors to these Chapter 11 Cases.

47. “*DIP Facility Term Sheet*” means that certain DIP Facility Term Sheet, dated as of November 17, 2020, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender, by the Amended DIP Facility Term Sheet and the Second Amended DIP Facility Term Sheet.

48. “*DIP Lender*” means Regus, in its capacity as lender under the DIP Documents and the DIP Orders.

49. “*DIP Orders*” means, collectively, the interim, final, and other orders of the Bankruptcy Court approving the DIP Facility and amendments thereto in form and substance consistent with the DIP Documents.

50. “*Disclosure Statement*” means the disclosure statement for this Plan, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto, and, solely to the extent the Plan requires solicitation, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

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

52. “*Distribution Agent*” means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan.

53. “*Distribution Record Date*” means the date for determining which Holders of Allowed Claims and Interests are eligible to receive distributions pursuant to the Plan, which date shall be the Effective Date.

54. “*Effective Date*” means the date that is the first Business Day after the Confirmation Date on which all conditions precedent to the occurrence of the Effective Date set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan.

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

56. “*Estate*” means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor’s Chapter 11 Case.

57. “*Excluded SPE Debtors*” means those Liquidating SPE Debtors whose Landlord with respect to such Liquidating SPE Debtor’s Unexpired Lease objects to, or votes against, the Plan. The Excluded SPE Debtors are not parties to the Plan, and the Plan does not govern the treatment of Claims and Interests against the Excluded SPE Debtors.

58. “*Exculpated Party*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) each of the Reorganized Debtors; (c) the Creditors’ Committee and each of its members; (d) the Subchapter V Trustee; and (e) with respect to each of the foregoing in clauses (a) through (d), such Entity’s Related Parties, in each case in their capacity as such.

59. “*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 section 365 of the Bankruptcy Code, which shall include those contracts or leases previously assumed or rejected by the Debtors under section 365 of the Bankruptcy Code.

60. “*Existing Interests*” means all Interests in the Debtors existing immediately prior to the Effective Date.

61. “*Exit Facility*” means that certain exit facility, if any, to be provided to the Debtors or Reorganized Debtors, as applicable, pursuant to the Exit Facility Documents.

62. “*Exit Facility Agent*” means the administrative agent under the Exit Facility Documents, if any, together with its successors, assigns, or any replacement administrative agent appointed pursuant to the terms of the Exit Facility Documents.

63. “*Exit Facility Agreement*” means that certain credit agreement, if any, by and among the Debtors or Reorganized Debtors, as applicable, the Exit Facility Agent, and the Exit Lender, which shall be included in the Plan Supplement.

64. “*Exit Facility Documents*” means, collectively, the Exit Facility Agreement and any related agreements, documents, and instruments delivered or entered into in connection with the Exit Facility, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents related to or executed in connection therewith, which shall be in form and substance reasonably acceptable to the Debtors and the Exit Lender.

65. “*Exit Lender*” means the lender under the Exit Facility and party to the Exit Facility Agreement.

66. “*FF&E Contract*” means any agreement between RGN-Group Holdings, LLC and an SPE Debtor pursuant to which such SPE Debtor leases equipment, furniture, and/or other personal property from RGN-Group Holdings, LLC.

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

68. “*Final Decree*” means the decree contemplated under Bankruptcy Rule 3022.

69. “*Final Order*” means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, reconsideration, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be filed relating to such order or judgment shall not cause such order or judgment to not be a Final Order.

70. “*General Unsecured Claim*” means any Claim that is not a Secured Claim and is not: (a) an Administrative Claim (including, for the avoidance of doubt, a Professional Fee Claim); (b) a Priority Tax Claim; (c) an Other Priority Claim; (d) an Other Secured Claim; (e) a Contingent Guaranty Claim; (f) a Non-Contingent Guaranty Claim; (g) a Prepetition Credit Agreement Claim; (h) an Intercompany Claim; or (i) any DIP Claims.

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

72. “*Guarantor Debtors*” means, collectively, (a) RGN-Group Holdings, LLC, (b) H Work, LLC (f/k/a HQ Global Workplaces, LLC), and (c) RGN-National Business Centers, LLC.

73. “*Guaranty*” means a Guarantor Debtor’s written guaranty of an Unexpired Lease.

74. “*Holder*” means an Entity holding a Claim or an Interest, as applicable, including in the Exit Facility (if any), or an Entity receiving or retaining Interests in any Debtor, as applicable.

75. “*Impaired*” means a Class of Claims or Interests, or any Claim or Interest, that is not Unimpaired.

76. “*Indemnification Provisions*” means each of the Debtors’ indemnification provisions in place immediately prior to the Effective Date whether in the Debtors’ bylaws, certificates of incorporation, other formation documents, board resolutions, or contracts for the current and former directors, officers, managers, employees,

attorneys, other professionals, and agents of the Debtors and such current and former directors, officers, and managers' respective Affiliates.

77. "*Intercompany Claim*" means, except as otherwise set forth in the Plan, any Claim held by a Debtor or an Affiliate of a Debtor against another Debtor.

78. "*Intercompany Interest*" means any Interest held by a Debtor or an Affiliate of a Debtor in another Debtor.

79. "*Interest*" means any common stock, limited liability company interest, equity security (as defined in section 101(16) of the Bankruptcy Code), equity, ownership, profit interests, unit, or share in a Debtor, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.

80. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

81. "*Landlord*" means the lessor under an Unexpired Lease, and its successors and assigns.

82. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

83. "*Liquidating SPE Debtor Distribution Pool*" means, with respect to any Liquidating SPE Debtor, the proceeds from any unencumbered assets of such Liquidating SPE Debtor, including, without limitation, any Cash received pursuant to the Liquidating SPE Debtors' Settlement.

84. "*Liquidating SPE Debtors*" means RGN-Los Angeles XXV, LLC, RGN-Atlanta XXXV, LLC, RGN-Columbus IV, LLC, RGN-Chicago XLIV, LLC, RGN-Portland VII, LLC, RGN-San Jose IX, LLC, RGN-New York V, LLC, and RGN-Chicago XVI, LLC. For the avoidance of doubt, in the event that the Landlord with respect to a Liquidating SPE Debtor's Unexpired Lease objects to, or votes against, the Plan, such Liquidating SPE Debtor shall be an Excluded SPE Debtor.

85. "*Liquidating SPE Debtors' Settlement*" means the good-faith compromises and settlement subject to Bankruptcy Court approval, by and between the Liquidating SPE Debtors, through their Responsible Officer, and Regus, including in its capacity as DIP Lender, of any identified or potentially existing claims and Causes of Action of the Liquidating SPE Debtors against Regus, Regus Management Group, LLC, and Franchise International GmbH in exchange for, among other things, the Liquidating SPE Debtors' Settlement Amount.

86. "*Liquidating SPE Debtors' Settlement Amount*" means the settlement amount to be contributed by Regus to the Liquidating SPE Debtors. For the avoidance of doubt, contribution of the Liquidating SPE Debtors' Settlement Amount is expressly contingent on Bankruptcy Court approval of the Liquidating SPE Debtors' Settlement, Consummation of the Plan of Reorganization, and any other applicable requirements and conditions in the Liquidating SPE Debtors' Settlement Documents.

87. "*Liquidating SPE Debtors' Settlement Documents*" means, collectively, any agreements, documents, and instruments delivered or entered into in connection with the Liquidating SPE Debtors' Settlement, and any other documents related to or executed in connection therewith.

88. "*Luxembourg Proceedings*" means those certain insolvency proceedings commenced on October 9, 2020 by the District Court of Luxembourg, sitting in commercial matters, against Redox plc S.A.

89. "*Non-Contingent Guaranty Claim*" means a Claim of a Landlord against a Guarantor Debtor that arises under or in connection with (a) a Guaranty for an Unexpired Lease that is rejected, terminated, or expired by its terms as of the Effective Date or (b) an Unexpired Lease that is rejected, terminated, abandoned, or expired by its

terms as of the Effective Date under which the Guarantor Debtor was the original tenant and remained co-liable following the assignment of such Unexpired Lease to an Affiliate. For the avoidance of doubt, Non-Contingent Guaranty Claims do not include Claims of Landlords arising under or in connection with Unexpired Leases under which the Guarantor Debtor is the current tenant.

90. “*Other Priority Claim*” means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

91. “*Other Secured Claim*” means any Secured Claim against any Debtor (including any Secured Tax Claim), other than DIP Claims and Prepetition Credit Agreement Claims.

92. “*Person*” has the meaning set forth in section 101(41) of the Bankruptcy Code.

93. “*Petition Date*” means, as to each applicable Debtor, the date on which such Debtor filed a petition in the Chapter 11 Cases.

94. “*Plan*” means, collectively, and to the extent applicable, the Plan of Liquidation and the Plan of Reorganization, including the Plan Supplement.

95. “*Plan of Liquidation*” means, to the extent applicable, the plan of liquidation for the Liquidating SPE Debtors (if any), including the Plan Supplement.

96. “*Plan of Reorganization*” means the plan of reorganization for the Reorganizing Debtors, including the Plan Supplement.

97. “*Plan Supplement*” means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents to be filed by the Debtors with the Bankruptcy Court at least seven days prior to the earlier of (a) the Confirmation Objection Deadline and (b) the Voting Deadline, as may be amended, supplemented, altered, or modified from time to time on the terms set forth herein, and which includes: (a) the Exit Facility Documents, if any; (b) the Assumed Executory Contract and Unexpired Lease List; (c) the Rejected Executory Contract and Unexpired Lease List; (d) the schedule of retained Causes of Action; (e) the schedule of Amended FF&E Contracts; and (f) any other necessary documentation related to the Restructuring Transactions. Any reference to the Plan Supplement in the Plan shall include each of the documents identified herein.

98. “*Prepetition Credit Agreement*” means that certain Senior Loan and Security Agreement, dated as of August 1, 2013, by and between the Prepetition Lender and the Debtors, as amended, restated, supplemented, or otherwise modified at any time prior to the Petition Date.

99. “*Prepetition Credit Agreement Claims*” means any and all Claims held by the Prepetition Lender against any Debtor arising under, derived from, secured by, or based on the Prepetition Financing Documents, including all principal amounts outstanding, accrued and unpaid interest, fees, expenses, costs, or other amounts due and owing under the Prepetition Financing Documents, which shall be Allowed in the aggregate amount as designated in the Prepetition Lender Claim Settlement.

100. “*Prepetition Financing Documents*” means the Prepetition Credit Agreement, together with the other documents, instruments, and agreements executed in connection therewith or related thereto (including those certain Joinder Agreements executed by each of the Debtors with respect to the Prepetition Credit Agreement).

101. “*Prepetition Lender*” means Regus, in its capacity as prepetition lender under the Prepetition Credit Agreement.

102. “*Prepetition Lender Claim Settlement*” means that certain good-faith compromise and settlement, by and between the Debtors and the Prepetition Lender, granting the Prepetition Lender Allowed Claims in the aggregate amount of \$[381,284,678], which Allowed Claims shall, for the avoidance of doubt, fully and finally satisfy, settle, release, and discharge all Prepetition Credit Agreement Claims held by the Prepetition Lender, in accordance

with the terms of, and as more fully set forth in, the Plan; *provided, however*, that the Debtors and the Prepetition Lender agree that all Prepetition Credit Agreement Claims held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and otherwise treated in accordance with the terms of the Plan, including Article III.B.3 of the Plan.

103. “*Prepetition Lien and Claim Investigations*” means (a) that certain investigation initiated and conducted by the Debtors’ Responsible Officer into certain potential claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Matters and (b) that certain investigation initiated and conducted by the Creditors’ Committee, in parallel with the investigation described in the previous clause (a), into certain potential claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Matters.

104. “*Prepetition Lien and Claim Investigations Settlement*” means the good-faith compromises and settlement of any identified or potentially existing claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Investigations, including the Prepetition Lien and Claim Matters, as described in the Disclosure Statement and ARTICLE IV.A of the Plan.

105. “*Prepetition Lien and Claim Matters*” means any and all potential claims or Causes of Action arising out of or relating to historic transactions entered into by the Debtors prior to the Petition Date.

106. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

107. “*Pro Rata*” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in such Class.

108. “*Professional*” means an Entity retained in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code.

109. “*Professional Fee Claims*” means all Claims for accrued, contingent, and/or unpaid fees and expenses (including transaction and success fees) incurred by a Professional in the Chapter 11 Cases on or after the Petition Date and through and including the Confirmation Date that the Bankruptcy Court has not denied by Final Order. To the extent that the Bankruptcy Court or any higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Professional Fee Claims.

110. “*Professional Fee Escrow Account*” means an interest-bearing account funded by the Debtors with Cash on or before the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Reorganized 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 of Cash funded into the escrow as of the Effective Date.

111. “*Professional Fee Escrow Amount*” means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses estimated in accordance with Article B.3 of the Plan.

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

113. “*Proof of Interest*” means a proof of Interest Filed in any of the Debtors in the Chapter 11 Cases.

114. “*Redox*” means Redox plc S.A. (f/k/a Regus plc S.A.).

115. “*Regus*” means Regus Corporation.

116. “*Reinstated*,” “*Reinstated*,” or “*Reinstatement*” means, with respect to any Claim and Interest, that such Claim or Interest shall be rendered Unimpaired.

117. “*Rejected Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors or the Reorganized Debtors, as applicable, in consultation with the DIP Lender and the Prepetition Lender, of Executory Contracts and Unexpired Leases that will be rejected by the Reorganized Debtors pursuant to the Plan, which list shall be included in the Plan Supplement, as may be amended, modified, or otherwise supplemented from time to time by the Debtors or Reorganized Debtors, as applicable, in accordance with the Plan.

118. “*Rejecting SPE Debtor*” means an SPE Debtor that is a Reorganizing Debtor that has previously rejected, or will reject under this Plan or an otherwise pending motion or notice to reject, one or more of its Unexpired Leases.

119. “*Related Party*” means, with respect to any Entity, in each case in its capacity as such with respect to such Entity, such Entity’s current and former directors, managers, officers, investment committee members, special committee members, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals and advisors.

120. “*Released Party*” means collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus; (d) Regus Management Group, LLC; (e) Franchise International GmBH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) all Holders of Interests in the Debtors; (j) the Creditors’ Committee and each of its members; and (k) each Related Party of each Entity in clauses (a) through (j); *provided, however*, that any Entity identified in the foregoing clauses (a) through (j) that opts out of the releases shall not be a Released Party.

121. “*Releasing Parties*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus; (d) Regus Management Group, LLC; (e) Franchise International GmBH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) the Creditors’ Committee and each of its members; (j) all Holders of Claims or Interests that are Unimpaired under the Plan; (k) all Holders of Claims or Interests that vote to accept or are deemed to accept the Plan; (l) all Holders of Claims that vote to reject the Plan or do not vote to accept or reject the Plan but, in either case, do not affirmatively elect to “opt out” of being a releasing party by either timely objecting to the Plan’s third-party release provisions or checking the opt-out box on such Holder’s ballot; (m) all Holders of Claims or Interests that are deemed to reject the Plan that do not affirmatively elect to “opt out” of being a releasing party by timely objecting to the Plan’s third-party release provisions; and (n) each Related Party of each Entity in clauses (a) through (m).

122. “*Reorganized Debtor*” means a Debtor (except for any Liquidating SPE Debtors or Excluded SPE Debtors), or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date.

123. “*Reorganizing Debtors*” means all Debtors except for any Liquidating SPE Debtors or Excluded SPE Debtors.

124. “*Replacement/Recapitalized Guarantor Debtor Documents*” means, collectively, any agreements, documents, and instruments delivered or entered into in connection with the recapitalization of the Guarantor Debtors or the replacement of any Guaranty, and any other documents related to or executed in connection therewith.

125. “*Responsible Officer*” means James S. Feltman, as designated by the Debtors, effective as of the Petition Date, pursuant to the terms and conditions in that certain Letter of Engagement for Duff & Phelps LLC, dated as of July 20, 2020, by and among RGN-National Business Centers, LLC and Duff & Phelps, LLC, as amended, modified, or otherwise supplemented from time to time, and authorized by the Bankruptcy Court pursuant to the *Order (I) Authorizing the Employment and Retention of Duff & Phelps LLC to Provide the Debtor with a Responsible Officer and Certain Additional Personnel; (II) Designating James S. Feltman as the Debtors’ Responsible Officer, Effective as of the Petition Date; and (III) Granting Related Relief* [Docket No. 619].

126. “*Restructuring Transactions*” means the transactions described in Article IV.B of the Plan.
127. “*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, as such schedules may be amended, modified, or supplemented from time to time.
128. “*SEC*” means the Securities and Exchange Commission.
129. “*Second Amended DIP Facility Term Sheet*” means that certain Amended DIP Facility Term Sheet, dated as of January 27, 2021, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender [Docket No. 1001, Ex. 1].
130. “*Section 510(b) Claim*” means any Claim arising from: (a) rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors; (b) purchase or sale of such a security; or (c) reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.
131. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan as a Secured Claim.
132. “*Secured Tax Claim*” means any Secured Claim against any Debtor that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.
133. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, or any similar federal, state, or local law, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.
134. “*Security*” has the meaning set forth in section 2(a)(1) of the Securities Act.
135. “*SPE Debtors*” means the Debtors that are not Guarantor Debtors.
136. “*Subchapter V Trustee*” means Natasha Songonuga, in her capacity as Subchapter V Trustee in certain of the Chapter 11 Cases from July 31, 2020, through September 8, 2020, as applicable.
137. “*Third-Party Release*” means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.E of the Plan.
138. “*U.S. Trustee*” means the Office of the United States Trustee for the District of Delaware.
139. “*Unexpired Lease*” means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code, which shall include those leases of nonresidential real property previously assumed or rejected by the Debtors under section 365 of the Bankruptcy Code.
140. “*Unimpaired*” means a Class of Claims or Interests, or any Claim or Interest, that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.
141. “*Voting Deadline*” has the meaning set forth in the Disclosure Statement.

B. Rules of Interpretation

For purposes of the Plan, except as otherwise provided in this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference in the Plan to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (c) unless otherwise specified, all references in the Plan to “Articles” and “Sections” are references to Articles and Sections, respectively, hereof or hereto; (d) the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to any particular portion of the Plan; (e) any effectuating provisions may be interpreted by the Debtors or the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified in the Plan, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) any term used in capitalized form in the Plan that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) references to docket numbers of documents filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (j) references to “Proofs of Claim,” “Holders of Claims,” “Disputed Claims,” and the like shall include “Proofs of Interest,” “Holders of Interests,” “Disputed Interests,” and the like, as applicable; (k) 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; (l) the terms “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation”; and (m) except as otherwise provided in the Plan, any reference to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter.

C. Computation of Time

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

D. Governing Law

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

E. Reference to Monetary Figures

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

F. Reference to the Debtors or the Reorganized Debtors

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

G. Controlling Document

Except as otherwise indicated, on the Effective Date, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations with respect to the subject matter of the Plan, all of which will have become merged and integrated into the Plan. Except as set forth in the Plan, in the event that any provision of the Disclosure Statement, the Plan Supplement, or any order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing) conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

H. Nonconsolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

**ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS**

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

A. Administrative Claims

Unless otherwise agreed to by the Holders of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (1) if an Administrative Claim is Allowed as of the Effective Date, no later than thirty days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than sixty days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the Holders of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for DIP Claims, Professional Fee Claims, Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code (which must have been Filed by the Claims Bar Date), or Administrative Claims arising in the ordinary course of business, and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Plan and the Confirmation Order and notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the requesting party, the Debtors (if the Debtors are not the objecting party), and counsel for the Prepetition Lender and the DIP Lender by the Claims Objection Deadline (unless otherwise agreed to by the Reorganized Debtors and the Holder of such asserted Disputed Administrative Claim). After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with an order that becomes a Final Order of, the Bankruptcy Court. Holders of Administrative 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, the Reorganized Debtors, or their property, and such Administrative Claims shall be deemed discharged as of the

Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order of the Bankruptcy Court.

