IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SALT HOUSE, INC.,[1] Debtor.	Chapter 11 Case No. 25-12277 (LSS) **Ref. Docket No. 302**

NOTICE OF BLACKLINE OF SOLICITATION VERSION OF THE DISCLOSURE STATEMENT FOR THE CHAPTER 11 PLAN FOR SALT HOUSE, INC.

PLEASE TAKE NOTICE that on December 29, 2025, the above-captioned debtor and debtor in possession (the "**Debtor**") filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "**Court**").

PLEASE TAKE FURTHER NOTICE that on March 6, 2026, the Debtor filed the *Disclosure Statement for the Chapter 11 Plan for Salt House, Inc.* [Docket No. 259] with the Court.

PLEASE TAKE FURTHER NOTICE that on March 25, 2026, the Debtor filed the revised *Disclosure Statement for the Chapter 11 Plan for Salt House, Inc.* [Docket No. 291] (as may be amended, modified, or supplemented from time to time, the "**Disclosure Statement**") with the Court.

PLEASE TAKE FURTHER NOTICE that on March 27, 2026, the Court entered the *Order (A) Approving the Disclosure Statement on an Interim Basis; (B) Establishing Solicitation and Tabulation Procedures; (C) Approving the Forms of Ballots and Solicitation Materials; (D) Establishing the Voting Record Date; (E) Fixing the Date, Time, and Place for the Combined Confirmation Hearing and the Deadline for Filing Objections Thereto; and (F) Granting Related Relief* [Docket No. 301].

PLEASE TAKE FURTHER NOTICE that, on the date hereof, the Debtor filed the solicitation version of the Disclosure Statement [Docket No. 302] (the "**Solicitation Disclosure Statement**").

PLEASE TAKE FURTHER NOTICE that, for the convenience of the Court and other interested parties, a blackline comparing the Solicitation Disclosure Statement against the Disclosure Statement is attached hereto as **Exhibit A**.

[1] The Debtor in this chapter 11 case is Salt House, Inc. (f/k/a Food52, Inc.) and the last four digits of the Debtor's federal tax identification number are 2738. For the purpose of this chapter 11 case, the Debtor's service address is 1 Dock 72 Way, 13th Floor, Brooklyn, New York 11205.

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PLEASE TAKE FURTHER NOTICE that copies of the Disclosure Statement and all pleadings in this chapter 11 case are on file with the Clerk of the Court, Third Floor, 824 North Market Street, Wilmington, Delaware 19801 and are available on the Debtor's claims and noticing agent's website free of charge at https://www.veritaglobal.net/Food52.

Dated: March 27, 2026
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Andrew M. Lee

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EXHIBIT A

Blackline

~~THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN CONDITIONALLY APPROVED BY THE BANKRUPTCY COURT.~~

Solicitation Version

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SALT HOUSE, INC.,[1]	Case No. 25-12277 (LSS)
Debtor.	

DISCLOSURE STATEMENT FOR THE CHAPTER 11 PLAN FOR SALT HOUSE, INC.

Dated: March ~~25~~27, 2026

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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[1] The Debtor in this chapter 11 case is Salt House, Inc. (f/k/a Food52, Inc.) and the last four digits of the Debtor's federal tax identification number are 2738. For the purpose of this chapter 11 case, the Debtor's service address is 1 Dock 72 Way, 13th Floor, Brooklyn, New York 11205.

DISCLOSURE STATEMENT DATED MARCH ~~25~~27, 2026

* * *

All creditors are encouraged to read and carefully consider this Disclosure Statement, including the Plan, and the matters described under "Risk Factors" in Article XIV prior to submitting ballots in response to this solicitation. This Disclosure Statement is being delivered to you because you are the holder of, or have otherwise asserted, a Claim or Claims against, or Interests in, Salt House, Inc. (f/k/a Food52, Inc.) (the "Debtor" or the "Company"), as debtor and debtor-in-possession.