B. Professional Fee Claims

1. Professional Fee Escrow Account

As soon as reasonably practicable after the Confirmation Date, and no later than one Business Day prior to the Effective Date, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. Notwithstanding anything to the contrary in any other order of the Bankruptcy Court, including the DIP Orders, the Liens, claims, and security interests of the Prepetition Lender and the DIP Lender in the Cash held in the Professional Fee Escrow Account shall be subordinate to the Professional Fee Claims until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be filed no later than forty-five days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors and counsel for the Prepetition Lender and the DIP Lender no later than five days before the anticipated Effective Date; *provided, however*, that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, may estimate a reasonable amount of unbilled fees and expenses of such Professional, taking into account any prior payments; *provided, however*, that such estimate shall not be binding or considered an admission with respect to the fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account, *provided* that the Reorganized 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.

4. Post-Confirmation Date Fees and Expenses.

From and after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors or the Reorganized Debtors, as applicable. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

The Debtors and Reorganized Debtors, as applicable, shall pay, within ten business days after submission of a detailed invoice to the Debtors or Reorganized Debtors, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the retained Professionals of the Debtors or the Reorganized Debtors, as applicable. If the Debtors or Reorganized Debtors, as applicable, dispute the reasonableness of any such invoice, the Debtors or Reorganized Debtors, as applicable, or the affected Professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved.

C. *Priority Tax Claims*

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

D. *DIP Claims*

The DIP Claims are Allowed Claims. Except to the extent that the DIP Lender and the Debtors or Reorganized Debtors agree to less favorable treatment, the Allowed DIP Claims shall be paid in full in Cash on the Effective Date by the Reorganized Debtors through Cash on hand and/or proceeds of the Exit Facility, if any. Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the DIP Claims shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, Bankruptcy Rules, or ARTICLE VII of this Plan.

Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the DIP Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange of its DIP Claims against the Liquidating SPE Debtors. For the avoidance of doubt, the DIP Lender does not release or waive any DIP Claims with respect to Excluded SPE Debtors in any manner whatsoever.

**ARTICLE III.
CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS**

A. *Classification of Claims and Interests*

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance with section 1122 of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Summary of Classification for the Reorganizing Debtors

The classification of Claims and Interests against the Reorganizing Debtors pursuant to the Plan of Reorganization is as set forth below. All of the potential Classes for the Reorganizing Debtors are set forth herein.

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Prepetition Credit Agreement Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4A	Contingent Guaranty Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4B	Non-Contingent Guaranty Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5A	General Unsecured Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5B	General Unsecured Claims against Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5C	General Unsecured Claims against Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6A	Intercompany Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6B	Intercompany Claims against Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6C	Intercompany Claims against Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7A	Existing Interests in Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7B	Existing Interests in Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7C	Existing Interests in Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)

2. Summary of Classification for the Liquidating SPE Debtors

The classification of Claims and Interests against the Liquidating SPE Debtors pursuant to the Plan of Liquidation is as set forth below. All of the potential Classes for the Liquidating SPE Debtors are set forth herein.

Class	Claim or Interest	Status	Voting Rights
L1	Other Priority Claims against Liquidating SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)

Class	Claim or Interest	Status	Voting Rights
L2	Prepetition Credit Agreement Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
L3	General Unsecured Claims against Liquidating SPE Debtors	Impaired	Entitled to Vote
L4	Intercompany Claims against Liquidating SPE Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)
L5	Existing Interests in Liquidating SPE Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Classes of Claims and Interests

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Reorganizing Debtor or Liquidating SPE Debtor (as applicable), the classification of Allowed Claims and Allowed Interests with respect to any Reorganizing Debtor or Liquidating SPE Debtor (as applicable) is specified below.

1. Treatment of Classes of Claims and Interests for the Reorganizing Debtors

(a) Class 1 — Other Secured Claims

(i) *Classification:* Class 1 consists of any Other Secured Claims against the Reorganizing Debtors.

(ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Secured Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:

- a. payment in full in Cash;
- b. delivery of collateral securing any such Allowed Other Secured Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;
- c. Reinstatement of such Allowed Other Secured Claim, notwithstanding any contractual provision or applicable non-bankruptcy Law that entitles the Holder of such Allowed Other Secured Claim to demand or to receive payment prior to the stated maturity of such Claim from and after the occurrence of default; or
- d. such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(iii) *Voting:* Class 1 is Unimpaired. Each Holder of an Allowed Other Secured Claim against a Reorganizing Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (b) Class 2 — Other Priority Claims
- (i) *Classification:* Class 2 consists of any Other Priority Claims against the Reorganizing Debtors.
 - (ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:
 - a. payment in full in Cash; or
 - b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iii) *Voting:* Class 2 is Unimpaired. Each Holder of an Allowed Other Priority Claim against the Reorganizing Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (c) Class 3 — Prepetition Credit Agreement Claims
- (i) *Classification:* Class 3 consists of any Prepetition Credit Agreement Claims against the Reorganizing Debtors.
 - (ii) *Allowance:* The Prepetition Credit Agreement Claims against the Reorganizing Debtors are Allowed Claims and on the Effective Date, Prepetition Credit Agreement Claims shall be Allowed in the amounts set forth on **Schedule 1** hereto, which amount includes the aggregate principal amount outstanding at each Debtor under the Prepetition Financing Documents plus accrued and unpaid interest on such principal amount, plus any other unpaid premiums, fees and expenses, costs, or other amounts due and owing under the Prepetition Financing Document. Notwithstanding anything to the contrary in this Plan or the Confirmation Order, the Prepetition Credit Agreement Claims against the Reorganizing Debtors shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, the Bankruptcy Rules, or ARTICLE VII of this Plan. For the avoidance of doubt, and notwithstanding anything to contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, all Prepetition Credit Agreement Claims against the Reorganizing Debtors held by the Prepetition Lender shall be Allowed in accordance with the Prepetition Lender Claim Settlement.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor agrees to other treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each such Prepetition Credit Agreement Claim, each such Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor shall receive Reinstatement of such Allowed Prepetition Credit Agreement Claim on the terms set forth in the Prepetition Facility Documents.

For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against the Reorganizing Debtors held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of this Article III of the Plan and the Prepetition Lender Claim Settlement.

- (iv) *Voting:* Class 3 is Unimpaired. Each Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (d) Class 4A — Contingent Guaranty Claims
 - (i) *Classification:* Class 4A consists of any Contingent Guaranty Claims against any Guarantor Debtor.
 - (ii) *Allowance:* A Contingent Guaranty Claim may only be Allowed to the extent such Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any Contingent Guaranty Claim, including where such Contingent Guaranty Claim was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Contingent Guaranty Claim shall at the option of the applicable Debtor(s), receive either:
 - a. Reinstatement of such Allowed Contingent Guaranty Claim; or
 - b. such other treatment rendering such Allowed Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iv) *Voting:* Class 4A is Unimpaired. Each Holder of an Allowed Contingent Guaranty Claim is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (e) Class 4B — Non-Contingent Guaranty Claims against Guarantor Debtors
 - (i) *Classification:* Class 4B consists of any Non-Contingent Guaranty Claims against any Guarantor Debtor.
 - (ii) *Allowance:* A Non-Contingent Guaranty Claim may only be Allowed to the extent such Non-Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. If a Non-Contingent Guaranty Claim arises in connection with a rejected Unexpired Lease with a Rejecting SPE Debtor, such Non-Contingent Guaranty Claim may only be Allowed to the extent not satisfied in connection with the treatment ascribed to Holders of Allowed General Unsecured Claims against Rejecting SPE Debtors, as described in Article III.B.8(c) and Article VI.B of the Plan. The Debtors reserve all rights to object to any Non-Contingent Guaranty Claim, including where such Non-Contingent Guaranty Claim was timely filed.

- (iii) *Treatment:* Except to the extent that a Holder of an Allowed Non-Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Non-Contingent Guaranty Claim shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed Non-Contingent Guaranty Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty (30) calendar days after the date such Claim becomes an Allowed Non-Contingent Guaranty Claim.
 - (iv) *Voting:* Class 4B is Unimpaired. Each Holder of an Allowed Non-Contingent Guaranty Claim is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (f) Class 5A — General Unsecured Claims against Guarantor Debtors
- (i) *Classification:* Class 5A consists of any General Unsecured Claims against the Guarantor Debtors.
 - (ii) *Allowance:* A General Unsecured Claim against the Guarantor Debtors may only be Allowed to the extent such General Unsecured Claim against the Guarantor Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any General Unsecured Claim against the Guarantor Debtors, including where such General Unsecured Claim against the Guarantor Debtors was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against the Guarantor Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each General Unsecured Claim against the Guarantor Debtors, each Holder of an Allowed General Unsecured Claim against the Guarantor Debtors shall receive:
 - a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty (30) calendar days after the date such Claim becomes an Allowed General Unsecured Claim;
 - b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or
 - c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iv) *Voting:* Class 5A is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Guarantor Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (g) Class 5B — General Unsecured Claims against Assuming SPE Debtors
- (i) *Classification:* Class 5B consists of any General Unsecured Claims against the Assuming SPE Debtors.
 - (ii) *Allowance:* A General Unsecured Claim against Assuming SPE Debtors may only be Allowed to the extent such General Unsecured Claim against Assuming SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any General Unsecured Claim against Assuming SPE Debtors, including where such General Unsecured Claim against Assuming SPE Debtors was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim against Assuming SPE Debtors, each Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors shall receive the following:
 - a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Assuming SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course;
 - b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or
 - c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired.
 - (iv) *Voting:* Class 5B is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (h) Class 5C — General Unsecured Claims against Rejecting SPE Debtors
- (i) *Classification:* Class 5C consists of all General Unsecured Claims against the Rejecting SPE Debtors.
 - (ii) *Allowance:* A General Unsecured Claim against Rejecting SPE Debtors may only be Allowed to the extent such General Unsecured Claim against Rejecting SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. To the extent that such General Unsecured Claim against Rejecting SPE Debtors arises on account of damages resulting from the rejection of an Unexpired Lease, such amount shall be capped in the amount set forth in section 502(b)(6) of the Bankruptcy Code, and such Allowed amount shall only be assertable as a General Unsecured Claim against the applicable Rejecting SPE Debtor. The Debtors reserve all rights to object to any General Unsecured Claim against Rejecting SPE Debtors, including where such General Unsecured Claim against Rejecting SPE Debtors was timely filed.

- (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claims against Rejecting SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim against Rejecting SPE Debtors shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against Rejecting SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course.
 - (iv) *Voting:* Class 5C is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Rejecting SPE Debtors is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (i) Class 6A — Intercompany Claims against Guarantor Debtors
 - (i) *Classification:* Class 6A consists of all Intercompany Claims against Guarantor Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Guarantor Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6A is Unimpaired. Each Holder of an Allowed Intercompany Claim against Guarantor Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (j) Class 6B — Intercompany Claims against Assuming SPE Debtors
 - (i) *Classification:* Class 6B consists of all Intercompany Claims against Assuming SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Assuming SPE Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6B is Unimpaired. Each Holder of an Allowed Intercompany Claim against Assuming SPE Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (k) Class 6C — Intercompany Claims against Rejecting SPE Debtors
 - (i) *Classification:* Class 6C consists of all Intercompany Claims against Rejecting SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Rejecting SPE Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6C is Unimpaired. Each Holder of an Allowed Intercompany Claim against Rejecting SPE Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (l) Class 7A — Existing Interests in Guarantor Debtors

- (i) *Classification:* Class 7A consists of all Existing Interests in Guarantor Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Guarantor Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7A is Unimpaired. Holders of Existing Interests in Guarantor Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
- (m) Class 7B — Existing Interests in Assuming SPE Debtors
- (i) *Classification:* Class 7B consists of all Existing Interests in Assuming SPE Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Assuming SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7B is Unimpaired. Holders of Existing Interests in Assuming SPE Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
- (n) Class 7C — Existing Interests in Rejecting SPE Debtors
- (i) *Classification:* Class 7C consists of all Existing Interests in Rejecting SPE Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Rejecting SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7C is Unimpaired. Holders of Existing Interests in Rejecting SPE Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
2. Treatment of Classes of Claims and Interests for the Liquidating SPE Debtors³
- (a) Class L1 — Other Priority Claims
 - (i) *Classification:* Class L1 consists of Other Priority Claims against the Liquidating SPE Debtors.

³ For the avoidance of doubt, the treatment provided pursuant to the Plan of Liquidation shall be provided to each applicable Liquidating SPE Debtor; *provided* that, in the event that the Landlord with respect to the Unexpired

- (ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim against a Liquidating SPE Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Liquidating SPE Debtor(s), either:
 - a. payment in full in Cash; or
 - b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iii) *Voting:* Class L1 is Unimpaired. Each Holder of an Allowed Other Priority Claim against a Liquidating SPE Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (b) Class L2 — Prepetition Credit Agreement Claims
- (i) *Classification:* Class L2 consists of any Prepetition Credit Agreement Claims against the Liquidating SPE Debtors.
 - (ii) *Allowance:* The Prepetition Credit Agreement Claims against the Liquidating SPE Debtors are Allowed Claims and on the Effective Date, Prepetition Credit Agreement Claims shall be Allowed in the amounts set forth on **Schedule 1** hereto, which amount includes the aggregate principal amount outstanding at each Debtor under the Prepetition Financing Documents plus accrued and unpaid interest on such principal amount, plus any other unpaid premiums, fees and expenses, costs, or other amounts due and owing under the Prepetition Financing Document. Notwithstanding anything to the contrary in this Plan or the Confirmation Order, the Prepetition Credit Agreement Claims shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, the Bankruptcy Rules, or ARTICLE VII of this Plan. For the avoidance of doubt, and notwithstanding anything to contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, all Prepetition Credit Agreement Claims against the Liquidating SPE Debtors held by the Prepetition Lender shall be Allowed in accordance with the Prepetition Lender Claim Settlement.
 - (iii) *Treatment:* Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the Prepetition Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange of its Prepetition Credit Agreement Claims against the Liquidating SPE Debtors. For the avoidance of doubt the Prepetition Lender does not release or waive any Prepetition Credit Agreement Claims with respect to Excluded SPE Debtors in any manner whatsoever.

Lease of a Liquidating SPE Debtor objects to, or votes against, the Plan, such Liquidating SPE Debtor shall be an Excluded SPE Debtor and shall not receive any recovery under the Plan of Liquidation.

[NTD: Subject to continued review and discussion.]

For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against the Liquidating SPE Debtors held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of this Article III of the Plan, the Prepetition Lender Claim Settlement, and the Liquidating SPE Debtors' Settlement. For further avoidance of doubt, the preceding sentence does not apply in any respect to the Excluded SPE Debtors.

- (iv) *Voting:* Class L2 is Unimpaired. Each Holder of an Allowed Prepetition Credit Agreement Claim against a Liquidating SPE Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (c) Class L3 — General Unsecured Claims
- (i) *Classification:* Class L3 consists of any General Unsecured Claims against the Liquidating SPE Debtors.
 - (ii) *Allowance:* On the Effective Date, the General Unsecured Claims against the Liquidating SPE Debtors shall be Allowed to the extent such General Unsecured Claim against Liquidating SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. To the extent that such General Unsecured Claim against the Liquidating SPE Debtors arises on account of damages resulting from the rejection of an Unexpired Lease, such amount shall be capped in the amount set forth in section 502(b)(6) of the Bankruptcy Code, and such Allowed amount shall only be assertable as a General Unsecured Claim against the applicable Liquidating SPE Debtor. The Debtors reserve all rights to object to any General Unsecured Claim against the Liquidating SPE Debtors, including where such General Unsecured Claim against the Liquidating SPE Debtors was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each such General Unsecured Claim, each such Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor shall receive its Pro Rata share of the applicable Liquidating SPE Debtor Distribution Pool in Cash on the Effective Date.
 - (iv) *Voting:* Class L3 is Impaired. Holders of Allowed General Unsecured Claims against the Liquidating SPE Debtors are entitled to vote to accept or reject the Plan.
- (d) Class L4 — Intercompany Claims
- (i) *Classification:* Class L4 consists of all Intercompany Claims against the Liquidating SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against the Liquidating SPE Debtors shall extinguished, compromised, addressed, cancelled, or settled without any distribution on account of such Claims.
 - (iii) *Voting:* Class L4 is Impaired. Holders of Allowed Intercompany Claims against the Liquidating SPE Debtors are deemed to have rejected the Plan pursuant to

section 1126(g) of the Bankruptcy Code. Holders of Allowed Intercompany Claims against the Liquidating SPE Debtors are not entitled to vote to accept or reject the Plan.

- (e) Class L5 — Existing Interests
 - (i) *Classification:* Class L5 consists of all Existing Interests in the Liquidating SPE Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in the Liquidating SPE Debtors shall be discharged, cancelled, released, and extinguished and of no further force or effect without any distribution on account of such Interests.
 - (iii) *Voting:* Class L5 is Impaired. Holders of Existing Interests in the Liquidating SPE Debtors are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing Interests in the Liquidating SPE Debtors are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

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

D. Elimination of Vacant Classes

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

E. Voting Classes; Presumed Acceptance by Non-Voting Classes

To the extent applicable, if a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Debtors shall request the Bankruptcy Court to deem the Plan accepted by the Holders of such Claims or Interests in such Class.

F. Subordinated Claims

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

G. Controversy Concerning Impairment

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

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

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.A.2 of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

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

A. General Settlement of Claims and Interests

As discussed in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) the payment in full of all General Unsecured Claims, (2) any challenge to the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Credit Agreement Claims, (3) any claim to avoid, subordinate, or disallow any Prepetition Credit Agreement Claim, whether under any provision of chapter 5 of the Bankruptcy Code, on any equitable theory (including equitable subordination, equitable disallowance, or unjust enrichment), or otherwise, and (4) the Prepetition Lien and Claim Matters. The Plan shall incorporate all settlements previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019, including, but not limited to, the Liquidating SPE Debtors' Settlement.

The Plan shall be deemed a motion to approve the good faith compromises and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement, including the Prepetition Lien and Claim Investigations Settlement, and the Prepetition Lender Claim Settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise, including the Prepetition Lien Claim Investigations Settlement and the Prepetition Lender Claim Settlement, is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

B. Restructuring Transactions

On and after the Confirmation Date, the Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, or Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan that are consistent with and pursuant to the terms and conditions of the Plan and the Confirmation Order, which transactions may include, as applicable: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, reorganization, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms to which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution or other certificates or documentation for other transactions as described in clause (a), pursuant to applicable state law; (d) the execution and delivery of any certificates or articles of incorporation, bylaws, or such other applicable formation documents (if any) of each Reorganized Debtor; (e) the execution and delivery of the Exit Facility Documents (including all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Debtors and/or the Reorganized Debtors, as applicable), if applicable; (f) the

execution and delivery of the Replacement/Recapitalization Guarantor Debtor Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions; (g) the execution and delivery of the Liquidating SPE Debtors' Settlement Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions; and (h) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

C. Sources of Consideration for Plan Distributions

The Debtors shall fund distributions under the Plan, as applicable, with: (a) the Exit Facility, if applicable; (b) Cash held on the Effective Date by or for the benefit of the Debtors; and (c) the recapitalization of the Guarantor Debtors or the replacement of any Guaranty, as applicable. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the Exit Facility, if applicable, will be exempt from SEC registration, as described more fully in ARTICLE IV.I of the Plan below.

1. The Exit Facility

On the Effective Date, the Reorganized Debtors may execute and deliver the Exit Facility Documents, if any, and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms. The terms and conditions of the Exit Facility Documents shall bind the Reorganized Debtors and each other Entity that enters into such Exit Facility Documents. Any Entity's entry into the Exit Facility Agreement shall be deemed as its agreement to the terms of such Exit Facility Documents, as amended or modified from time to time following the Effective Date in accordance with their terms.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees and expenses paid in connection therewith, which shall include, if applicable, the recapitalization of the Guarantor Debtors), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver those documents necessary or appropriate to obtain the Exit Facility, including the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors and the Exit Lender may deem to be necessary to consummate the Exit Facility.

On the Effective Date, immediately upon receipt of the payments required in ARTICLE II.D hereof, all of the claims, liens, and security interests to be granted in accordance with the terms of the Exit Facility Documents (a) shall be legal, binding, and enforceable liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such other liens and security interests as may be permitted under the Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law.

2. Cash on Hand

The Debtors or Reorganized Debtors, as applicable, shall use Cash on hand to fund distributions to certain Holders of Claims, including the payment of Allowed General Unsecured Claims as set forth in Article III of the Plan.

3. Replacement and/or Recapitalization of Guarantor Debtors

Before, on, or after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall execute and deliver the Replacement/Recapitalized Guarantor Debtor Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions. The Replacement/Recapitalized Guarantor Debtor Documents shall become effective in accordance with their terms. Before, on, or after the Effective Date, the Replacement/Recapitalized Guarantor Debtor Documents shall constitute legal, valid, and binding obligations of the Debtors and Reorganized Debtors and be enforceable in accordance with their respective terms. The terms and conditions of the Replacement/Recapitalized Guarantor Debtor Documents shall bind the Reorganized Debtors and each other Entity that enters into such documents. Any Entity's entry into any of the Replacement/Recapitalized Guarantor Debtor Documents shall be deemed as its agreement to the terms of such documents, as amended or modified from time to time following the Effective Date in accordance with their terms.

Confirmation shall be deemed approval of the Replacement/Recapitalized Guarantor Debtor Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees and expenses paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver those documents necessary or appropriate to effectuate a replacement Guaranty or recapitalization of a Guarantor Debtor, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors may deem to be necessary to consummate the Replacement/Recapitalized Guarantor Debtor Documents.

D. Corporate Existence

Except as otherwise provided in the Plan or the Plan Supplement, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

Upon the Effective Date or as soon as reasonably practicable thereafter, after making all distributions required to be paid by the Liquidating SPE Debtors under the Plan, the Liquidating SPE Debtors shall be deemed to have been dissolved and terminated.

E. Corporate Action

On or before the Effective Date, as applicable, all actions contemplated under the Plan or the Plan Supplement shall be deemed authorized and approved in all respects, including: (a) adoption or assumption, as applicable, of the agreements with existing management; (b) selection of the directors, managers, and officers for the Reorganized Debtors; (c) implementation of the Restructuring Transactions; (4) the applicable Reorganized Debtors' entry into the Exit Facility Documents, if applicable; (d) the applicable Reorganized Debtors' entry into the Replacement/Recapitalized Guarantor Debtor Documents, if applicable and as is necessary or desirable to consummate the Restructuring Transactions; and (e) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Facility Documents and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this ARTICLE IV.E shall be effective notwithstanding any requirements under non-bankruptcy law.

F. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or the Plan Supplement, or in any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens securing obligations under the Exit Facility Documents, if any, and the Liens securing obligations on account of Prepetition Credit Agreement Claims or Other Secured Claims that are Reinstated pursuant to the Plan, if any). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its businesses and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

On the Effective Date, any Liquidating SPE Debtor's Estate assets shall vest in such Liquidating SPE Debtor for the purpose of liquidating the Estate and consummating the Plan. Any distributions to be made under the Plan from such assets shall be made by the Liquidating SPE Debtor pursuant to the terms of this Plan.

G. Cancellation of Notes, Instruments, Certificates, and Other Documents

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated herein, on the Effective Date, all notes, instruments, certificates, equity security, share, bond, indenture, purchase right, option, warrant, or other documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest, including the obligations of the Debtors under the DIP Documents and the Prepetition Financing Documents, shall be terminated and cancelled and the obligations of the Debtors thereunder or in any way related thereto shall be deemed satisfied in full and discharged; *provided, however*, that (a) the DIP Documents and all related agreements, documents, and instruments executed by the Debtors or the DIP Lender shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the DIP Lender that may survive termination or maturity of the DIP Facility in accordance with the terms thereof (including to those provisions relating to the DIP Lender's rights to expense reimbursement, indemnification, and similar amounts), and (b) the Prepetition Financing Documents and all related agreements, documents and instruments executed by the Debtors or the Prepetition Lender shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the Prepetition Lender that may survive termination or maturity of the Prepetition Financing Documents in accordance with the terms thereof (including to those provisions relating to the Prepetition Lender's rights to expense reimbursement, indemnification and similar amounts), and (c) each Guaranty and all related agreements, documents, and instruments executed by the Debtors shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the counterparties to each such Guaranty.⁴ On the Effective Date, each Holder of a certificate or instrument evidencing a Claim that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture or agreement that governs the rights of such Holder of such Claim. Such surrendered certificate or instrument shall be deemed cancelled as set forth herein.

H. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors and managers 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 conditions of the Plan, the Exit Facility

⁴ For the avoidance of doubt, and notwithstanding anything to the contrary herein, a Contingent Guaranty Claim may only be Allowed to the extent such Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors or the Reorganized Debtors, as applicable, reserve all rights to object to any Contingent Guaranty Claim, including where such Contingent Guaranty Claim was timely filed.

Documents, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

I. Exemptions from Certain Taxes and Fees

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

J. Directors and Officers

As of the Effective Date, the terms of the current members of the board of directors or managers of the Reorganized Debtors shall continue, and such directors or managers shall continue to hold office and have any and all authority previously granted to such directors or managers. As of the Effective Date, the responsible officer appointed by the Debtors on each respective Petition Date for purposes of providing management services to the Debtors during the pendency of the Chapter 11 Cases shall cease to hold such role and shall no longer have any rights or authority with respect to the Reorganized Debtors from or after the Effective Date.

Upon the dissolution and termination of the Liquidating SPE Debtors pursuant to Article ARTICLE IV.D, the existing boards of directors and managers, as applicable, of the Liquidating SPE Debtors shall be dissolved without any further action required on the part of the Liquidating SPE Debtors or the Liquidating SPE Debtors' officers, directors, shareholders, and members and any all remaining officers or directors of each Liquidating SPE Debtor shall be dismissed without any further action required on the part of any such Liquidating SPE Debtor, the shareholders of such Liquidating SPE Debtor, or the officers and directors of such Liquidating SPE Debtor. The directors, managers, and officers of the Liquidating SPE Debtors shall be authorized to execute, deliver, File, or record such contracts, instruments, and other agreements or documents and take such other actions as they may deem necessary or appropriate in their sole discretion to implement the provisions of this ARTICLE IV.

The authorizations and approvals contemplated by this ARTICLE IV shall be effective notwithstanding any requirements under applicable nonbankruptcy law.

K. Preservation of Causes of Action

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, 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 shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action waived, relinquished, exculpated, released, compromised, or settled in the Plan, including those released or exculpated by the Debtors pursuant to the releases and exculpations contained

in the Plan, including in Article VIII of the Plan, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors, their Estates, or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors, their Estates, and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity.** Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order of the Bankruptcy Court, the Debtors, their Estates, and the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, all Executory Contracts and Unexpired Leases shall be deemed rejected, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code, and regardless of whether such Executory Contract or Unexpired Lease is identified on the Rejected Executory Contract and Unexpired Lease List, unless such Executory Contract and Unexpired Lease: (a) was assumed or rejected previously by the Debtors; (b) previously expired or terminated pursuant to its own terms; (c) is the subject of a motion or notice to assume or reject Filed on or before the Effective Date; or (d) is identified on the Assumed Executory Contract and Unexpired Lease List. On the Effective Date, the Executory Contracts and Unexpired Leases identified on the Assumed Executory Contract and Unexpired Lease List shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions, assumptions and assignments, or rejections, as applicable, of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Assumed Executory Contract and Unexpired Lease List, and the Rejected Executory Contract and Unexpired Leases List, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions, assumptions and assignments, or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors, or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contract and Unexpired Lease List and the Assumed Executory Contract and Unexpired Lease List at any time through and including thirty days after the Effective Date.

To the maximum extent permitted by law, to the extent that any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any “change of control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights and remedies with respect thereto. Any default by the Debtors or their Affiliates with respect to any Claim, Interest, Executory Contract, Unexpired Lease, or other contract or lease that existed immediately before or on account of the filing of the

Chapter 11 Cases or is on account of the provisions set forth in the Plan shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

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

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Claims and Noticing Agent and served on the Reorganized Debtors no later than thirty days after the effective date of such rejection.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan or the Confirmation Order not filed with the Claims and Noticing Agent within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property, without the need for any objection by the Debtors or Reorganized Debtors, or further notice to, action, order, or approval of the Bankruptcy Court or any other Entity, and any such Claim shall be deemed fully satisfied, released, and discharged, and be subject to the permanent injunction set forth in Article VIII.G of the Plan, notwithstanding anything in a Proof of Claim to the contrary.

All Claims arising from the rejection by any Debtor of any Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code (**whether pursuant to the Plan and the Confirmation Order or pursuant to another order of the Bankruptcy Court**) shall be treated as a General Unsecured Claim pursuant to Article III.A.2 of the Plan and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Cure of Defaults and Objections to Cure and Assumption

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the amount of the cure amount under section 365 of the Bankruptcy Code in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree with the consent of the Prepetition Lender and the DIP Lender.

Within fourteen calendar days before the Confirmation Objection Deadline, the Debtors shall provide notices of proposed cure amounts to counterparties to Executory Contracts and Unexpired Leases, which shall include a description of the procedures for objecting to assumption thereof based on the proposed cure amounts or the Reorganized Debtors' ability to provide "adequate assurance of future performance thereunder" (within the meaning of section 365 of the Bankruptcy Code). Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be filed, served, and actually received by the counsel to the Debtors and the Prepetition Lender and the DIP Lender no later than the Confirmation Objection Deadline. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

In the event of a dispute regarding: (a) the amount of any payments to cure such a default; (b) the ability of the Reorganized Debtors or any assignee to provide adequate assurance of future performance under the Executory Contract or Unexpired Lease to be assumed; or (c) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following either (i) the entry of a Final Order or orders of the Bankruptcy Court resolving the dispute and approving the assumption or (ii) the settlement of the dispute between the parties which may be entered into without further order of the Bankruptcy Court; *provided* that, in the event of a dispute regarding the cure amount, the Debtors or Reorganized Debtors, as applicable, shall pay the undisputed portion as soon as reasonably practicable after the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree with the consent of the Prepetition Lender and the DIP Lender; *provided further* that, for the avoidance of doubt, the Debtors and Reorganized Debtors reserve all rights to reject the applicable Executory Contract or Unexpired Lease in their business judgment in accordance with ARTICLE V.A of the Plan based upon the existence of any such unresolved dispute and to seek recovery of any

undisputed expected cure amounts previously paid if such rejection occurs. If the Bankruptcy Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the Debtors' notice to the applicable counterparty, the Debtors and Reorganized Debtors shall have the right to add such Executory Contract or Unexpired Lease to the Rejected Executory Contract and Unexpired Lease List.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any 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. For the avoidance of doubt, assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not override or otherwise release any indemnification obligations in such Executory Contract or Unexpired Lease. **Any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed and any Allowed Cure Claims paid in accordance with the Plan shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Insurance Policies

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies, as well as any agreements, documents, and instruments relating to such insurance policies or coverage of all insured claims. Except as set forth in Article V.F of the Plan, nothing in the Plan, the Plan Supplement, the Confirmation Order, or any other order of the Bankruptcy Court (including any provision that purports to be preemptory or supervening), (a) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such insurance policies or (b) alters or modifies the duty, if any, that the insurers or third-party administrators pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, insurers and third-party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

The automatic stay pursuant to section 362(a) of the Bankruptcy Code and the permanent injunction set forth in Article VIII.G of the Plan, if and to the extent applicable, shall be deemed lifted without further order of the Bankruptcy Court, solely to permit: (a) claimants with valid direct action claims against any insurer of the Debtors under applicable non-bankruptcy law to proceed with their claims against such insurer; (b) any insurer of the Debtors to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of the Bankruptcy Court, (i) all claims (y) where a claimant asserts a direct claim against any insurer of the Debtors under applicable law or (z) that are subject to an order of the Bankruptcy Court granting the applicable claimant relief from the automatic stay or the injunction set forth in Article VIII.G of the Plan to proceed with such claim and (ii) all costs in relation to the foregoing; and (c) subject to the terms of the Debtors' agreement with any insurer of the Debtors and/or applicable non-bankruptcy law, any insurer of the Debtors to (i) cancel any policies under the Debtors' agreement with such insurer and (ii) take other actions relating thereto.

E. Indemnification Provisions

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, employees, and agents to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, 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 will amend and/or restate their respective governance documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

On and as of the Effective Date, any of the Debtors' indemnification obligations with respect to any contract or agreement that is the subject of or related to any litigation against the Debtors or Reorganized Debtors, as applicable, shall be assumed by the Reorganized Debtors and otherwise remain unaffected by the Chapter 11 Cases.

F. Director, Officer, Manager, and Employee Liability Insurance

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, shall be authorized to purchase and maintain directors, officers, managers, and employee liability tail coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies.

After the Effective Date, none of the Debtors or the Reorganized Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring as of the Effective Date, and all officers, directors, managers, and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

On and after the Effective Date, each of the Reorganized Debtors shall be authorized to purchase a directors' and officers' liability insurance policy for the benefit of their respective directors, members, trustees, officers, and managers in the ordinary course of business.

G. Employee and Retiree Benefits

Except as otherwise provided in the Plan, on and after the Effective Date, subject to any Final Order and, without limiting any authority provided to the board of directors or managers of the Reorganized Debtors under the Debtors' respective formation and constituent documents, the Reorganized Debtors shall, as applicable: (1) amend, adopt, assume, and/or honor in the ordinary course of business any contracts, agreements, policies, programs, and plans, in accordance with their respective terms, for, among other things, compensation, including any incentive plans, retention plans, health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity from and after the Petition Date; and (2) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date and not otherwise paid pursuant to a Bankruptcy Court order; *provided* that the consummation of the transactions contemplated in the Plan shall not constitute a "change in control" with respect to any of the foregoing arrangements. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

H. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

I. Reservation of Rights

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or the Reorganized Debtors, as applicable, shall have thirty calendar days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease, including by rejecting such contract or lease, effective as of the Effective Date.

J. Non-Occurrence of Effective Date.

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

K. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor and any Executory Contracts and Unexpired Leases assumed by any Debtor may be performed by the applicable Reorganized Debtor in the ordinary course of business.

L. Amended FF&E Contracts

On the Effective Date, the Debtors and Reorganized Debtors shall be authorized to amend their respective FF&E Contracts in accordance with the schedule of Amended FF&E Contracts filed as part of the Plan Supplement.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim or Interest is not an Allowed Claim or Interest on the Effective Date, on the date that such Claim becomes an Allowed Claim or Interest) each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class and in the manner provided in the Plan. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Interests, distributions on account of any such Disputed Claims or Interests shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims and Interests 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. The Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Distribution Record Date.

B. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, and notwithstanding anything to the contrary in the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay U.S. Trustee fees until such time as a particular case is closed, dismissed, or converted.

C. *Distribution Agent*

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Distribution Agent on the Effective Date. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

D. *Rights and Powers of Distribution Agent*

1. Powers of the Distribution Agent

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

2. Expenses Incurred On or After the Effective Date

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

E. *Delivery of Distributions*

1. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims and Interests shall be made to Holders of record as of the Distribution Record Date by the Reorganized Debtors or the Distribution Agent, as appropriate: (a) to the signatory set forth on any Proof of Claim or Proof of Interest filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim or Proof of Interest is filed or if the Debtors have not been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors or the applicable Distribution Agent, as appropriate, after the date of any related Proof of Claim or Proof of Interest; or (c) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Subject to this Article VI of the Plan, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim or Interest shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for fraud, gross negligence, or willful misconduct.

2. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the later of (a) the Effective Date and (b) the date of the 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 federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or interest in property shall be discharged of and forever barred.

F. 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.

G. Compliance Matters

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

H. Allocation Between Principal and Accrued Interest

Except as otherwise provided in the Plan, the aggregate consideration paid to Holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any, on such Allowed Claim accrued through the Petition Date.

I. Setoffs and Recoupment

Unless otherwise provided in the Plan or the Confirmation Order, each Debtor and each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against or recoup any Allowed Claim (other than the Prepetition Credit Agreement Claims and DIP Claims) and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any claims, rights, and Causes of Action of any nature that such Debtor, its Estate, or such Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such claims, rights, or Causes of Action against such Holder have not been otherwise waived, relinquished, exculpated, released, compromised, or settled as of the Effective Date (whether pursuant to the Plan or otherwise); *provided, however*, 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 Debtor, its Estate, or such Reorganized Debtor of any such claims, rights, and Causes of Action that such Debtor, its Estate, or such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to set off or recoup any such Claim against any claim, right, or Cause of Action of the Debtor, its Estate, or the Reorganized Debtor (as applicable), unless such Holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff or recoupment on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff or recoupment pursuant to section 553 of the Bankruptcy Code or otherwise.

J. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent that a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall repay, return, or deliver any distribution held by or transferred to the Holder to the applicable Reorganized Debtor

to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Claims Payable by Third Parties

The availability, if any, of insurance policy proceeds for the satisfaction of an Allowed Claim shall be determined by the terms of the insurance policies of the Debtors or Reorganized Debtors, as applicable. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Claims and Noticing Agent without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

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

**ARTICLE VII.
PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS**

A. Allowance of Claims

After the Effective Date, each of the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor or its Estate had with respect to any Claim or Interest immediately before the Effective Date other than any rights and defenses that have been waived, relinquished, exculpated, released, compromised, or settled as of the Effective Date (whether pursuant to the Plan or otherwise).

B. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors, in consultation with the Prepetition Lender and the DIP Lender, shall have the sole authority to: (a) File and prosecute objections to Claims; (b) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise; (c) settle, compromise, or resolve any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (d) 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.

C. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest. Notwithstanding

section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended, superseded, cancelled, or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) 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. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court .

E. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Deadline, as such deadline may be extended from time to time.

F. Disallowance of Claims

Any Claims or Interests 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 or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors; *provided* that the foregoing provision shall not apply with respect to the Prepetition Credit Agreement Claims and the DIP Claims. All Claims Filed on account of any 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 or the Administrative Claims Bar Date, as appropriate, 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 may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

G. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

H. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in ARTICLE VII.B of the Plan, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

I. Distributions After Allowance

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

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

A. Compromise and Settlement of Claims, Interests, Causes of Action, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, Causes of Action, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement, including the Prepetition Lien and Claim Investigations Settlement, and the Prepetition Lender Claim Settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and 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, and Interests in, the Debtors and their Estates and Causes of Action against other Entities. The Plan shall incorporate all settlements previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019, including, but not limited to, the Liquidating SPE Debtors' Settlement.

[For the avoidance of doubt, nothing herein shall be deemed to release (i) Claims and Causes of Action that could be asserted by, or on behalf of, any Excluded SPE Debtor against any Entity, and (ii) Claims and Causes of Action that could be asserted by, or on behalf of, any Entity against any Excluded SPE Debtor, and all rights of the Excluded SPE Debtors and Holders of Claims and Interests against the Excluded SPE Debtors are expressly preserved. For the avoidance of doubt, nothing herein shall modify, alter, or impair the rights of any party under any settlements entered into with regard to such Claims and Causes of Action on behalf of or against any Excluded SPE Debtor.]⁵

B. Discharge of Claims

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest

⁵ [NTD: Subject to continued review and discussion.]

accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

C. Release of Liens

Except (a) with respect to the Liens securing (i) the Exit Facility, if any, (ii) Prepetition Credit Agreement Claims or Other Secured Claims that are Reinstated pursuant to the Plan, or (iii) obligations pursuant to Executory Contracts and Unexpired Leases assumed pursuant to the Plan or (b) 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, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates and, subject to the consummation of the applicable distributions contemplated in the Plan, shall be fully released and discharged, at the sole cost of and expense of the Reorganized Debtors, and the Holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any Holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

D. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all Causes of Action, whether known or unknown, including any derivative claims, asserted or assertable on behalf of any of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the Prepetition Lien and Claim Matters, the Prepetition Lender Claim Settlement, the Liquidating SPE Debtors' Settlement, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Term Sheet, and the DIP Orders), the Plan or the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of

property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not (a) release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any post-Effective Date obligation arising under a Reinstated agreement, (b) affect the rights of Holders of Allowed Claims and Interests to receive distributions under the Plan, or (c) release any Claims or Causes of Action against any non-Released Party.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases herein, which includes by reference each of the related provisions and definitions contained herein, and shall constitute the Bankruptcy Court's finding that the releases herein are: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by the releases herein; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after reasonable investigation by the Debtors and after notice and opportunity for hearing; and (f) a bar to any of the Debtors asserting any claim released by the releases herein against any of the Released Parties.

Notwithstanding anything to the contrary herein, in the Confirmation Order, Plan Supplement, or other documents purporting to grant releases of Claims or Causes of Action, nothing set forth herein or therein shall impact, impair, release, modify, or discharge any obligation of any non-debtor Affiliate of a Debtor or any Related Party of a Debtor pursuant to any contractual arrangement of such party to Regus, Regus Management Group, LLC or Franchise International GmbH, including, but not limited to, any senior loan and security agreement, any joinder to any loan and security agreement, any full service management agreement and/or any franchise agreement for operation of Regus business centre(s) and any amendment, extension, modification or restatement of any of the foregoing agreements.