* * *

The Debtor believes that the *Chapter 11 Plan of Liquidation for Salt House, Inc.* (the "Plan") is in the best interests of creditors and other stakeholders.[2] All claimants entitled to vote thereon are urged to vote in favor of the Plan. A summary of the voting instructions is set forth in Article I.F.2. More detailed instructions are included in the ballots distributed to the creditors entitled to vote on the Plan. To be counted, your ballot must be duly completed, executed, and received by the Debtor's voting, notice, and claims agent, Kurtzman Carson Consultants, LLC dba Verita Global ("Verita" or the "Notice and Claims Agent") by 4:00 p.m. (ET) on ~~April 29~~May 6, 2026 (the "Voting Deadline"), unless extended.

* * *

All of the projected recoveries to creditors set forth herein are based upon the analysis performed by the Debtor and its professionals. Although the Debtor has made every effort to verify the accuracy of the information presented herein and in the exhibits attached hereto, the Debtor cannot make any representations or warranties regarding the accuracy of the information.

* * *

Although the Debtor has made every effort to ensure that this summary provides adequate information with respect to the Plan, it does not purport to be complete and is qualified to the extent it does not set forth the entire text of the Plan. If there is any inconsistency between the Plan and any exhibits attached thereto or documents described therein and the summary of the Plan and such other documents contained in this Disclosure Statement, the Plan shall control. Accordingly, each Holder of a Claim or Interest should review the Plan in its entirety.

* * *

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

The Confirmation and the Effective Date of the proposed Plan are subject to material conditions precedent. *See* Article IX. There is no assurance that these conditions will be satisfied or waived.

* * *

The Plan contains release provisions and provides that all Holders of Claims who are sent a Ballot, with respect to Class 3 (General Unsecured Claims), or a Non-Voting Opt-Out Form, with respect to Class 1 (Secured Claims) and Class 2 (Other Priority Claims), will be Releasing Parties if they do not timely elect to opt-out of, or object to, the releases provided by the Plan.

* * *

No person is authorized by the Debtor in connection with the Plan or the solicitation of acceptances of the Plan to give any information or to make any representation other than as contained in this Disclosure Statement and the exhibits attached hereto or incorporated by reference or referred to herein. If such information or representation is given or made, it may not be relied upon as having been authorized by the Debtor. The Debtor will make available to Holders of Claims entitled to vote on the Plan such additional information as may be required by applicable law prior to the Voting Deadline.

* * *

The information contained in this Disclosure Statement, including the information regarding the history, businesses, and operations of the Debtor, the historical and projected financial information regarding the Debtor, and the liquidation analysis relating to the Debtor, is included for purposes of soliciting acceptances of the Plan, but, as to contested matters and adversary proceedings, is not to be construed as admissions or stipulations, but rather as statements made in settlement negotiations.

* * *

This Disclosure Statement contains forward-looking statements based primarily on the current expectations of the Debtor and projections about future events and financial trends affecting the financial condition of the Debtor. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions identify these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described below under the caption "Risk Factors" in Article XIV. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Disclosure Statement may not occur, and actual results could differ materially from those anticipated in the forward-looking statements. The Debtor does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

* * *

This Disclosure Statement has not been approved or disapproved by the Securities and Exchange Commission (the "**SEC**"), any state securities commission, any securities exchange or

association; nor has the SEC, any state securities commission, any securities exchange, or association passed upon the accuracy or adequacy of the statements contained herein.

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EXHIBITS

Exhibit A *Chapter 11 Plan of Liquidation for Salt House, Inc.*

Exhibit B Liquidation Analysis

I. OVERVIEW OF THE PLAN

RECOMMENDATION BY THE DEBTOR

It is the Debtor's opinion that Confirmation and implementation of the Plan is in the best interests of the Estate and the Debtor's creditors. Therefore, the Debtor recommends that all creditors whose votes are being solicited timely submit a ballot to **accept** the Plan.

A. Introduction

The following is a brief overview of certain material provisions of the Plan. This overview is qualified by reference to the provisions of the Plan, which is attached hereto as **Exhibit A**, and the exhibits thereto, as amended from time to time. In the event that any inconsistency or conflict exists between this Disclosure Statement and the Plan, the terms of the Plan shall control.

The requirements for Confirmation, including the vote of creditors entitled to vote on the Plan and certain of the statutory findings that must be made by the Bankruptcy Court for a chapter 11 plan to be confirmed, are set forth in Article I.F. Confirmation of the Plan and the occurrence of the Effective Date are subject to certain material conditions, which are summarized in Article IX. There is no assurance that these conditions will be satisfied or waived. At the Combined Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the applicable requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a chapter 11 plan are that the plan: (a) is accepted by the requisite holders of Claims or Interests in impaired classes under the plan; (b) is in the "best interests" of each holder of a Claim or Interest in each impaired class under the plan; (c) is feasible; and (d) complies with the applicable provisions of the Bankruptcy Code.