[For the avoidance of doubt, notwithstanding anything to the contrary herein, in the Confirmation Order, or in the Plan Supplement, and unless otherwise ordered by the Bankruptcy Court, nothing set forth herein or therein shall be deemed to (i) release any Claims or Causes of Action that could be asserted by, or on behalf of, Redox against any Entity other than the Debtors, the Reorganized Debtors, and their Estates, or (ii) modify, alter, or impair the rights, if any, of any party (including, for the avoidance of doubt, Redox) in connection with the Luxembourg Proceedings, which rights are expressly preserved.]⁶

E. Third-Party Release

Effective as of the Effective Date, each Releasing Party, in each case on behalf of itself and its respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Causes of Action, whether known or unknown, including any derivative claims, asserted or assertable on behalf of any of the Debtors, 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 (including the management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the Prepetition Lien and Claim Matters, the Prepetition Lender Claim Settlement, the Liquidating SPE Debtors' Settlement, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit

⁶ [NTD: Subject to continued review and discussion.]

Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing or any other provision of the Plan, the releases set forth above and in the Plan do not (a) release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any post-Effective Date obligation arising under a Reinstated agreement, (b) affect the rights of Holders of Allowed Claims and Interests to receive distributions under the Plan, or (c) release any Claims or Causes of Action against any non-Released Party.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Releases, which includes by reference each of the related provisions and definitions contained herein, and shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by the Releasing Parties; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after notice and opportunity for hearing; and (f) a bar to any of the Releasing Parties asserting any Claim released by the release herein against any of the Released Parties.

Notwithstanding anything to the contrary herein, in the Confirmation Order, Plan Supplement, or other documents purporting to grant releases of Claims or Causes of Action, nothing set forth herein or therein shall impact, impair, release, modify, or discharge any obligation of any non-debtor Affiliate of a Debtor or any Related Party of a Debtor pursuant to any contractual arrangement of such party to Regus, Regus Management Group, LLC or Franchise International GmbH, including, but not limited to, any senior loan and security agreement, any joinder to any loan and security agreement, any full service management agreement and/or any franchise agreement for operation of Regus business centre(s) and any amendment, extension, modification or restatement of any of the foregoing agreements.

[For the avoidance of doubt, notwithstanding anything to the contrary herein, in the Confirmation Order, or in the Plan Supplement, and unless otherwise ordered by the Bankruptcy Court, nothing set forth herein or therein shall be deemed to (i) release any Claims or Causes of Action that could be asserted by, or on behalf of, any Entity against Redox, including any Claims arising from guarantees provided by Redox to certain of the Debtors' Landlords, or (ii) modify, alter, or impair the rights, if any, of any party (including, for the avoidance of doubt, Redox) in connection with the Luxembourg Proceedings, which rights are expressly preserved.]⁷

F. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders the Plan, the Plan Supplement, or any Restructuring Transaction,

⁷ [NTD: Subject to continued review and discussion.]

contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Term Sheet, and the DIP Orders), or the Plan, the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), except for claims related to any act or omission that is determined in a Final Order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

G. Injunction

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities that have held, hold, or may hold claims or interests that have been released, discharged, or are subject to exculpation under the Plan are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

H. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Recoupment

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

J. Reimbursement or Contribution

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

K. Term of Injunctions or Stays

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

L. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

**ARTICLE IX.
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE**

A. Conditions Precedent to the Effective Date.

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

1. the Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Prepetition Lender and the DIP Lender, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified, or vacated on appeal, and (c) shall have become a Final Order;
2. the Bankruptcy Court shall have entered an order sustaining the *Debtors' Objection to Proof of Claim No. 10268 Filed by Teachers Insurance and Annuity Association of America* [Docket No. 1228];
3. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;
4. the Plan Supplement, including any amendments, modifications, or supplements to the documents, schedules, or exhibits included therein shall have been Filed with the Bankruptcy Court pursuant to the terms of the Plan;

5. the Exit Facility Documents, if any, shall be in full force and effect (with all conditions precedent thereto having been satisfied or waived other than any conditions related to the occurrence of the Effective Date), subject to any applicable post-closing execution and delivery requirements;
6. the CCAA Recognition Order shall have been entered by the CCAA Court and shall be in full force and effect;
7. the CCAA Termination Order shall have been entered by the CCAA Court and shall be in full force and effect;
8. all documents and agreements necessary to implement the Plan shall have been executed and tendered for delivery, 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); and
9. the Professional Fee Escrow Account shall have been established and funded in accordance with the terms of the Plan.

B. Waiver of Conditions Precedent

The Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, may waive any of the conditions to the Effective Date set forth in Article IX.A of the Plan, other than Article IX.A.1, which may only be waived with the consent of the Prepetition Lender and the DIP Lender, at any time without any notice to any other 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 proceeding to confirm and consummate the Plan.

C. Substantial Consummation

“Substantial Consummation” of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date with respect to such Debtor.

D. Effect of Non-Occurrence of Conditions to Consummation

If the Effective Date does not occur with respect to any of the Debtors, the Plan shall be null and void in all respects with respect to such Debtor, and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in such Debtors; (b) prejudice in any manner the rights of such Debtors, any Holders of a Claim or Interest, or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking by such Debtors, any Holders, or any other Entity in any respect.

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

A. Modification of Plan

Subject to the limitations contained in the Plan, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, reserve the right to modify the Plan prior to Confirmation and seek Confirmation consistent with the Bankruptcy Code and, to the extent applicable, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation thereof pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure, solicitation, or resolicitation, as applicable under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors, in consultation with the Prepetition Lender and the DIP Lender, reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if the Confirmation Date or the Effective Date does not occur, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims, Interests, or Causes of Action, (ii) prejudice in any manner the rights of any Debtor or any other Entity, or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

**ARTICLE XI.
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:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Claim or Interest and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;
4. ensure that distributions to Holders of Allowed Claims and Interests (as applicable) are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;
5. 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;
6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;
7. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

9. adjudicate, decide, or resolve any and all matters related to the Restructuring Transactions;

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

11. resolve any cases, controversies, suits, disputes, Causes of Action, or any other matters that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions, or any Entity's obligations incurred in connection with the foregoing, including disputes arising under agreements, documents, or instruments executed in connection with the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions;

12. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or an Interest for amounts not timely repaid pursuant to Article VI.J.1 of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan, the Confirmation Order, and, subject to any applicable forum selection clauses, contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan; or (d) related to section 1141 of the Bankruptcy Code;

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

14. 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;

15. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

16. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

17. enforce all orders previously entered by the Bankruptcy Court; and

18. hear any other matter not inconsistent with the Bankruptcy Code;

provided, however, that the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection or dispute resolution clause that refers disputes to a different court, and any disputes concerning documents contained in the Plan Supplement that contain such clauses shall be governed in accordance with the provisions of such documents.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or 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 with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, 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 the Reorganized Debtors, as applicable, and all Holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Statutory Fees

All fees payable pursuant to section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, will be paid by each of the applicable Reorganized Debtors for each quarter (including any fraction thereof) until the applicable Chapter 11 Case of such Reorganized Debtor is converted, dismissed, or closed, whichever occurs first.

D. Payment of Certain Fees and Expenses

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Debtors or Reorganized Debtors, as applicable, shall pay on the Effective Date all then-outstanding reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by all of the attorneys, advisors, and other professionals payable pursuant to the DIP Orders.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court has entered 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 Interests prior to the Effective Date.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, affiliated investment funds or investment vehicles, managed accounts or funds, investment managers, advisors, and sub-advisors with discretionary authority, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents

All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, courier, or registered or certified mail (return receipt requested) to the following addresses and e-mail addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

If to the Debtors:

RGN Group Holdings, LLC
3000 Kellway Drive, Suite 140
Carrollton, Texas 75006
Attention: James S. Feltman, Responsible Officer; Michael Berretta; Michael Osburn; Leigh Moore
E-mail: james.feltman@DuffandPhelps.com; michael.berretta@iwgplc.com; leigh.moore@iwgplc.com;
michael.osburn@iwgplc.com

With copies to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Facsimile: (312) 862-2200
Attention: Chad J. Husnick, P.C.
E-mail: chad.husnick@kirkland.com

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Facsimile: (212) 446-4900
Attention: Patrick Venter, Esq.
E-mail: patrick.venter@kirkland.com

Faegre Drinker Biddle & Reath LLP
222 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Attention: Patrick A. Jackson (Del. Bar No. 4976); Ian J. Bambrick
Facsimile: (302) 467-4201
Email: patrick.jackson@faegredrinker.com; ian.bambrick@faegredrinker.com

-and-

Faegre Drinker Biddle & Reath LLP
311 S. Wacker Drive, Suite 4300
Chicago, Illinois 60606
Attention: Mike T. Gustafson
Fax: (312) 212-6501
Email: mike.gustafson@faegredrinker.com

If to the Creditors' Committee:

Cole Schotz P.C.
1325 Avenue of the Americas, 19th Floor
New York, NY 10019
Attention: Seth Van Aalten; Sarah Carnes
Fax: (646) 563-8926
Email: svanaalten@coleschotz.com; scarnes@coleschotz.com

-and-

Frost Brown Todd LLC
Great American Tower
301 East Fourth Street, Suite 3300

Cincinnati, OH 45202
Attention: Ronald E. Gold
Fax: (513) 651-6156
Email: rgold@fbtlaw.com

If to the DIP Lender or the Prepetition Lender:

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 N. King Street,
Wilmington, DE 19801
Attention: Joseph M. Barry and Robert F. Poppiti, Jr.
Fax: (302) 576-3280
Email: jbarry@ycst.com; rpoppiti@ycst.com

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

H. Entire Agreement

Except as otherwise indicated, the Plan (including, for the avoidance of doubt, the Plan Supplement) supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Plan Supplement Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from <https://dm.epiq11.com/case/rgn/info> or the Bankruptcy Court's website at www.del.uscourts.gov/bankruptcy. The documents considered in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

J. Non-Severability

Except as set forth in Article VIII of the Plan, the provisions of the Plan, including its release, injunction, exculpation and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the consent of the Debtors; and (c) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order and to the extent applicable, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, no such parties, individuals, or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on

the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

L. Waiver or Estoppel

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court prior to the Confirmation Date (including the DIP Facility Documents).

M. Closing of Chapter 11 Cases

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

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Dated: June 11, 2021

Respectfully submitted,

By: /s/ James S. Feltman

Name: James S. Feltman

Title: Responsible Officer

Schedule 1

Chapter 11 Filing Entity	Allowed Prepetition Credit Agreement Claims (by Debtor entity as of respective Petition Date)
RGN-Columbus IV, LLC	1,200,367
RGN-Chicago XVI, LLC	1,774,262
RGN-Fort Lauderdale III, LLC	536,705
RGN-Group Holdings, LLC	265,000,000
RGN-National Business Centers, LLC	0
H Work, LLC	0
RGN-Lehi I, LLC	0
RGN-Lehi II, LLC	328,464
RGN Atlanta XXXV, LLC	254,787
RGN-Arlington VI, LLC	2,584,752
RGN-Chevy Chase I, LLC	1,770,212
RGN-Philadelphia IX, LLC	386,939
RGN-Denver XVI, LLC	5,286,700
RGN-Los Angeles XXV	2,902,861
RGN-New York XXXIX, LLC	773,528
RGN-San Jose IX, LLC	1,615,951
RGN-Culver City I, LLC	1,910,277
RGN-Denver XI, LLC	2,084,010
RGN-New York XLI, LLC	925,455
RGN-New York XLIII, LLC	4,128,553
RGN-Huntsville II, LLC	0
RGN-Houston XXV, LLC	1,107,822
RGN-Boston XIX, LLC	1,379,697
RGN-Beachwood I, LLC	719,756
RGN-Austin VI, LLC	0
RGN-San Antonio XIV, LLC	263,873
RGN-Alpharetta II, LLC	0
RGN-Baton Rouge I, LLC	517,962
RGN-Boston I, LLC	1,115,503
RGN-Boulder II, LLC	325,374
RGN-Beaverton II, LLC	2,045,224
Corporate Offices of California, LLC	2,606,833
RGN-Chicago XXVI, LLC	857,753
RGN-Fort Worth VI, LLC	289,075
RGN-Frisco II, LLC	0

RGN-Clayton I, LLC	0
RGN-Greenwood Village II, LLC	160,705
RGN-Jenkintown I, LLC	385,785
RGN-Dallas XIX, LLC	0
RGN-Jupiter II, LLC	4,195
RGN-Downers Grove I, LLC	0
RGN-Katy I, LLC	67,100
RGN-Lakewood I, LLC	0
RGN-Las Vegas VII, LLC	0
RGN-Englewood III, LLC	271,149
RGN-Las Vegas X, LLC	258,371
RGN-Los Angeles I, LLC	0
RGN-Fort Worth IV, LLC	541,634
RGN-Metairie II, LLC	418,910
RGN-Metro Dallas VI, LLC	854,316
RGN-Miami I, LLC	66,785
RGN-Oak Park I, LLC	819,007
RGN-Oklahoma City I, LLC	0
RGN-Pasadena I, LLC	0
RGN-Santa Fe I, LLC	1,165,712
RGN-Pasadena II, LLC	475,668
RGN-Scottsdale V, LLC	69,173
RGN-Phoenix III, LLC	1,297,385
RGN-Scottsdale VI, LLC	0
RGN-Phoenix XII, LLC	638,534
RGN-Southfield I, LLC	0
RGN-St. Louis II, LLC	79,780
RGN-Phoenix XIII, LLC	259,077
RGN-Sugarland I, LLC	52,375
RGN-Sacramento IV, LLC	0
RGN-San Diego XII, LLC	0
RGN-San Diego XV, LLC	640,370
RGN-San Francisco XIII, LLC	274,817
RGN-Tampa V, LLC	0
RGN-Tulsa III, LLC	511,084
RGN-Tucson I, LLC	0
RGN-Uniondale I, LLC	0
RGN-Washington DC XIV, LLC	382,935

RGN-Santa Monica VI, LLC	3,244,821
RGN-Plano V, LLC	1,045,532
RGN-Cambridge III, LLC	134,993
RGN-Reston II, LLC	260,915
RGN-Cincinnati III, LLC	1,571,512
RGN-Long Island City I, LLC	5,183,398
RGN-San Diego XVI, LLC	688,823
RGN-New York VIII, LLC	4,898,527
RGN-New York XLVII, LLC	2,656,426
RGN-San Francisco XX, LLC	5,306,792
RGN-Novato II, LLC	957,042
RGN-Palo Alto III, LLC	627,806
RGN-Sausalito II, LLC	508,460
RGN-Seattle XVII, LLC	1,670,540
RGN-Washington DC I, LLC	5,708,795
RGN-Milwaukee III, LLC	650,497
RGN-Braintree I, LLC	316,886
RGN-Raleigh VII, LLC	0
RGN-Miami Beach II, LLC	1,578,064
RGN-Baltimore IV, LLC	0
RGN-Tulsa V, LLC	730,154
RGN-Irving II, LLC	238,674
RGN-Atlanta XII, LLC	250,696
RGN-Roseville III, LLC	0
RGN-San Francisco XIX, LLC	5,484,200
RGN-New York LVIII, LLC	1,047,186
RGN-Austin XV, LLC	2,892,926
RGN-Dallas XX, LLC	6,789,290
RGN-Portland VII, LLC	1,758,384
RGN-Baltimore V, LLC	160,383
RGN-Chicago XLIV, LLC	958,249
RGN-Milwaukee IV, LLC	1,566,470
RGN-New York V, LLC	8,010,672

**AGGREGATE ALLOWED PREPETITION
CREDIT AGREEMENT CLAIMS BALANCE**

381,284,678

Exhibit B

Corporate Structure Chart

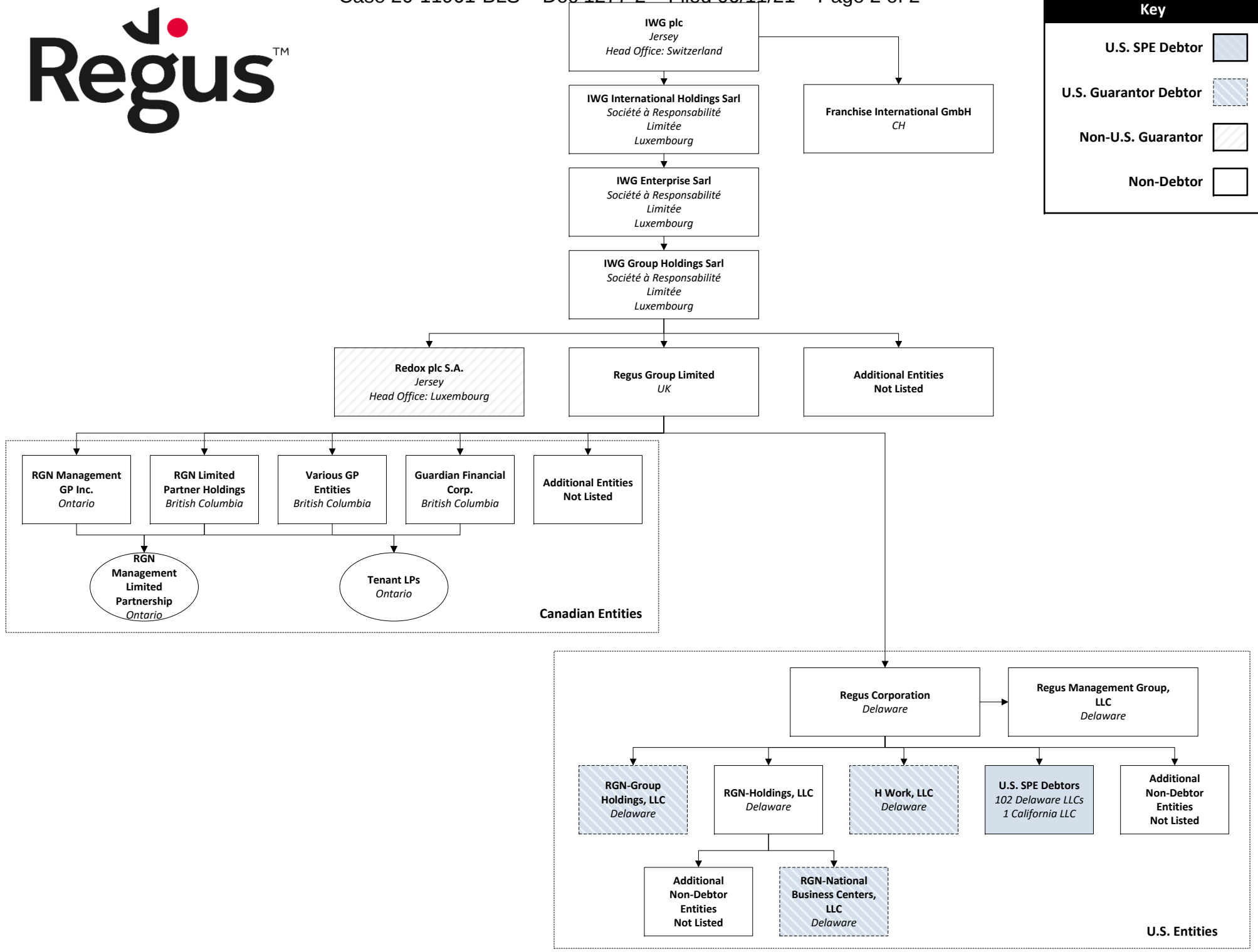
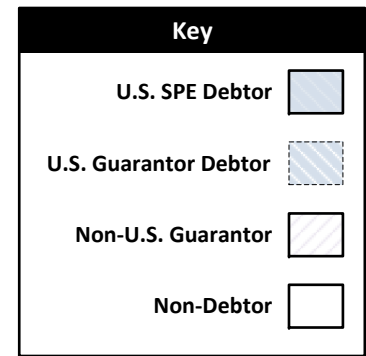