In this instance, only Holders of Claims in Class 3 (General Unsecured Claims) are entitled to vote to accept or reject the Plan. Class 4 (Subordinated Claims) and Class 5 (Interests) are Impaired and will not receive distributions under the Plan and are therefore deemed to reject the Plan. Class 1 (Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired and therefore presumed to accept the Plan.

B. The Plan

The Debtor filed for chapter 11 bankruptcy protection on December 29, 2025. The Debtor sold substantially all of its assets during the Chapter 11 Case for an aggregate purchase price of approximately $12,350,000 plus assumed liabilities, through (i) the sale of the Food52 assets to F52, LLC, as set forth in the Food52 Purchase Agreement, (ii) the sale of the Schoolhouse assets to Troy-CSL Lighting, Inc., as set forth in the Schoolhouse Purchase Agreement, and (iii) the sale of the Dansk assets to Form Portfolios LLC, as set forth in the Dansk Purchase Agreement. *See* Docket Nos. 210, 211, & 212.

The next phase of the Chapter 11 Case is the Confirmation and consummation of the Plan, pursuant to which the Debtor will liquidate and distribute its remaining assets, including the remaining proceeds from the Sales (the "**Sale Proceeds**"), in accordance with the priority

scheme set forth in the Bankruptcy Code. The Debtor's Estate currently holds approximately $5,830,075 in cash, after accounting for accrued and unpaid expenses, and holds various other assets, including, but not limited to, Retained Causes of Action.

The Plan provides for, among other things: (a) the payment of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Class 1 Secured Claims, and Allowed Class 2 Other Priority Claims in full, or otherwise renders such Claims Unimpaired, (b) the appointment of the Liquidating Trustee pursuant to the mechanics set forth in the Plan, and (c) the establishment of a Liquidating Trust to (i) administer Claims and liquidate and distribute the Liquidating Trust Assets to the Holders of Allowed Class 3 General Unsecured Claims and (ii) wind-down the Debtor.

As set forth in the Plan, the Liquidating Trust Assets will vest in and be transferred to the Liquidating Trust on the Effective Date and include: (a) the Effective Date Cash Amount; and (b) all other assets of the Debtor, including, but not limited to, (i) all tangible and intangible assets, including the Insurance Policies, (ii) the Retained Causes of Action, and (iii) the Debtor's books and records, including all documents, communications, and information of the Debtor, including, without limitation, such documents, communications, and information protected by the attorney-client privilege, the work-product privilege, and any other applicable evidentiary privileges.

The Holders of Allowed Class 3 General Unsecured Claims will be the beneficiaries of the Liquidating Trust and will receive their *pro rata* share of the Beneficial Trust Interests, which Beneficial Trust Interests will entitle the holders thereof to receive their *pro rata* share of the distributable proceeds from the Liquidation Trust Assets.

Holders of Class 4 Subordinated Claims and Class 5 Interests are not entitled to any recovery under the Plan.

A chapter 11 bankruptcy case permits a debtor to resolve its affairs and distribute the proceeds of its estate pursuant to a confirmed chapter 11 plan. To that end, the Debtor filed the Plan, the terms of which are more fully described herein, contemporaneously with the filing of this Disclosure Statement. The Plan contemplates a liquidation of the Debtor and its Estate and is therefore referred to as a "plan of liquidation." The primary objective of the Plan is to maximize the value of recoveries to Holders of Allowed Claims and to distribute all property of the Estate that is or becomes available for distribution in accordance with the Bankruptcy Code and Plan. The Debtor asserts that the Plan accomplishes this objective and is in the best interests of its Estate, and therefore seek to confirm the Plan.

The Plan classifies Holders of Claims or Interests according to the type and nature of the Holder's Claim or Interest, as more fully described below. The Plan designates the Classes of Claims against, and Interests in, the Debtor and specifies which Classes are (a) Impaired or Unimpaired by the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; or (c) presumed to accept or deemed to reject the Plan. Claims against the Debtor and Interests in the Debtor are classified in five separate Classes, as described herein.