Exhibit C

Prepetition Secured Indebtedness Chart

Chapter 11 Filing Entity	Prepetition Credit Agreement Claims (by Debtor entity as of respective Petition Date)
RGN-Columbus IV, LLC	1,200,367
RGN-Chicago XVI, LLC	1,774,262
RGN-Fort Lauderdale III, LLC	536,705
RGN-Group Holdings, LLC	468,192,325
RGN-National Business Centers, LLC	-
H Work, LLC	-
RGN-Lehi I, LLC	-
RGN-Lehi II, LLC	328,464
RGN Atlanta XXXV, LLC	254,787
RGN-Arlington VI, LLC	2,584,752
RGN-Chevy Chase I, LLC	1,770,212
RGN-Philadelphia IX, LLC	386,939
RGN-Denver XVI, LLC	5,286,700
RGN-Los Angeles XXV	2,902,861
RGN-New York XXXIX, LLC	773,528
RGN-San Jose IX, LLC	1,615,951
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RGN-New York XLIII, LLC	4,128,553
RGN-Huntsville II, LLC	-
RGN-Houston XXV, LLC	1,107,822
RGN-Boston XIX, LLC	1,379,697
RGN-Beachwood I, LLC	719,756
RGN-Austin VI, LLC	-
RGN-San Antonio XIV, LLC	263,873
RGN-Alpharetta II, LLC	-
RGN-Baton Rouge I, LLC	517,962
RGN-Boston I, LLC	1,115,503
RGN-Boulder II, LLC	325,374
RGN-Beaverton II, LLC	2,045,224
Corporate Offices of California, LLC	2,606,833
RGN-Chicago XXVI, LLC	857,753
RGN-Fort Worth VI, LLC	289,075
RGN-Frisco II, LLC	-

RGN-Clayton I, LLC	-
RGN-Greenwood Village II, LLC	160,705
RGN-Jenkintown I, LLC	385,785
RGN-Dallas XIX, LLC	-
RGN-Jupiter II, LLC	4,195
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RGN-Katy I, LLC	67,100
RGN-Lakewood I, LLC	-
RGN-Las Vegas VII, LLC	-
RGN-Englewood III, LLC	271,149
RGN-Las Vegas X, LLC	258,371
RGN-Los Angeles I, LLC	-
RGN-Fort Worth IV, LLC	541,634
RGN-Metairie II, LLC	418,910
RGN-Metro Dallas VI, LLC	854,316
RGN-Miami I, LLC	66,785
RGN-Oak Park I, LLC	819,007
RGN-Oklahoma City I, LLC	-
RGN-Pasadena I, LLC	-
RGN-Santa Fe I, LLC	1,165,712
RGN-Pasadena II, LLC	475,668
RGN-Scottsdale V, LLC	69,173
RGN-Phoenix III, LLC	1,297,385
RGN-Scottsdale VI, LLC	-
RGN-Phoenix XII, LLC	638,534
RGN-Southfield I, LLC	-
RGN-St. Louis II, LLC	79,780
RGN-Phoenix XIII, LLC	259,077
RGN-Sugarland I, LLC	52,375
RGN-Sacramento IV, LLC	-
RGN-San Diego XII, LLC	-
RGN-San Diego XV, LLC	640,370
RGN-San Francisco XIII, LLC	274,817
RGN-Tampa V, LLC	-
RGN-Tulsa III, LLC	511,084
RGN-Tucson I, LLC	-
RGN-Uniondale I, LLC	-
RGN-Washington DC XIV, LLC	382,935

RGN-Santa Monica VI, LLC	3,244,821
RGN-Plano V, LLC	1,045,532
RGN-Cambridge III, LLC	134,993
RGN-Reston II, LLC	260,915
RGN-Cincinnati III, LLC	1,571,512
RGN-Long Island City I, LLC	5,183,398
RGN-San Diego XVI, LLC	688,823
RGN-New York VIII, LLC	4,898,527
RGN-New York XLVII, LLC	2,656,426
RGN-San Francisco XX, LLC	5,306,792
RGN-Novato II, LLC	957,042
RGN-Palo Alto III, LLC	627,806
RGN-Sausalito II, LLC	508,460
RGN-Seattle XVII, LLC	1,670,540
RGN-Washington DC I, LLC	5,708,795
RGN-Milwaukee III, LLC	650,497
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RGN-Raleigh VII, LLC	-
RGN-Miami Beach II, LLC	1,578,064
RGN-Baltimore IV, LLC	-
RGN-Tulsa V, LLC	730,154
RGN-Irving II, LLC	238,674
RGN-Atlanta XII, LLC	250,696
RGN-Roseville III, LLC	-
RGN-San Francisco XIX, LLC	5,484,200
RGN-New York LVIII, LLC	1,047,186
RGN-Austin XV, LLC	2,892,926
RGN-Dallas XX, LLC	6,789,290
RGN-Portland VII, LLC	1,758,384
RGN-Baltimore V, LLC	160,383
RGN-Chicago XLIV, LLC	958,249
RGN-Milwaukee IV, LLC	1,566,470
RGN-New York V, LLC	8,010,672

**AGGREGATE PREPETITION
CREDIT AGREEMENT CLAIMS BALANCE**

584,477,003

Exhibit D

Liquidation Analysis

LIQUIDATION ANALYSIS

1) Introduction¹

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code, a bankruptcy court may not confirm a plan under chapter 11 of the Bankruptcy Code unless each holder of an allowed claim or interest in an impaired class either: (a) accepts the plan; or (b) will receive or retain property on account of such claim or interest of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the Plan satisfies the “best interests of creditors” test, the Debtors, with the assistance of their restructuring advisors, have prepared a hypothetical liquidation analysis (this “Liquidation Analysis”), which is based upon certain assumptions discussed in the Disclosure Statement and accompanying notes to this Liquidation Analysis. The Liquidation Analysis sets forth an estimated range of computed recoveries for each Class of Claims and Interests that may be realizable upon the disposition of assets pursuant to a hypothetical chapter 7 liquidation of the Debtors’ estates on an assumed Effective Date on or about August 31, 2021. As set forth in greater detail below, the Debtors believe that the Plan satisfies the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code.

The Liquidation Analysis reflects the estimated cash proceeds, net of liquidation and wind-down related costs, which are projected to be realized if the Debtors were to be liquidated in accordance with chapter 7 of the Bankruptcy Code and under the assumptions defined herein.

Underlying the Liquidation Analysis are numerous estimates and assumptions regarding asset sale proceeds that, although developed and considered reasonable by the Debtors’ management and its advisors, are inherently subject to significant business, economic, regulatory, and competitive uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. Accordingly, there can be no assurance that the computed recoveries reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation, and actual results could materially differ from the results herein. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. Any balances reflected herein are unaudited and presented as such.

Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtors converted the current chapter 11 cases for the Liquidating SPE Debtors to cases under chapter 7 of the Bankruptcy Code on or about August 31, 2021 (the “Liquidation Date”). Except as otherwise

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Joint Plan of RGN-Group Holdings, LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* filed contemporaneously herewith (as may be amended, modified, or supplemented from time to time, the “Plan”) or the *Disclosure Statement for the Joint Plan of RGN-Group Holdings, LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, modified, or supplemented from time to time, the “Disclosure Statement”), as applicable.

noted herein, the Liquidation Analysis is based upon the unaudited financial statements of the Debtors as of March 31, 2021, or more recent dates where available. The Debtors' management team believes that the March 31, 2021 book value of certain assets and liabilities are a representative proxy for such book values as of the Liquidation Date. Where the value of assets and liabilities are expected to change materially from the March 31, 2021 book value, an alternative representative proxy has been used, which is outlined in the assumptions.

This Liquidation Analysis assumes that on the Liquidation Date, the Bankruptcy Court would appoint a chapter 7 trustee (the "Trustee") to oversee the liquidation of the Debtors' estates. In this hypothetical scenario, the Trustee would satisfy claims by converting all of the assets of the Debtors to cash by ceasing operations, selling or monetizing the individual assets of the Debtors, and abandoning assets which cannot be sold. The cash amount (the "Gross Proceeds") that would be available for satisfaction of Allowed Claims and Interests would consist of the net proceeds resulting from the disposition of the assets and properties of the Liquidating SPE Debtors, augmented by any unrestricted cash held by the Liquidating SPE Debtors at the time of the commencement of the liquidation activities.

This Liquidation Analysis assumes that the Gross Proceeds would be distributed in accordance with section 726 of the Bankruptcy Code and as otherwise required by applicable law. Accordingly, cash amounts would be distributed as follows: (i) *first*, to pay the chapter 7 administrative claims, including liquidation and wind down expenses (together, the "Wind Down Costs"), that are attributable to the realization of secured and unsecured assets, including all chapter 7 trustee and professional fees related to the liquidation; (ii) *second*, to pay the DIP Claims; (iii) *third*, to pay the secured portion of the Allowed Secured Claims, including the Prepetition Credit Agreement Claims; (iv) *fourth*, to pay the Administrative Claims, including unpaid expenses incurred during the pendency of the Liquidating SPE Debtors' chapter 11 cases, accrued post-petition third-party payables, and other expenses; (v) *fifth*, to pay all Priority Claims, including priority tax Claims; and (vi) *sixth*, to pay creditors holding General Unsecured Claims, including unsecured deficiency claims that arise to the extent the amount paid for the DIP Claims and secured portions of the Allowed Secured Claims is less than the total value of the related collateral. With respect to Wind Down Costs, this Liquidation Analysis assumes the inclusion of all costs that would be necessary to facilitate the orderly sale and wind down of the Liquidating SPE Debtors' estates, including employee wages, rent, and other office-related costs during the Liquidation Timeline (defined below).

This Liquidation Analysis assumes assets of the Liquidating SPE Debtors would be sold in an orderly three to four month liquidation process under the direction of the Trustee to allow for the orderly wind-down of the Debtors' estates ("Liquidation Timeline"). There can be no assurance that the liquidation of the assets would be completed during the Liquidation Timeline, nor is there any assurance that the recoveries assigned to the assets would in fact be realized. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously (generally in a distressed process) as is compatible with the best interests of the parties in interest.

The Liquidation Analysis is also based on the assumptions that: (i) the Liquidating SPE Debtors will, first, utilize cash on hand, cash recovered from assets, and cash generated from operations to fund the liquidation costs of certain non-operating assets during the anticipated Liquidation Timeline, and (ii) accounting, treasury, information technology, and other management services needed to wind down the estates will continue to be available to the Trustee. The Liquidation Analysis does not include estimates for: (i) any tax

consequences that may be triggered upon the liquidation; (ii) recoveries resulting from any potential preference, fraudulent transfer, or other litigation; (iii) certain damage claims resulting from the cancellation of, or non-performance against, the Debtors' contracts; or (iv) certain claims that may be entitled to priority under the Bankruptcy Code, including administrative priority claims under sections 503(b) and 507(b) of the Bankruptcy Code. More specific assumptions are detailed in the notes below.

The preparation of analyses, such as the Liquidation Analysis, is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by management as and when made and based on management's current expectations and beliefs, are inherently subject to business, economic and competitive risks, uncertainties and contingencies, most of which are difficult to predict and many of which are beyond the control of the Debtors or the Trustee. The values stated herein have not been subject to any review, compilation, or audit by any independent accounting firm. In addition, various liquidation decisions upon which certain assumptions are based are subject to materially change. As a result, the actual amount of claims against the Liquidating SPE Debtors' estates could vary significantly from the estimates stated herein, depending on the nature and amount of claims asserted during the pendency of the hypothetical chapter 7 cases. Similarly, the value of the Debtors' assets in a liquidation scenario is uncertain and could vary significantly from the values set forth in the Liquidation Analysis. **ACCORDINGLY, NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE LIQUIDATING SPE DEBTORS WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ASSUMPTIONS REPRESENTED HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE LIQUIDATING SPE DEBTORS IS SPECULATIVE, AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.**

In preparing the Liquidation Analysis, the Debtors' estimated Allowed Claims based upon a review of the Liquidating SPE Debtors' financial statements to account for other known liabilities, as necessary. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in the chapter 11 cases, but which could be asserted and allowed in a chapter 7 liquidation, including unpaid chapter 11 Administrative Claims, Secured Claims, and chapter 7 administrative claims such as Wind Down Costs. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. In addition, certain claims would arise by reason of the breach or rejection of obligations incurred and leases and executory contracts (including vendor and customer contracts) assumed or entered into by the Liquidating SPE Debtors prior to the filing of the chapter 7 cases. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. **NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM OR INTEREST BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.**

2) Liquidation Analysis

The Liquidation Analysis was prepared on a by-entity basis consisting of the eight Liquidating SPE Debtors.

Asset book values shown below are estimated as of March 31, 2021, unless otherwise noted. The Liquidation Analysis does not include recoveries on any claims that the Liquidating SPE Debtors may have against the Guarantor Debtors, and the Debtors reserve all rights with respect to any such Claims.

ASSET RECOVERY

Unless specifically identified, asset definitions are consistent across each of the Liquidating SPE Debtors.

[A] Cash: Any cash balances are based on each Liquidating SPE Debtor's balance in the concentration bank accounts as of the end of May, 2021. Recovery on any unrestricted cash is estimated at 100%. There is no restricted cash held by any Liquidating SPE Debtor.

[B] Accounts Receivable, Net: Each Liquidating SPE Debtor is party to a Global Full Service Management Agreement (the "Management Agreement") with non-Debtor affiliate Regus Management Group, LLC ("RMG"). In the ordinary course of business, each Liquidating SPE Debtor's customers would contract directly with RMG with the economic interest being booked with the transacting Liquidating SPE Debtor. Further, RMG provides certain management services in connection with the operation of each Debtor's center. Subsequent to the onset of these chapter 11 cases, the Management Agreement has remained in place.

To estimate the recoverability of each Liquidating SPE Debtor's account receivable position on conversion to a hypothetical chapter 7 bankruptcy, the March 31, 2021 financial statements have been used as a proxy for each Liquidating SPE Debtor. Recovery on any accounts receivable is estimated at 75% to 85%.

[C] Prepaid Expenses and Other Current Assets: Prepaid expenses and other current asset balances relate to debit/credit card receivables, and insurance prepayments. This Liquidation Analysis assumes there is a high degree of uncertainty regarding the ability to monetize these assets, resulting in a low recovery. Therefore recovery is assumed to be 15% to 30% of the book value as of March 31, 2021.

[D] Receipts from Affiliated Companies: Any intercompany receivables relate to prepetition amounts owed to the Liquidating SPE Debtor by non-Debtor Regus Corporation. In the event the Liquidating SPE Debtor also owes a prepetition intercompany payable to Regus Corporation, this will be subject to set-off, with the residual intercompany position being treated as either an asset (intercompany receivable) or a liability (intercompany payable).

This Liquidation Analysis assumes that these intercompany receivables will be realizable assets to settle Claims per the priority rules set forth in the Bankruptcy Code. These assets are assumed to have a realizable value of 100%.

LIQUIDATION EXPENSES

The chapter 7 costs include the following:

[E] Professional Fees: Professional fees include the estimated cost of financial advisors, attorneys, and other professionals retained by the Trustee in connection with the wind-down of the Debtors' estates (e.g., claims reconciliation, legal fees, tax and accounting fees, etc.). The professional fees are estimated to be 3% of Gross Proceeds.

[F] Chapter 7 Trustee Fees: This includes all fees paid to the Trustee by the Liquidating SPE Debtors, consistent with the fee structure set forth in the Bankruptcy Code. Trustee fees are estimated at approximately 2.5% of the Gross Proceeds.

[G] Other Costs of Liquidation: To facilitate a liquidation of the Liquidating SPE Debtors' assets, certain costs will be incurred by the estate. Historical operating costs have been analyzed in order to determine estimates for such costs, including the potential costs for realizing each Liquidating SPE Debtor's assets. This Liquidation Analysis assumes that RMG will continue to charge fees on the recoveries of the Gross Proceeds at a rate of 5.5%. Estimated interest on funding over the Liquidation Timeline for the costs of the chapter 11 and subsequent chapter 7 cases have also been included in other costs.

Total wind-down expenses are limited to the Gross Proceeds in each Liquidating SPE Debtor and are estimated at approximately \$42,025 to \$42,643 across all the Liquidating SPE Debtors based on asset realization.

[H] DIP CLAIMS

The DIP Facility, which provides funding in an aggregate principal amount of \$140 million, provides for the joint and several liability of each Debtor for the total DIP Claims. This Liquidation Analysis, however, assumes that \$136.3 million of the \$140 million, attributable to the Reorganizing Debtors, will be repaid in connection with the Plan of Reorganization.

This Liquidation Analysis further assumes that the remaining \$3.7 million, attributable to the Liquidating SPE Debtors, will have been drawn in full by the Liquidating SPE Debtors as of the Liquidation Date in order to fund ongoing Administrative Claims, including unpaid expenses incurred during the pendency of the Debtors' chapter 11 cases, such as professional fees, accrued post-petition third-party payables, and other expenses.

Chapter 11 professionals will exercise their right to draw against the DIP from the carve out and will be paid in full. Any deficiency in recovery of the DIP Claims becomes a General Unsecured Claim for which each Liquidating SPE Debtor is joint and severally liable.

This Liquidation Analysis assumes that each Liquidating SPE Debtor will be jointly and severally liable for the DIP Claims attributable to all of the Liquidating SPE Debtors. For the avoidance of doubt, there are no assurances that the Plan of Reorganization will be Confirmed and, unless and until the DIP Claims attributable to the Reorganizing Debtors are paid in connection with the Plan of Reorganization or otherwise, the Liquidating SPE Debtors remain jointly and severally liable for the full amount of DIP Claims owed by the Debtors.

[I] SECURED CLAIMS

Any Secured Claims are for amounts owed by a Liquidating SPE Debtor to Regus Corporation under each Liquidating SPE Debtor's joinder agreement to the Prepetition Credit Agreement. The Prepetition Credit Agreement Claim reflects the amount owed to Regus Corporation as of the respective Petition Date for each of the Liquidating SPE Debtors. Amounts owed under the Prepetition Credit Agreement are secured by all assets of the Liquidating SPE Debtors, including, if any, (i) intercompany receivables due to the Liquidating SPE Debtor, (ii) prepaid expenses, (iii) intangibles, and (iv) any other personal property asset of value.

Any deficiency in recovery of the Prepetition Credit Agreement Claims by Regus Corporation against a Liquidating SPE Debtor becomes a General Unsecured Claim against such Liquidating SPE Debtor.

[J] ADMINISTRATIVE CLAIMS

Administrative Claims relate to postpetition amounts incurred subsequent to each Liquidating SPE Debtors' respective Petition Date, but prior to the Liquidation Date, and include any outstanding stub rent and accrued postpetition third-party payables. The Administrative claims have been estimated through postpetition amounts outstanding as of the March 31, 2021 balance sheets and supplementary analysis in relation to stub rent.

[K] PRIORITY CLAIMS

Priority Claims relate to prepetition Claims from tax authorities or any other Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code. Priority Claims are assumed to rank junior to the liquidation costs incurred by the Liquidating SPE Debtors and Secured Claims, but have a higher priority of payment than General Unsecured Claims. Priority Claims are estimated based on the March 31, 2021 balance sheet positions. These priority Claims include any post-petition accounts payable, Claims arising under section 503(b)(1) of the Bankruptcy Code and unpaid tax obligations.

GENERAL UNSECURED CLAIMS

[L] General Unsecured Claims: General Unsecured Claims are comprised of DIP deficiency Claims, SPE Secured deficiency Claims, lease rejection damages Claims estimated to be submitted by landlords and other unsecured creditor liabilities on the balance sheets as of March 31, 2021.

DIP deficiency Claims relate to unrecovered amounts from [H] DIP Claims above.

Secured deficiency Claims relate to unrecovered amounts from [I] Secured Claims above.

Landlord Claims are calculated based on estimated rejection damages Claims in accordance with section 502(b)(6) of the Bankruptcy Code. The Landlord is assumed to have applied any recoveries it has received under the Plan and its security deposit to offset its section 502(b)(6) Claim, but otherwise recoveries are assumed to rank as General Unsecured Claims against the Liquidating SPE Debtor. In addition, any Landlord Claims against the Liquidating SPE Debtor Guarantors are considered General Unsecured Claims against the Liquidating SPE Debtor Guarantors and are not included in the Liquidation Analysis.

[M] Shareholder Recoveries: There is expected to be no equity value remaining for distribution to Holders of Interests in the Liquidating SPE Debtors subsequent to payment of the aforementioned Claims.