C. The Adequacy of This Disclosure Statement

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

- the Plan, including a summary thereof, the procedures for voting on the Plan, and the projected recoveries thereunder (Article I hereof);
- the statutory requirements for confirming the Plan (Article I.F hereof);
- the Debtor's organizational structure, business operations, and financial obligations (Article II hereof);
- the events leading to the filing of this Chapter 11 Case (Article II.D hereof);
- the major events during this Chapter 11 Case, including significant pleadings filed during this Chapter 11 Case and certain relief granted by the Bankruptcy Court (Article III hereof);
- the classification and treatment of Claims or Interests under the Plan, including identification of the Holders of Claims entitled to vote on the Plan (Article IV hereof);
- the means for implementation of the Plan, the provisions governing distributions to certain Holders of Claims pursuant to the Plan, the procedures for resolving Disputed Claims, and other significant aspects of the Plan (Article V hereof);
- the injunction, releases, and exculpation contemplated by the Plan (Article X hereof);
- certain risk factors that Holders of Claims should consider before voting to accept or reject the Plan (Article XIV hereof); and
- certain United States federal income tax consequences of the Plan (Article XV hereof).

D. Summary of Classes and Treatment of Claims or Interests

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

a discussion of certain additional matters related to Administrative Claims and Priority Tax Claims, *see* Article II.A, C of the Plan.

Each amount designated in the table below as "Estimated Percentage Recovery" for each Class is the quotient of the estimated Cash or other Liquidating Trust Assets to be distributed to Holders of Allowed Claims in that Class, divided by the estimated aggregate amount of Allowed Claims in that Class. In determining those amounts, the Debtor has assumed that the Plan is consummated as described herein.

These calculations do not include any value attributed to recoveries by the Liquidating Trust on account of the Retained Causes of Action. The Debtor is not in a position to provide an estimated value for recoveries for the Retained Causes of Action due to the uncertainty and cost of litigation generally.

For a discussion of various factors that could materially affect the amount of the Liquidating Trust's assets to be distributed pursuant to the Plan, see Article XIV.

CLASS	CLAIM OR INTEREST	STATUS/ ENTITLED TO VOTE	ESTIMATED ALLOWED CLAIMS OR INTERESTS	ESTIMATED RECOVERY (%)
Class 1	Secured Claims	**Unimpaired** Presumed to Accept the Plan. Not Entitled to Vote.	$1,505,000	100%
Class 2	Other Priority Claims	**Unimpaired** Presumed to Accept the Plan. Not Entitled to Vote.	$0	100%
Class 3	General Unsecured Claims	**Impaired** Entitled to Vote.	$28,370,000[3]	

[3] The Debtor's estimated amount of General Unsecured Claims excludes contingent and unliquidated litigation claims and claims filed by the Sponsor on account of the $15 million SVB Unsecured Loan guarantee, which the underlying General Unsecured Claims are already included in the estimate. The estimated amount also does not fully account for lease rejection claims.

				2.6%[4]
Class 4	Subordinated Claims	**Impaired** Deemed to Reject the Plan. Not Entitled to Vote.	N/A	0%
Class 5	Interests	**Impaired** Deemed to Reject the Plan. Not Entitled to Vote.	N/A	0%

E. Solicitation Package

The package of materials (the "**Solicitation Package**") to be sent to the Holders of General Unsecured Claims in Class 3 will contain:

- a cover letter describing: (a) the contents of the Solicitation Package; (b) information about how to obtain access to, free of charge, the Plan, the Plan Supplement, this Disclosure Statement, and the order conditionally approving the Disclosure Statement and approving Plan voting tabulation procedures (the "**Disclosure Statement Order**"), together with the exhibits thereto, on the case administration website; and (c) information about how to obtain, free of charge, paper copies of, or a thumb drive containing, any of the documents included in the Solicitation Package;

- a letter from the Committee in support of the Plan;

- a notice of the Combined Confirmation Hearing;

- an appropriate form of ballot, instructions on how to complete the ballot, including the selection of the Release Opt-Out Election, and a pre-paid, preaddressed ballot return envelope and such other materials as the Bankruptcy Court may direct; and

- any supplemental documents filed with the Bankruptcy Court and any documents that the Bankruptcy Court orders to be included in the Solicitation Package.