**DETAILED LIQUIDATION ANALYSIS
BY LIQUIDATING SPE DEBTOR**

Liquidation Analysis Summary						
RGN - Atlanta XXXV, LLC		Book Value	Recovery %		Recovery \$000	
Asset Realizations	Note:	\$000	Low Case	High Case	Low Case	High Case
Cash	A	-	<i>na</i>	<i>na</i>	-	-
Accounts Receivable (Net)	B	16.2	75%	85%	12.2	13.8
Prepaid expenses and other current assets	C	0.1	15%	30%	0.0	0.0
Due from Regus Corp	D	9.4	100%	100%	9.4	9.4
Gross Proceeds		\$ 25.7			\$ 21.5	\$ 23.2
Less: Professional Fees	E				(0.6)	(0.7)
Less: UST Fees	F				(0.5)	(0.6)
Less: Other Costs of Liquidation	G				(9.0)	(7.1)
Wind Down Costs					(10.1)	(8.4)
Assets Available for Distribution after Wind Down Costs					\$ 11.4	\$ 14.8
DIP Claims	H				3,702.3	3,702.3
Assets Available for DIP Claims					11.4	14.8
DIP Claims Recovery	H		0.3%	0.4%	\$ 11.4	\$ 14.8
Secured Claims	I				254.8	254.8
Assets Available for Secured Claims					-	-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$ -
Administrative Claims	J				47.0	47.0
Assets Available for Administrative Claims					-	-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$ -
Priority Claims	K				-	-
Assets Available for Priority Claims					-	-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$ -
General Unsecured Claims	L				7,923.9	7,903.1
Assets Available for Unsecured Claims Distribution					-	-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$ -
Shareholder recoveries	M				-	-
Total Distribution to Creditors					11.4	14.8

RGN - Chicago XVI, LLC							
Liquidation Analysis Summary							
Asset Realizations	Note:	Book Value \$000	Recovery %		Recovery \$000		
			Low Case	High Case	Low Case	High Case	
Cash	A	0.3	100%	100%	0.3		0.3
Accounts Receivable (Net)	B	(1.6)	0%	0%	-		-
Prepaid expenses and other current assets	C	9.2	15%	30%	1.4		2.7
Due from Regus Corp	D	-	<i>na</i>	<i>na</i>	-		-
Gross Proceeds		\$ 7.9			\$ 1.7	\$	3.0
Less: Professional Fees	E				(0.1)		(0.1)
Less: UST Fees	F				(0.0)		(0.1)
Less: Other Costs of Liquidation	G				(1.6)		(1.4)
Wind Down Costs					(1.7)		(1.6)
Assets Available for Distribution after Wind Down Costs					\$ -	\$	1.4
DIP Claims	H				3,702.3		3,702.3
Assets Available for DIP Claims					-		1.4
DIP Claims Recovery	H		0.0%	0.0%	\$ -	\$	1.4
Secured Claims	I				1,774.3		1,774.3
Assets Available for Secured Claims					-		-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$	-
Administrative Claims	J				308.9		308.9
Assets Available for Administrative Claims					-		-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$	-
Priority Claims	K				-		-
Assets Available for Priority Claims					-		-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$	-
General Unsecured Claims	L				5,977.2		5,956.5
Assets Available for Unsecured Claims Distribution					-		-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$	-
Shareholder recoveries	M				-		-
Total Distribution to Creditors					-		1.4

RGN - Chicago XLIV, LLC						
Liquidation Analysis Summary						
Asset Realizations	Note:	Book Value	Recovery %		Recovery \$000	
		\$000	Low Case	High Case	Low Case	High Case
Cash	A	0.4	100%	100%	0.4	0.4
Accounts Receivable (Net)	B	(110.9)	0%	0%	-	-
Prepaid expenses and other current assets	C	0.5	15%	30%	0.1	0.2
Due from Regus Corp	D	-	na	na	-	-
Gross Proceeds		\$ (109.9)			\$ 0.5	\$ 0.6
Less: Professional Fees	E				(0.0)	(0.0)
Less: UST Fees	F				(0.0)	(0.0)
Less: Other Costs of Liquidation	G				(0.5)	(0.5)
Wind Down Costs					(0.5)	(0.6)
Assets Available for Distribution after Wind Down Costs					\$ -	\$ -
DIP Claims	H				3,702.3	3,702.3
Assets Available for DIP Claims					-	-
DIP Claims Recovery	H		0.0%	0.0%	\$ -	\$ -
Secured Claims	I				958.2	958.2
Assets Available for Secured Claims					-	-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$ -
Administrative Claims	J				124.4	124.4
Assets Available for Administrative Claims					-	-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$ -
Priority Claims	K				1.2	1.2
Assets Available for Priority Claims					-	-
Priority Claims Recovery	K		0.0%	0.0%	\$ -	\$ -
General Unsecured Claims	L				6,568.7	6,547.9
Assets Available for Unsecured Claims Distribution					-	-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$ -
Shareholder recoveries	M				-	-
Total Distribution to Creditors					-	-

RGN - Columbus IV, LLC						
Liquidation Analysis Summary						
Asset Realizations	Note:	Book Value	Recovery %		Recovery \$000	
		\$000	Low Case	High Case	Low Case	High Case
Cash	A	-	<i>na</i>	<i>na</i>	-	-
Accounts Receivable (Net)	B	(0.0)	0%	0%	-	-
Prepaid expenses and other current assets	C	2.6	15%	30%	0.4	0.8
Due from Regus Corp	D	-	<i>na</i>	<i>na</i>	-	-
Gross Proceeds		\$ 2.6			\$ 0.4	\$ 0.8
Less: Professional Fees	E				(0.0)	(0.0)
Less: UST Fees	F				(0.0)	(0.0)
Less: Other Costs of Liquidation	G				(0.4)	(0.7)
Wind Down Costs					(0.4)	(0.8)
Assets Available for Distribution after Wind Down Costs					\$ -	\$ -
DIP Claims	H				3,702.3	3,702.3
Assets Available for DIP Claims					-	-
DIP Claims Recovery	H		0.0%	0.0%	\$ -	\$ -
Secured Claims	I				5,594.8	5,594.8
Assets Available for Secured Claims					-	-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$ -
Administrative Claims	J				34.2	34.2
Assets Available for Administrative Claims					-	-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$ -
Priority Claims	K				-	-
Assets Available for Priority Claims					-	-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$ -
General Unsecured Claims	L				10,954.7	10,933.9
Assets Available for Unsecured Claims Distribution					-	-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$ -
Shareholder recoveries	M				-	-
Total Distribution to Creditors					-	-

RGN - Los Angeles XXV, LLC						
Liquidation Analysis Summary						
Asset Realizations	Note:	Book Value	Recovery %		Recovery \$000	
		\$000	Low Case	High Case	Low Case	High Case
Cash	A	-	<i>na</i>	<i>na</i>	-	-
Accounts Receivable (Net)	B	5.5	75%	85%	4.1	4.7
Prepaid expenses and other current assets	C	0.4	15%	30%	0.1	0.1
Due from Regus Corp	D	-	<i>na</i>	<i>na</i>	-	-
Gross Proceeds		\$ 6.0			\$ 4.2	\$ 4.8
Less: Professional Fees	E				(0.1)	(0.1)
Less: UST Fees	F				(0.1)	(0.1)
Less: Other Costs of Liquidation	G				(4.0)	(4.6)
Wind Down Costs					(4.2)	(4.8)
Assets Available for Distribution after Wind Down Costs					\$ -	\$ -
DIP Claims	H				3,702.3	3,702.3
Assets Available for DIP Claims					-	-
DIP Claims Recovery	H		0.0%	0.0%	\$ -	\$ -
Secured Claims	I				2,902.9	2,902.9
Assets Available for Secured Claims					-	-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$ -
Administrative Claims	J				21.2	21.2
Assets Available for Administrative Claims					-	-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$ -
Priority Claims	K				-	-
Assets Available for Priority Claims					-	-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$ -
General Unsecured Claims	L				14,429.5	14,408.7
Assets Available for Unsecured Claims Distribution					-	-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$ -
Shareholder recoveries	M				-	-
Total Distribution to Creditors					-	-

Liquidation Analysis Summary						
RGN - New York V, LLC		Book Value	Recovery %		Recovery \$000	
Asset Realizations	Note:	\$000	Low Case	High Case	Low Case	High Case
Cash	A	-	<i>na</i>	<i>na</i>	-	-
Accounts Receivable (Net)	B	103.4	75%	85%	77.6	87.9
Prepaid expenses and other current assets	C	(10.6)	0%	0%	-	-
Due from Regus Corp	D	-	<i>na</i>	<i>na</i>	-	-
Gross Proceeds		\$ 92.8			\$ 77.6	\$ 87.9
Less: Professional Fees	E				(2.3)	(2.6)
Less: UST Fees	F				(1.9)	(2.2)
Less: Other Costs of Liquidation	G				(6.8)	(6.7)
Wind Down Costs					(11.0)	(11.5)
Assets Available for Distribution after Wind Down Costs					\$ 66.5	\$ 76.4
DIP Claims	H				3,702.3	3,702.3
Assets Available for DIP Claims					66.5	76.4
DIP Claims Recovery	H		1.8%	2.1%	\$ 66.5	\$ 76.4
Secured Claims	I				8,010.7	8,010.7
Assets Available for Secured Claims					-	-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$ -
Administrative Claims	J				90.8	90.8
Assets Available for Administrative Claims					-	-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$ -
Priority Claims	K				-	-
Assets Available for Priority Claims					-	-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$ -
General Unsecured Claims	L				25,114.1	25,093.3
Assets Available for Unsecured Claims Distribution					-	-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$ -
Shareholder recoveries	M				-	-
Total Distribution to Creditors					66.5	76.4

RGN - Portland VII, LLC							
Liquidation Analysis Summary							
Asset Realizations	Note:	Book Value	Recovery %		Recovery \$000		
		\$000	Low Case	High Case	Low Case	High Case	
Cash	A	11.6	100%	100%	11.6		11.6
Accounts Receivable (Net)	B	32.9	75%	85%	24.7		27.9
Prepaid expenses and other current assets	C	16.8	15%	30%	2.5		5.0
Due from Regus Corp	D	-	<i>na</i>	<i>na</i>	-		-
Gross Proceeds		\$ 61.3			\$ 38.8	\$	44.6
Less: Professional Fees	E				(1.2)		(1.3)
Less: UST Fees	F				(1.0)		(1.1)
Less: Other Costs of Liquidation	G				(5.9)		(5.3)
Wind Down Costs					(8.0)		(7.7)
Assets Available for Distribution after Wind Down Costs					\$ 30.8	\$	36.9
DIP Claims	H				3,702.3		3,702.3
Assets Available for DIP Claims					30.8		36.9
DIP Claims Recovery	H		0.8%	1.0%	\$ 30.8	\$	36.9
Secured Claims	I				1,758.4		1,758.4
Assets Available for Secured Claims					-		-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$	-
Administrative Claims	J				46.0		46.0
Assets Available for Administrative Claims					-		-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$	-
Priority Claims	K				-		-
Assets Available for Priority Claims					-		-
Priority Claims Recovery	K		<i>n/a</i>	<i>n/a</i>	\$ -	\$	-
General Unsecured Claims	L				6,359.9		6,339.2
Assets Available for Unsecured Claims Distribution					-		-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$	-
Shareholder recoveries	M				-		-
Total Distribution to Creditors					30.8		36.9

RGN - San Jose IX, LLC							
Liquidation Analysis Summary							
Asset Realizations	Note:	Book Value	Recovery %		Recovery \$000		
		\$000	Low Case	High Case	Low Case	High Case	
Cash	A	1.2	100%	100%	1.2		1.2
Accounts Receivable (Net)	B	5.6	75%	85%	4.2		4.8
Prepaid expenses and other current assets	C	3.9	15%	30%	0.6		1.2
Due from Regus Corp	D	-	na	na	-		-
Gross Proceeds		\$ 10.8			\$ 6.1	\$	7.2
Less: Professional Fees	E				(0.2)		(0.2)
Less: UST Fees	F				(0.2)		(0.2)
Less: Other Costs of Liquidation	G				(5.7)		(6.8)
Wind Down Costs					(6.1)		(7.2)
Assets Available for Distribution after Wind Down Costs					\$ -	\$	-
DIP Claims	H				3,702.3		3,702.3
Assets Available for DIP Claims					-		-
DIP Claims Recovery	H		0.0%	0.0%	\$ -	\$	-
Secured Claims	I				1,802.6		1,802.6
Assets Available for Secured Claims					-		-
Secured Claims Recovery	I		0.0%	0.0%	\$ -	\$	-
Administrative Claims	J				140.0		140.0
Assets Available for Administrative Claims					-		-
Administrative Claims Recovery	J		0.0%	0.0%	\$ -	\$	-
Priority Claims	K				-		-
Assets Available for Priority Claims					-		-
Priority Claims Recovery	K		n/a	n/a	\$ -	\$	-
General Unsecured Claims	L				9,661.1		9,640.4
Assets Available for Unsecured Claims Distribution					-		-
General Unsecured Claims Recovery	L		0.0%	0.0%	\$ -	\$	-
Shareholder recoveries	M				-		-
Total Distribution to Creditors					-		-

Exhibit E

Financial Projections

Financial Projections

A. Introduction

The Debtors¹ have prepared the Projections (as defined below) to assist the Bankruptcy Court in determining whether the Plan² meets the “feasibility” requirements of section 1129(a)(11) of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors believe that the Plan meets such requirements. In connection with the negotiation and development of the Plan, and for the purpose of determining whether the Plan meets the feasibility standard outlined in the Bankruptcy Code, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources during the Projection Period (as defined below). With this consideration in mind, the Debtors’ management and advisors prepared financial projections (the “Projections”) for the six month period September 1 through December 31, 2021, and for the fiscal years December 31, 2022 through December 31, 2025 (the “Projection Period”). The Projections have been prepared consistent with the Company’s financial reporting practices for all Debtors.

The Debtors do not, as a matter of course, publish their projections, strategies, or forward-looking analyses of their financial position, results of operations, and cash flows. Accordingly, 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 this Disclosure Statement, or include such information in documents required to be filed with the Securities and Exchange Commission (“SEC”) or to otherwise make such information public. The assumptions disclosed herein are those that the Debtors believe to be significant to the Projections and are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

The Projections present, to the best of the Debtors’ knowledge and belief, the Debtors’ projected balance sheet, results of operations, and cash flows for the Projection Period and reflect the Debtors’ assumptions and judgments of the Projections based on an emergence date on or around August 31, 2021 (the “Projected Effective Date”). Although the Debtors believe these assumptions are reasonable under current circumstances, such assumptions are subject to inherent uncertainties, including but not limited to, material changes to the economic environment, the competitive landscape, available office space, the uncertain nature of the longer term impact on customers office facility requirements post the COVID-19 pandemic and other factors affecting the Company’s businesses. The likelihood, and related financial impact, of a change in any of these factors cannot be predicted with certainty. Consequently, actual financial results could differ

¹ The mailing address for the Debtors in these chapter 11 cases is 3000 Kellway Drive, Suite 140, Carrollton, Texas 75006 (Attn: James S. Feltman, Responsible Officer). Due to the large number of Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors’ noticing and claims agent at <https://dm.epiq11.com/case/rgn/info> or by contacting counsel for the Debtors (Rokeysha Ramos, paralegal, at rokeysha.ramos@faegredrinker.com).

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the *Joint Plan of RGN-Group Holding, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or modified from time to time, the “Plan”) or the *Disclosure Statement for the Joint Plan of RGN-Group Holding, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or modified from time to time, the “Disclosure Statement”), as applicable.

materially from the Projections. The Projections assume the Plan will be implemented in accordance with its stated terms.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“GAAP”) IN THE UNITED STATES. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM. THE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES WHICH ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, OR ANY OTHER PERSON, AS TO THE ACCURACY OF THE PROJECTIONS OR THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS OR EQUITY INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

B. Summary of Significant Assumptions

The Projections were prepared for each of RGN-National Business Centers, LLC (“RGN National”); H Work, LLC (“H Work”); and RGN-Group Holdings, LLC (“Holdings,” and together with RGN National and H Work, the “Guarantor Debtors”). The other remaining Debtors in these cases are special purpose entities (SPEs) which hold the lease agreement for a specific center and receive the economic benefit of operating those centers. While the Debtors have prepared projections for each of these SPEs, to demonstrate feasibility post-emergence, for the purposes of this exhibit the Projections are provided in aggregate. Separately, for the Guarantor Debtors, the Projections are presented on an individual legal entity basis.

The following condensed financial projections show the performance of the Debtors on an aggregate basis:

Financial Projections (September 2021 through December 2025)

Summary of Forecast Results	September 1 - Dec. 31, 2021	FY 2022 Total	FY 2023 Total	FY 2024 Total	FY 2025 Total
Revenues					
RGN-National	6,208,934	17,363,771	19,477,743	20,595,264	21,268,308
H Work	5,545,948	17,867,861	20,331,242	21,503,496	22,395,253
SPE Debtors (aggregate)	42,502,589	148,860,232	177,390,852	189,211,921	196,601,569
	\$ 54,257,471	\$ 184,091,865	\$ 217,199,836	\$ 231,310,681	\$ 240,265,130
Holdings	42,798,755	128,259,903	132,798,469	138,860,427	143,079,806
	\$ 97,056,226	\$ 312,351,768	\$ 349,998,305	\$ 370,171,109	\$ 383,344,936
CBITDA*					
RGN-National	\$ 103,241	\$ 935,264	\$ 2,482,017	\$ 3,186,163	\$ 3,570,041
H Work	651,797	3,023,742	5,113,109	5,603,154	6,063,739
SPE Debtors (aggregate)	3,184,881	29,158,911	55,343,184	64,579,484	69,113,194
	\$ 3,939,919	\$ 33,117,916	\$ 62,938,310	\$ 73,368,801	\$ 78,746,974
Holdings**	37,480,416	112,073,577	116,043,030	121,344,849	125,035,139
	\$ 41,420,335	\$ 145,191,493	\$ 178,981,340	\$ 194,713,650	\$ 203,782,113
Net Income					
RGN-National	1,385,538	1,930,865	3,204,884	3,700,316	4,044,431
H Work	(181,686)	(413,881)	1,430,955	1,954,499	2,206,288
SPE Debtors (aggregate)	(18,097,728)	(27,438,015)	(6,015,729)	1,463,867	4,729,410
	\$ (16,893,875)	\$ (25,921,032)	\$ (1,379,890)	\$ 7,118,682	\$ 10,980,129
Holdings	3,310,597	8,008,607	8,150,885	8,340,920	8,473,192
	\$ (13,583,278)	\$ (17,912,425)	\$ 6,770,995	\$ 15,459,602	\$ 19,453,321

*CBITDA is Contribution Before Interest, Taxes, Depreciation and Amortization

**There are no tenanted centers at Debtor Holdings

RGN National and H Work each act as holders of leases for multiple real property leases. They offer a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients in the United States. Subsequent to post-emergence transfers of leases pursuant to lease modification agreements, H Work will have ten (10) tenanted locations each with a discrete real property lease, and RGN-National will have seven (7) such locations. An individual location is typically referred to as a “Center” with IWG, PLC (the “Company”) maintaining over 1,000 Centers across the United States within their broader footprint. Additionally, RGN-National and H Work each act as guarantors or co-obligors for certain lease agreements relating to other Debtor and non-Debtor affiliates.

Holdings owns and leases all of the furniture, fixtures, equipment, and other personal property (collectively, the “FF&E”) located across more than 1,000 Centers in the United States. Pursuant to individual equipment lease agreements with the Centers, Holdings leases the FF&E to the Centers for a fee. The Projections for Holdings also include capital expenditures relating to go-forward FF&E acquisitions to build out new Centers or to refurbish existing Centers. These capital expenditures create new leased revenue streams for Holdings.

The Projections were developed by the Debtors’ management team and advisors using detailed assumptions for revenues and costs of each business unit. The Debtors considered the following factors in developing the Projections:

- i. current and projected market conditions in each of the Center’s respective markets;

- ii. estimated capital expenditure levels to support management's growth assumptions;
- iii. working capital levels consistent with historic trends;
- iv. whether landlords would accept guarantees from the Debtor Guarantors post-emergence, and the impact on revenues;
- v. no material transfers, acquisitions, or divestitures of any Centers, other than those transferred based on lease modification agreements from H Work and RGN-National; and
- vi. the Debtors' emergence from chapter 11 on or around the Projected Effective Date.

Customer revenues were forecast at the center level based on Debtors' management's expectation that over the Projection Period, occupancy rates at these centers are anticipated to return to "Pre-COVID 19" operating performance, and continue to grow until a center achieves maximum occupancy, which is generally considered to be 85%-90% of available workspace at any given center location. Concurrently, as occupancy recovers and availability of space decreases, the Debtors are expected to regain pricing power to drive revenue per occupied workstation ("RevPOW") higher in the Projection Period. The combination of these factors creates compounded annual growth rates for revenues of 6.5% and 10.4% for H Work and RGN National, respectively, for the comparable full fiscal years of the Projection Period (2022-2025). The exception to this trend is Holdings, which does not have any tenanted Centers, and instead relies upon leasing of the Debtors FF&E for revenues, which is forecasted to grow at 5.5% (CAGR), driven primarily by new centers opened during the Projection Period.

Center costs were forecast based on existing lease terms with landlords, or where applicable, modifications to its existing lease terms agreed to by the Debtors' management and the landlords, which are anticipated to become effective upon emergence.

The Projections have been prepared using accounting policies consistent with those applied in the Debtors' historical financial statements. Such accounting policies include the following:

- i. the Projections include the accounts of the Debtors and Intercompany accounts;
- ii. accounts receivable are stated at fair value and do not include adjustments for rebates or other customer discounts, which are recorded in other liabilities. Accounts receivables are presented net of allowances for bad debt;
- iii. property and equipment are stated at net book value. Depreciation is calculated on a straight-line basis over the estimated remaining useful lives of the properties as of the Effective Date (the average estimated useful life is 10 years). Maintenance, repairs, and other improvements are

expensed as incurred. Amortization of tenant improvement allowances are recorded on a straight-line basis over the estimated useful life periods, generally 10 years;

- iv. goodwill is carried at fair value and not amortized in the Projections;
- v. the Projections have been prepared to reflect a simplified “fresh-start” presentation, assuming the Debtors emerge on the Projected Effective Date; and
- vi. after adjusting for the terms of the Plan of Reorganization, the Projections assume enterprise value, net debt, and reorganization equity value for:
 - a. Holdings of approximately \$435 million, \$355 million (funded at closing, with \$50 million of additional commitments for letters of credit), and \$80 million, respectively;
 - b. RGN National of approximately \$18.5 million, \$8.4 million, and \$10.1 million, respectively; and
 - c. H Work of approximately \$9 million, \$7.3 million, and \$1.7 million, respectively.

The Projections assume the Debtors will emerge using an Exit Facility of approximately \$168.4 million, subject to adjustment and dependent on Claims administration. The Exit Facility also includes a \$50 million portion that will be unfunded at closing for issuance of future letters of credit, which may potentially be drawn under certain lease modification agreements post-emergence. This debt is reflected in the \$355 million of funded debt on Holdings’ balance sheet upon emergence plus a \$50 million carve out for the letters of credit. The Debtors are not expected to recognize any taxable income or loss upon emergence.

Income Statement Assumptions - Revenue

A. Revenues

To develop the Projections, the Debtors evaluated market conditions across the tenanted centers of all the Debtors and projected occupancy growth. Key factors considered in determining the forecasts included: (i) timing of returning to normalized operating environment post COVID-19, (ii) assessing global and regional market supply and demand trends, and (iii) identifying the Company’s competitive position in each segment.

The Debtors Centers operate in competitive markets and, as a result, the forecasts include modest, steady recovery in occupancy rates as well as RevPOW to account for the competitive landscape.

Certain leaseholders’ obligations under their respective leases are partially or fully guaranteed by another entity, including in most cases Holdings, RGN National, and H Work. As consideration for providing this backstop, prior to the chapter 11 cases, the SPEs historically remitted a guaranty fee to their respective guarantor (the “Guaranty Fee”) on a semi-annual basis. The Guaranty Fee is expected to be approximately 4.42% of the guaranteed value on an annual basis post-emergence. Guaranties typically are negotiated to amortize (typically with a 5-year roll off) and renewals typically will open guaranty negotiations again. This fee shows up as operating costs on the SPE Debtors Projections.

Income Statement Assumptions - Expenses

A. Operating Costs

With the exception of Holdings, the Debtors' operating costs are primarily related to the daily costs of operating and maintaining office space to meet customers' needs. These costs are primarily composed of two categories: fixed costs, which represent rent, equipment rental, employee costs and utilities, and variable costs, which represent Management Fees, Franchise Fees, and other service costs.

Operating costs as a percentage of sales vary Center to Center; however, during the Projection Period, consistent with historical results these costs typically range from approximately 70% to 80% (exclusive of overhead allocations detailed below, and under normalized operating conditions, e.g. post COVID-19 pandemic impacts).

Fixed Costs include rents, maintenance costs, utility costs, labor, and other costs that are directly attributable to the Debtors' operations. The vast majority of fixed costs are related to rent payments on account of the leased office spaces. The Projections do not contemplate a material change to the Debtors' footprint or contracted labor force. Fixed costs are projected to grow at approximately 5.0% to reflect the impact of inflation and expected lease renewals, partially offset by cost reduction initiatives.

Holdings owns all of the FF&E that is leased to each leaseholder, including H Work, RGN National, and the SPE Debtors, and used in their Centers pursuant to certain equipment lease agreements executed between each leaseholder and Holdings (each an "Equipment Lease Agreement"). The FF&E includes furniture used by the Occupants in both offices and common areas, fixtures and other constructions within the office space, and phones and other telecommunication and video equipment used by the Occupants. For the use of the FF&E by its Occupants and others, the leaseholder pays a monthly fee based on the original cost of the FF&E plus a finance fee, and any direct costs incurred by Holdings to provide the FF&E to the leaseholder (such as insurance, maintenance, etc.), plus a margin fee (collectively, the "FF&E Fees and Expenses"). The estimated all-in interest rate of 5.0% used in the Projections is consistent with current DIP loan pricing and internal margin rates used by the Debtors for 2021. The Projections assume that the Debtors continue to pay the FF&E Fees and Expenses.

Each of the Debtors, as a leaseholder, enters into a Global Full Service Management Agreement with Regus Management Group, LLC, a Delaware limited liability company ("RMG"), for all services needed to operate the center (each, a "Management Agreement"). For its part, the leaseholder is obligated to pay RMG a monthly management fee (the "Management Fee") for performance of the Management Services, such fee being equal to five and one-half percent (5.5%) of the Gross Revenues (as defined in the Management Agreement) received directly or indirectly by RMG from the Occupants or anyone else using a Center. The Projections assume that the Debtors will continue to pay their Management Fees at 5.5% throughout the Projection Period. Additionally, the Debtors are obligated under the Management Agreement to fully reimburse RMG for its Gross Expenses (as defined in the Management Agreement as the aggregate of the costs directly incurred by the RMG in performing the Management Services related to vendors, staff, and other parties) incurred on behalf of the leaseholder for the operation of their Centers. General administration and overhead costs included in Gross Expenses are charged to the leaseholder based on Gross Revenues.

Franchise International GmbH, a company incorporated in Switzerland (“Franchisor”), is an affiliate of Regus Corporation (“Regus”). Franchisor commercializes certain intellectual property and grants franchisees the right to operate a business format in a given location. Pursuant to certain Franchise Agreements for Operation of Regus Business Centre(s) (each a “Franchise Agreement,” and with the Equipment Lease Agreement and the Management Agreement, the “Intercompany Agreements”), Franchisor provides certain services to help a franchisee establish its business and then provides certain continuing business support services, advice, and information technology. The franchisee in turn agrees to a payment to Franchisor of a monthly fee equal to 12% of the Gross Revenue (as defined in the Franchise Agreement) (the “Franchise Fee”). Each of the Debtors operating a Center is a party to a Franchise Agreement. The Projections assume that the Debtors will continue to pay their Franchise Fees.

B. Depreciation and Amortization

Depreciation and amortization of expenses are forecast using straight-line depreciation methods for fixed assets and amortization of tenant improvement allowances (“TIA”) during the Projection Period based on original cost. Depreciation for new equipment purchased and leased to the Debtors during the Projection Period is forecast on a straight-line basis over a period of ten (10) years. Depreciation for existing property, plant and equipment is based on the book value of those assets, spread on a straight-line basis over the remaining useful life for each of those assets. Amortization is based on the expected life of each of the Company’s leases and is forecast on a straight-line basis during the Projection Period. No new intangible assets are recorded during the Projection Period. Goodwill is not assumed to be amortized in the Projections.

C. Interest

The Debtors lease FF&E from an affiliate wholly owned by Regus. Interest expense is recognized on account of this cost of financing associated with the net expenditures related to purchases of FF&E for the centers.

D. Taxes

In 2016 through 2019 at Debtor Holdings, tax basis Net Operating Losses (“NOLs”) were generated based on positive book income due to the excess of tax depreciation over book, and the Debtors’ management team expects that tax depreciation will not continue to materially exceed book for several years. Therefore, the Projections assume that Debtor Holdings’ NOLs continue through the Projection Period. Additionally, Debtors H Work and RGN-National are disregarded entities for tax purposes.

Balance Sheet Assumptions

A. Cash & Cash Equivalents

The Projections anticipate no cash balances will be maintained at the Debtors accounts, which is consistent with normal, historical operations whereby RMG manages cash receipts and disbursements on behalf of the Debtors under the Management Agreement. Any excess cash flows are recorded as an intercompany receivable on the Debtors books.

B. Accounts Receivable

Growth in accounts receivable during the Projection Period is driven by expected revenue growth. The Projections assume that year-end days sales' outstanding is approximately 21 days, which is consistent with historical performance levels.

C. Other Current Assets

Other current assets primarily include prepaid insurance for 10-year coverage beginning January 2019, which had a premium \$2.1 million for each of RGN National and H Work at the time it was initiated, and the Projections assume these policies will remain in place post-emergence.

D. Property, Plant & Equipment

Unless otherwise indicated, owned property (including real property) and equipment are stated at net book value. The Debtors lease furniture, fixtures, computer equipment, and similar fixed assets applicable to traditional office space from Holdings. Changes in net book value of property, plant, and equipment as reflected in these financial projections are primarily driven by the Debtors' capital spending plans, which are needed to support their revenue growth. The Projections assume aggregate capital expenditures (net of landlord allowances for tenant improvements) of approximately \$390 million in aggregate during the Projection Period to fund growth initiatives, renovations, and maintenance. All new assets acquired during the Projection Period are depreciated on a straight-line basis over 10 years.

E. Other Long-Term Assets

Other long-term assets primarily include deferred tax obligations and goodwill, and other intangibles as adjusted to reflect "Fresh Start" accounting and recapitalization. No amortization of goodwill is assumed.

F. Accrued Expenses and Other Liabilities

This primarily includes deferred revenue which is billed revenue not yet earned and deferred rent obligations due in relation to lease agreements.

Holdings includes an expense line item for Landlord Funded Tenant Leasehold Liabilities, which shows the aggregate balance of all landlord allowances for tenant improvements net of cumulative amortization.

G. Due to Affiliates

The Debtors maintain business relationships with other Debtors and non-debtor affiliates, resulting in intercompany receivables and payables in the ordinary course of business. The Debtors record intercompany assets and liabilities through their accounts, including intercompany trade (includes trade and other business-related transactions) and intercompany notes. Intercompany trade accounts record sales-type transactions between subsidiaries and affiliates. Intercompany notes reflect loans made between subsidiaries and affiliates. These balances are forecast, as adjusted, based on net cash flow generated at each of the Debtors within in the Projection Period.

H. Shareholder Equity

Shareholder equity includes retained earnings and member's equity adjusted for "Fresh Start" accounting and recapitalization as of the Projected Effective Date.

Cash Flow Assumptions

A. Cash Flow from Operations

During the Projection Period of September 2021 to December 2025, it is expected net cash flow from operations will be a source of cash of approximately \$427 million. In the four (4) months from the Projected Effective Date to December 2021, the Debtors expect to generate approximately \$31 million of cashflow from operations as the Debtors' occupancy rates rebound from levels seen during the COVID-19 pandemic. From 2022 to 2025, cash flow from operations is projected to be a source of cash of approximately \$396 million primarily driven by increased revenue over the Projection Period. Key components of working capital usage include higher accounts receivable related to higher sales.

B. Cash Flow from Investing

Cash usage is primarily driven by capital spending. The investment in capital expenditure includes both growth capital as well as maintenance capital expenditure at the existing centers.

C. Cash Flow from Financing Activities

Use of cash primarily reflects repayments on the intercompany balances owed to non-debtor affiliates.

**H Work, LLC, Projected Pro Forma Balance Sheet as of the Projected Effective Date
(UNAUDITED)**

The Projected Pro Forma Balance Sheet as of the Projected Effective Date presents: (a) the projected financial position of H Work as of August 31, 2021, prior to the consummation of the transactions contemplated in the Plan; (b) the pro forma adjustments to such projected consolidated financial position required to reflect the Restructuring Transactions; and (c) the pro forma projected consolidated financial position of H Work as of the Projected Effective Date, after giving effect to the Restructuring Transactions. The Restructuring Transactions set forth in the columns captioned “Plan Adjustments,” “Claims Settlement,” and “Recapitalization” reflect the anticipated effects of the Restructuring Transactions.

H Work (f/k/a HQ Global Workplaces)

Balance Sheet	8/31/2021	Pro-forma Adjustments			Pro Forma
		Plan Adjustments	Claims Settlement	Recapitalization	
Financial Projections					
Assets					
Current assets:					
Cash and cash equivalents	\$ -	-	-	-	-
Receivables, net of allowance for doubtful accounts	54,370				54,370
Prepaid expenses and other current assets	2,029,630	-	3,540,000	-	5,569,630
Total current assets	\$ 2,084,000	-	3,540,000	-	5,624,000
Security deposits	88,882				88,882
Due from affiliates	1,297,639	-	(3,540,000)	-	(2,242,361)
Goodwill	11,308,346	(2,875,990)			8,432,356
Total assets	\$ 14,778,867	(2,875,990)	-	-	11,902,877
Liabilities and Member's Equity					
Current liabilities:					
Accounts payable	\$ 694,256	10,445,000	(10,445,000)	-	694,256
Accrued expenses	29,413				29,413
Deferred revenue	1,647,361				1,647,361
Other current liabilities	531,848				531,848
Total current liabilities	\$ 2,902,877	10,445,000	(10,445,000)	-	2,902,877
Other liabilities	7,184,764				7,184,764
Total liabilities	\$ 10,087,641	10,445,000	(10,445,000)	-	10,087,641
Member's equity:	4,691,226	(13,320,990)	10,445,000	-	1,815,236
Total liabilities and member's equity	\$ 14,778,867	(2,875,990)	-	-	11,902,877

Note: At the time of filing this Exhibit E to the Disclosure Statement, the Debtors had not completed a fair value assessment of their assets and liabilities.

Plan Adjustments

- (i) **Goodwill:** The residual amount of the reorganization value not attributed to specific assets upon emergence is reported as Goodwill on the Debtors' balance sheets. The estimated enterprise value of

H Work is approximately \$9 million and results in an adjustment to the Goodwill balance of H Work.

- (ii) **Accounts payable:** Under the terms of the Plan, Debtor H Work is expected to accrue the applicable 502(b)(6) statutory cap, or contractual guaranty cap, as applicable to each allowed claim arising from rejected leases or closed centers (the “Capped Claims”) plus applicable settlement amounts related to the Liquidating SPE Debtors. The Capped Claims have been estimated by analyzing the lease and guaranty terms for each of the applicable agreements. These amounts are reflected in the Pro-Forma Adjustments to the Balance Sheets of each of the Guarantor Debtors. Further, the Accounts Payable balance has been adjusted to reflect estimated cure costs associated with the assumption of certain leases which will be satisfied by the Exit Facility. The estimated adjustments exclude prepetition intercompany amounts, which will be settled in the ordinary course of business going forward.

Claim settlements

- (iii) The claims settlement adjustments relate to the settlement and payment of the estimated Capped Claims, as explained in ‘Plan Adjustments: Accounts Payable’ plus \$1.875 million related to the settlements for the Liquidating SPE Debtors.
- (iv) H Work benefits from certain recoveries under the Financial Loss Reimbursements insurance policies, whereby H Work is insured in respect to certain obligations arising from guarantee related loses. It is anticipated that proceeds from the policies will be passed from H Work to Holdings as reimbursement for Claim payments initially funded by Holdings.
- (v) Holdings is assumed to make distributions to claimants of H Work and is therefore entitled to reimbursement from any insurance recoveries. The intercompany payable at Debtor H Work is \$3.5 million, an estimated amount of recovery from insurance proceeds, expected to be received in Q4 2021.

**H Work, LLC, Projected Pro Forma Statement of Operations
(UNAUDITED)**

The “PROJECTED PRO FORMA STATEMENT OF OPERATIONS” presents the projected results of operations of H Work for the period commencing September 1, 2021 to December 31, 2025, after giving effect to the Restructuring Transactions to occur on the Projected Effective Date with results for 2021 shown as a partial year, consisting of the fiscal periods after the Debtor H Work’s emergence from these chapter 11 cases.

H Work (f/k/a HQ Global Workplaces)

Statement of Operations	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Financial Projections	Stub Period	Total	Total	Total	Total
<u>Revenues</u>					
Office revenue	\$ 5,161,453	17,098,871	19,562,251	20,734,506	21,626,263
Guaranty lease income	384,495	768,991	768,991	768,991	768,991
	\$ 5,545,948	17,867,861	20,331,242	21,503,496	22,395,253
<u>Operating expenses:</u>					
Center operating expenses	4,744,996	14,646,859	14,876,892	15,320,459	15,804,369
General and administrative fees	941,823	3,592,302	4,023,394	4,228,539	4,384,596
	\$ 5,686,819	18,239,162	18,900,286	19,548,997	20,188,965
Income before interest expense	(140,872)	(371,300)	1,430,955	1,954,499	2,206,288
Interest expense	40,814	42,581	-	-	-
Net income	\$ (181,686)	(413,881)	1,430,955	1,954,499	2,206,288

**H Work, LLC, Projected Pro Forma Statement of Cash Flows
(UNAUDITED)**

The “PROJECTED PRO FORMA STATEMENT OF CASH FLOWS” presents the projected cash flows of the Debtors commencing September 1, 2021 to December 31, 2025, after the consummation of the Restructuring Transactions with results for 2021 shown as a partial year, consisting of the fiscal periods after H Work’s emergence from these chapter 11 cases.

H Work (f/k/a HQ Global Workplaces)

Statement of Cash Flows

Financial Projections	FY 2021 Stub Period	FY 2022 Total	FY 2023 Total	FY 2024 Total	FY 2025 Total
Net income	\$ (181,686)	(413,881)	1,430,955	1,954,499	2,206,288
<u>Changes in working capital</u>					
Receivables	(16,085)	(114,556)	(94,356)	(40,345)	(41,366)
Prepaid expenses	(2,242)	(15,964)	(13,149)	(5,622)	(5,765)
Insurance prepayment	-	-	-	-	-
Accounts payable	923	17,907	9,820	34,523	18,469
Accrued expenses (rent)	56	1,090	597	2,100	1,124
Deferred revenue	49,176	350,234	288,475	123,346	126,468
Other current liabilities	-	-	-	-	-
Other Liabilities	(148,321)	(767,653)	(1,049,783)	(754,238)	(694,534)
Cash Flow from Operations	\$ (298,178)	(942,825)	572,559	1,314,263	1,610,684
Capital spending	-	-	-	-	-
Cash Flow from Investing	\$ -	-	-	-	-
Change in intercompany balance	298,178	942,825	(572,559)	(1,314,263)	(1,610,684)
Cash Flow from Financing	\$ 298,178	942,825	(572,559)	(1,314,263)	(1,610,684)
Beginning Cash	-	-	-	-	-
Change in cash	-	-	-	-	-
Ending Cash	\$ -	-	-	-	-

**H Work, LLC, Projected Pro Forma Balance Sheets
(UNAUDITED)**

The “PROJECTED PRO FORMA BALANCE SHEETS” presents the projected financial position of H Work as of August 31, 2021, after giving effect to the consummation of the Restructuring Transactions, and as of each of fiscal year ending December 2021, 2022, 2023, 2024 and 2025.

H Work (f/k/a HQ Global Workplaces)

Balance Sheet

Financial Projections	Pro Forma	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Assets						
Current assets:						
Cash and cash equivalents	\$ -	-	-	-	-	-
Receivables, net of allowance for doubtful accounts	54,370	714,500	829,056	923,412	963,756	1,005,122
Prepaid expenses and other current assets	5,569,630	2,031,872	2,047,836	2,060,986	2,066,608	2,072,373
Total current assets	\$ 5,624,000	2,746,372	2,876,892	2,984,397	3,030,364	3,077,495
Security deposits	88,882	151,655	151,655	151,655	151,655	151,655
Due from affiliates	(2,242,361)	(1,455,468)	(2,398,293)	(1,825,734)	(511,471)	1,099,213
Goodwill	8,432,356	11,308,346	11,308,346	11,308,346	11,308,346	11,308,346
Total assets	\$ 11,902,877	12,750,904	11,938,600	12,618,664	13,978,894	15,636,708
Liabilities and Member's Equity						
Current liabilities:						
Accounts payable	\$ 694,256	697,229	715,136	724,956	759,479	777,948
Accrued expenses	29,413	42,421	43,510	44,108	46,208	47,332
Deferred revenue	1,647,361	2,184,446	2,534,680	2,823,155	2,946,500	3,072,968
Other current liabilities	531,848	825,038	825,038	825,038	825,038	825,038
Total current liabilities	\$ 2,902,877	3,749,133	4,118,364	4,417,256	4,577,225	4,723,285
Other liabilities	7,184,764	7,368,220	6,600,566	5,550,783	4,796,545	4,102,011
Total liabilities	\$ 10,087,641	11,117,353	10,718,930	9,968,039	9,373,770	8,825,296
Member's equity:	1,815,236	1,633,551	1,219,669	2,650,625	4,605,124	6,811,412
Total liabilities and member's equity	\$ 11,902,877	12,750,904	11,938,600	12,618,664	13,978,894	15,636,708

RGN-National Business Centers, LLC, Projected Pro Forma Balance Sheet as of the Projected Effective Date (UNAUDITED)

The Projected Pro Forma Balance Sheet as of the Projected Effective Date presents: (a) the projected financial position of Debtor RGN-National as of August 31, 2021, prior to the consummation of the transactions contemplated in the Plan; (b) the pro forma adjustments to such projected consolidated financial position required to reflect the Restructuring Transactions; and (c) the pro forma projected consolidated financial position of Debtor RGN-National as of the Projected Effective Date, after giving effect to the Restructuring Transactions. The Restructuring Transactions set forth in the columns captioned “Plan Adjustments”, “Claims Settlement” and “Recapitalization” reflect the anticipated effects of the Restructuring Transactions.

RGN-National Business Centers

Balance Sheet		Pro-forma Adjustments			
Financial Projections	8/31/2021	Plan Adjustments	Claims Settlement	Recapitalization	Pro Forma
Assets					
Current assets:					
Cash and cash equivalents	\$ -				-
Receivables, net of allowance for doubtful accounts	559,224				559,224
Prepaid expenses and other current assets	1,566,148		8,050,000		9,616,148
Total current assets	\$ 2,125,372	-	8,050,000	-	10,175,372
Security deposits	315,218				315,218
Due from affiliates	4,647,111		(8,050,000)		(3,402,889)
Goodwill	7,727,925	6,461,431	-	-	14,189,357
Total assets	\$ 14,815,627	6,461,431	-	-	21,277,058
Liabilities and Member's Equity					
Current liabilities:					
Accounts payable	\$ 311,903	18,045,000	(18,045,000)	-	311,903
Accrued expenses	48,871				48,871
Deferred revenue	1,709,339				1,709,339
Other current liabilities	706,945				706,945
Total current liabilities	\$ 2,777,058	18,045,000	(18,045,000)	-	2,777,058
Other liabilities	8,330,398				8,330,398
Total liabilities	\$ 11,107,456	18,045,000	(18,045,000)	-	11,107,456
Member's equity:	3,708,171	(11,583,569)	18,045,000	-	10,169,602
Total liabilities and member's equity	\$ 14,815,627	6,461,431	-	-	21,277,058

Note: At the time of filing this Exhibit E to the Disclosure Statement, the Debtors had not completed a fair value assessment of their assets and liabilities.

Plan Adjustments

- (i) **Goodwill:** The residual amount of the reorganization value not attributed to specific assets upon emergence is reported as Goodwill on the Debtors' balance sheets. The estimated enterprise value of RGN National is approximately \$18.5 million and results in an adjustment to the Goodwill balance of RGN National.
- (ii) **Accounts payable:** Under the terms of the Plan, RGN National is expected to accrue the Capped Claims plus applicable settlement amounts related to the Liquidating SPE Debtors. The Capped Claims have been estimated by analyzing the lease and guaranty terms for each of the applicable agreements. These amounts are reflected in the Pro-Forma Adjustments to the Balance Sheets of each of the Guarantor Debtors. Further, the Accounts Payable balance has been adjusted to reflect estimated cure costs associated with the assumption of certain leases, which will be satisfied by the Exit Facility. The estimated adjustments exclude prepetition intercompany amounts, which will be settled in the ordinary course of business going forward.

Claim settlements

- (iii) The claims settlement adjustments relate to the settlement and payment of the estimated Capped Claims, as explained in 'Plan Adjustments: Accounts Payable' plus \$1.875 million related to the Settlements for the Liquidating SPEs.
- (iv) RGN National benefits from certain recoveries under the Financial Loss Reimbursements insurance policies, whereby RGN National is insured in respect to certain obligations arising from guarantee related loses. It is anticipated that proceeds from the policies will be passed from RGN National to Holdings as reimbursement for Claim payments initially funded by Holdings.
- (v) Holdings is assumed to make distributions to claimants of RGN National and is therefore entitled to reimbursement from any insurance recoveries. The intercompany payable at Debtor RGN National is \$8.1 million, an estimated amount of recovery from insurance proceeds from Guaranty Claims, expected to be received in Q4 2021.

**RGN-National Business Centers, LLC, Projected Pro Forma Statement of Operations
(UNAUDITED)**

The “PROJECTED PRO FORMA STATEMENT OF OPERATIONS” presents the projected results of operations of RGN National for the period commencing September 1, 2021 to December 31, 2025, after giving effect to the Restructuring Transactions to occur on the Projected Effective Date with results for 2021 shown as a partial year, consisting of the fiscal periods after the Debtor RGN-National’s emergence from these chapter 11 cases.

RGN-National Business Centers

Statement of Operations

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<u>Stub Period</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
<u>Financial Projections</u>					
<u>Revenues</u>					
Office revenue	\$ 3,753,765	12,453,433	14,567,405	15,684,926	16,357,970
Guaranty lease income	2,455,169	4,910,338	4,910,338	4,910,338	4,910,338
	\$ 6,208,934	17,363,771	19,477,743	20,595,264	21,268,308
<u>Operating expenses:</u>					
Center operating expenses	3,908,720	12,262,189	12,807,484	13,308,188	13,590,627
General and administrative fees	766,151	2,779,351	3,149,296	3,344,862	3,462,645
	\$ 4,674,871	15,041,540	15,956,779	16,653,050	17,053,272
Income before interest expense	1,534,063	2,322,231	3,520,963	3,942,214	4,215,036
Interest expense	148,525	391,367	316,079	241,898	170,605
Net income	\$ 1,385,538	1,930,865	3,204,884	3,700,316	4,044,431

**RGN-National Business Centers, LLC, Projected Pro Forma Statement of Cash Flows
(UNAUDITED)**

The “PROJECTED PRO FORMA STATEMENT OF CASH FLOWS” presents the projected cash flows of the Debtors commencing September 1, 2021 to December 31, 2025, after the consummation of the Restructuring Transactions with results for 2021 shown as a partial year, consisting of the fiscal periods after RGN National’s emergence from these chapter 11 cases.

RGN-National Business Centers

Statement of Cash Flows

Financial Projections	FY 2021 Stub Period	FY 2022 Total	FY 2023 Total	FY 2024 Total	FY 2025 Total
Net income	\$ 1,385,538	1,930,865	3,204,884	3,700,316	4,044,431
<u>Changes in working capital</u>					
Receivables	230,997	(81,448)	(86,224)	(29,386)	(29,457)
Prepaid expenses	302	(483)	(512)	(174)	(175)
Insurance prepayment	-	-	-	-	-
Accounts payable	31	21,346	8,989	10,748	6,380
Accrued expenses (rent)	5	3,558	1,498	1,791	1,063
Deferred revenue	(180,222)	288,878	305,817	104,225	104,476
Other current liabilities	-	-	-	-	-
Other Liabilities	43,368	(167,680)	(789,416)	(735,591)	(901,702)
Cash Flow from Operations	\$ 1,480,019	1,995,034	2,645,036	3,051,929	3,225,018
Capital spending	-	-	-	-	-
Cash Flow from Investing	\$ -	-	-	-	-
Change in intercompany balance	(1,480,019)	(1,995,034)	(2,645,036)	(3,051,929)	(3,225,018)
Cash Flow from Financing	\$ (1,480,019)	(1,995,034)	(2,645,036)	(3,051,929)	(3,225,018)
Beginning Cash	-	-	-	-	-
Change in cash	-	-	-	-	-
Ending Cash	\$ -	-	-	-	-

**RGN-National Business Centers, LLC, Projected Pro Forma Balance Sheets
(UNAUDITED)**

The “PROJECTED PRO FORMA BALANCE SHEETS” presents the projected financial position of Debtor RGN National as of August 31, 2021, after giving effect to the consummation of the Restructuring Transactions, and as of each of fiscal year ending December 2021, 2022, 2023, 2024 and 2025.

RGN-National Business Centers

Balance Sheet

Financial Projections	Pro Forma	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Assets						
Current assets:						
Cash and cash equivalents	\$ -	-	-	-	-	-
Receivables, net of allowance for doubtful accounts	559,224	489,739	571,188	657,412	686,798	716,255
Prepaid expenses and other current assets	9,616,148	1,565,846	1,566,330	1,566,841	1,567,016	1,567,191
Total current assets	\$ 10,175,372	2,055,585	2,137,517	2,224,253	2,253,814	2,283,445
Security deposits	315,218	315,218	315,218	315,218	315,218	315,218
Due from affiliates	(3,402,889)	6,327,130	8,922,164	12,167,200	15,819,129	19,644,146
Goodwill	14,189,357	14,189,357	14,189,357	14,189,357	14,189,357	14,189,357
Total assets	\$ 21,277,058	22,887,291	25,564,256	28,896,028	32,577,517	36,432,167
Liabilities and Member's Equity						
Current liabilities:						
Accounts payable	\$ 311,903	293,259	314,605	323,593	334,341	340,722
Accrued expenses	48,871	48,877	52,434	53,932	55,724	56,787
Deferred revenue	1,709,339	1,736,987	2,025,865	2,331,682	2,435,907	2,540,383
Other current liabilities	706,945	820,125	820,125	820,125	820,125	820,125
Total current liabilities	\$ 2,777,058	2,899,248	3,213,029	3,529,333	3,646,097	3,758,017
Other liabilities	8,330,398	8,336,423	8,168,743	7,379,327	6,643,736	5,742,034
Total liabilities	\$ 11,107,456	11,235,671	11,381,772	10,908,660	10,289,833	9,500,051
Member's equity:	10,169,602	11,651,620	14,182,485	17,987,368	22,287,685	26,932,116
Total liabilities and member's equity	\$ 21,277,058	22,887,291	25,564,256	28,896,028	32,577,517	36,432,167

**RGN-Group Holdings, LLC, Projected Pro Forma Balance Sheet as of the Projected Effective Date
(UNAUDITED)**

The Projected Pro Forma Balance Sheet as of the Projected Effective Date presents: (a) the projected financial position of Debtor Holdings as of August 31, 2021, prior to the consummation of the transactions contemplated in the Plan; (b) the pro forma adjustments to such projected consolidated financial position required to reflect the Restructuring Transactions; and (c) the pro forma projected consolidated financial position of Debtor Holdings as of the Projected Effective Date, after giving effect to the Restructuring Transactions. The Restructuring Transactions set forth in the columns captioned “Plan Adjustments”, “Claims Settlement” and “Recapitalization” reflect the anticipated effects of the Restructuring Transactions.

RGN-Group Holdings

Balance Sheet - Pro Forma Adjusted

	8/31/2021	Pro-forma Adjustments			Pro Forma
		Plan Adjustments	Claims Settlement	Recapitalization	
<i>Financial Projections</i>					
Assets					
Cash and cash equivalents	\$ -				-
Due from affiliates	-		11,590,000		11,590,000
Prepays and Other CA	-				-
Property and equipment, net	871,359,941	(60,336,486)			811,023,456
Deferred tax asset	6,258,710	(6,258,710)			-
Total assets	\$ 877,618,652	(66,595,196)	11,590,000	-	822,613,456
Liabilities and Member's Equity					
Accrued expenses	\$ 470,693				470,693
Landlord funded tenant leasehold liabilities, net	403,492,194	(27,939,431)			375,552,763
Due to affiliates	468,728,928		(232,453,928)	118,725,000	355,000,000
Total liabilities	872,691,815	(27,939,431)	(232,453,928)	118,725,000	731,023,456
Member's equity:	4,926,837	(38,655,765)	244,043,928	(118,725,000)	91,590,000
Total liabilities and member's equity	\$ 877,618,652	(66,595,196)	11,590,000	-	822,613,456

Note: At the time of filing this Exhibit E to the Disclosure Statement, the Debtors had not completed a fair value assessment of their assets and liabilities. The Projections adjust the Debtors' equity and goodwill balances to reflect equity values that eliminate the equity of existing stockholders.

The Company periodically closes centers, and upon doing so, Holdings adjusts its reported balance of Property and Equipment, net held on the balance sheet to reflect an impairment for some of the related assets. The historical financials presented herein are adjusted to reflect these impairments to PP&E with a similar impact to Equity.

Plan Adjustments

- (i) Holdings' Property and Equipment, net will be reduced as part of Fresh Start Accounting tied to the restructuring. The Pro-forma Adjustments on account of the Plan estimate an expected reduction to the balance of Property and Equipment as well as a concurrent reduction to Landlord Funded Tenant Leasehold Liabilities, net.

- (ii) Holdings has a \$6.2 million Deferred Tax Asset. Pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) Subtopic 740-10, Income Taxes – Overall, the Company may recognize the tax benefit from an uncertain tax position only if it is more-likely than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Debtors’ management determined that it has no tax positions that do not meet the more-likely than-not recognition threshold.

Claims settlement

- (iii) Holdings is assumed to make distributions to claimants of H Work and RGN National using proceeds from its Exit Facility and is therefore entitled to reimbursement from those entities’ insurance recoveries. The intercompany receivable from H Work and RGN National of \$11.6 million is an estimated amount of recovery from insurance proceeds from Guaranty Claims, expected to be received in Q4 2021.

Recapitalization

- (iv) Pursuant to the Plan and the Prepetition Lender Claim Settlement, the Allowed Prepetition Credit Agreement Claims at Holdings will total \$236.2 million relative to Prepetition Credit Agreement Claims of approximately \$468 million. In addition, to fund the repayment of the DIP Facility and certain Claim distributions, Regus will fund at emergence approximately \$168.4 million, subject to adjustment and dependent on Claims administration, through a new Exit Facility with an interest rate of LIBOR plus 460 bps (25 bps LIBOR floor). The Exit Facility also includes a \$50 million portion that will be unfunded at closing for issuance of future letters of credit, which may potentially be drawn under certain lease modification agreements post-emergence.

RGN-Group Holdings, LLC, Projected Pro Forma Statement of Operations
(UNAUDITED)

The “PROJECTED PRO FORMA STATEMENT OF OPERATIONS” presents the projected results of operations of Debtor Holdings for the period commencing September 1, 2021 to December 31, 2025, after giving effect to the Restructuring Transactions to occur on the Projected Effective Date with results for 2021 shown as a partial year, consisting of the fiscal periods after the Debtor Holdings’ emergence from these chapter 11 cases.

RGN-Group Holdings						
Statement of Operations		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>Financial Projections</i>		Stub Period	Total	Total	Total	Total
Revenues	\$	40,817,742	124,297,878	128,836,444	134,898,402	139,117,781
Guaranty income		1,981,013	3,962,025	3,962,025	3,962,025	3,962,025
Total		42,798,755	128,259,903	132,798,469	138,860,427	143,079,806
Cost of revenues:						
Depreciation & Amortization	\$	26,622,495	81,596,015	85,216,211	90,113,575	93,446,565
Other costs of leased property		5,118,339	15,586,326	16,155,439	16,915,578	17,444,667
General and administrative fees		200,000	600,000	600,000	600,000	600,000
		31,940,834	97,782,341	101,971,650	107,629,153	111,491,232
Operating income		10,857,921	30,477,562	30,826,819	31,231,274	31,588,574
Loss on disposal of property and equipment		-	-	-	-	-
Interest expense		7,547,324	22,468,955	22,675,934	22,890,354	23,115,382
Income tax expense		-	-	-	-	-
Net income	\$	3,310,597	8,008,607	8,150,885	8,340,920	8,473,192

**RGN-Group Holdings, LLC, Projected Pro Forma Statement of Cash Flows
(UNAUDITED)**

The “PROJECTED PRO FORMA STATEMENT OF CASH FLOWS” presents the projected cash flows of Holdings commencing September 1, 2021 to December 31, 2025, after the consummation of the Restructuring Transactions with results for 2021 shown as a partial year, consisting of the fiscal periods after Holdings’ emergence from these chapter 11 cases.

RGN-Group Holdings

Statement of Cash Flows

Financial Projections

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Stub Period	Total	Total	Total	Total
Net income	\$ 3,310,597	8,008,607	8,150,885	8,340,920	8,473,192
Depreciation & Amortization	26,622,495	81,596,015	85,216,211	90,113,575	93,446,565
Non-recurring items	-	-	-	-	-
<u>Changes in working capital</u>					
Prepays and Other CA	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued expenses	483	14,205	14,957	34,084	(4,502)
Cash Flow from Operations	\$ 29,933,575	89,618,827	93,382,053	98,488,579	101,915,255
Capital spending	(15,687,872)	(85,656,802)	(89,420,028)	(94,526,553)	(97,953,229)
Cash Flow from Investing	\$ (15,687,872)	(85,656,802)	(89,420,028)	(94,526,553)	(97,953,229)
Change in intercompany balance	(14,245,704)	(3,962,025)	(3,962,025)	(3,962,025)	(3,962,025)
Cash Flow from Financing	\$ (14,245,704)	(3,962,025)	(3,962,025)	(3,962,025)	(3,962,025)
Beginning Cash	-	-	-	-	-
Change in cash	-	-	-	-	-
Ending Cash	\$ -	-	-	-	-

RGN-Group Holdings, LLC, Projected Pro Forma Balance Sheets
(UNAUDITED)

The “PROJECTED PRO FORMA BALANCE SHEETS” presents the projected financial position of Holdings as of August 31, 2021, after giving effect to the consummation of the Restructuring Transactions, and as of each of fiscal year ending December 2021, 2022, 2023, 2024 and 2025.

RGN-Group Holdings**Balance Sheet - Pro Forma Adjusted**

<i>Financial Projections</i>	Pro Forma	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Assets						
Cash and cash equivalents	\$ -	-	-	-	-	-
Due from affiliates	11,590,000	-	-	-	-	-
Prepays and Other CA	-	-	-	-	-	-
Property and equipment, net	811,023,456	782,039,061	810,073,420	848,597,501	877,021,302	915,673,531
Deferred tax asset	-	-	-	-	-	-
Total assets	\$ 822,613,456	782,039,061	810,073,420	848,597,501	877,021,302	915,673,531
Liabilities and Member's Equity						
Accrued expenses	\$ 470,693	471,176	485,381	503,736	534,423	529,920
Landlord funded tenant leasehold liabilities, net	375,552,763	355,480,625	391,044,196	424,296,726	449,375,283	483,520,847
Due to affiliates	355,000,000	331,186,663	315,634,638	312,736,950	307,710,588	303,748,563
Total liabilities	731,023,456	687,138,464	707,164,216	737,537,412	757,620,294	787,799,330
Member's equity:	91,590,000	94,900,597	102,909,204	111,060,089	119,401,009	127,874,201
Total liabilities and member's equity	\$ 822,613,456	782,039,061	810,073,420	848,597,501	877,021,302	915,673,531