[4] The projected recoveries for Class 3 General Unsecured Claims will be impacted by, among other things, the amount of General Unsecured Claims ultimately Allowed following the completion of the claims reconciliation process and the Liquidating Trust's expenses, among other things. Consequently, the projected recoveries listed herein are estimates, provided solely for informational purposes, and are subject to material change. The estimates set forth herein are solely based on the Cash anticipated to be available for Class 3 as of the Effective Date after accounting for wind-down costs and estimated professional fees, and could materially change based on the Committee's potential challenges to Secured Claims and any recovery the Liquidating Trustee obtains through the prosecution of Retained Causes of Action, among other things.

Holders of Claims or Interests in Classes 1 and 2 will receive the Non-Voting Opt-Out Form and a pre-paid, preaddressed return envelope and such other materials as the Bankruptcy Court may direct.

Holders of Claims or Interests 4 and 5 will receive a notice informing such Holders that they are not entitled to vote under the terms of the Plan.

The Debtor will cause the Notice and Claims Agent to complete the distribution of the Solicitation Packages to Holders of Claims in the Voting Class on or before three Business Days after entry of the Disclosure Statement Order.

The Solicitation Package may also be obtained free of charge from Verita, the Debtor's Notice and Claims Agent by: (1) visiting https://www.veritaglobal.net/food52; (2) submitting an email via the Notice and Claims Agent's website at https://www.veritaglobal.net/food52/inquiry; or (3) calling 866-967-1780 (U.S./Canada) or +1 310-751-2680 (International).

F. Voting and Confirmation of the Plan

Subject to entry of the Disclosure Statement Order by the Bankruptcy Court, the Disclosure Statement Order will, among other things, (1) conditionally approve this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code and (2) establish Plan voting tabulation procedures, which include certain vote tabulation rules that temporarily allow or disallow Claims for voting purposes (the "**Tabulation Rules**") pursuant to section 502 of the Bankruptcy Code and Bankruptcy Rule 3018.

1. Certain Factors to be Considered Prior to Voting

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

- the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement;
- although the Debtor asserts that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtor can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan; and
- any delays of either Confirmation or consummation could result in, among other things, increased Administrative Claims or Professional Fee Claims that would likely reduce the recoveries to the Holders of Claims.

2. Voting Procedures and Requirements

Pursuant to the Bankruptcy Code, only classes of claims against or equity interests in a debtor that are "impaired" under the terms of a plan of liquidation or reorganization are entitled to vote to accept or reject a plan. A class is "impaired" if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified, other than by curing defaults and reinstating maturity.

Classes of Claims or Interests that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes of Claims or Interests that will not receive distributions under the Plan are not entitled to vote on the Plan and are deemed to have rejected the Plan. The classification of Claims or Interests is summarized, together with an indication of whether each Class of Claims or Interests is impaired or unimpaired, in Article I.D above. **March 20, 2026** shall serve as the voting record date for purposes of determining which Holders of Filed or scheduled Claims in Class 3 are entitled to receive a Solicitation Package.

Voting on the Plan by the Holders of Claims in Class 3 is important. Please carefully follow all of the instructions contained on the ballot(s) provided to you. All ballots must be completed and returned in accordance with the instructions provided. To be counted, each ballot must be:

(1) received by the Voting Deadline of 4:00 p.m. (ET) on ~~April 29~~May 6, 2026 at the address set forth on the preaddressed envelope provided to you, or

(2) submitted electronically via the Notice and Claims Agent's e-ballot portal https://eballot.veritaglobal.net/food52 by the Voting Deadline.

If you are entitled to vote and you did not receive a ballot, received a damaged ballot, or lost your ballot, please call the Notice and Claims Agent, at 866-967-1780 (U.S./Canada) or +1 310-751-2680 (International) or submit an email via the Notice and Claims Agent's website at https://www.veritaglobal.net/food52/inquiry. This Disclosure Statement, the Plan, and all of the related exhibits and schedules, including the Plan Supplement, are also available, without charge at https://www.veritaglobal.net/food52.

Ballots cannot be transmitted orally, by email or by facsimile. Accordingly, you are urged to return your signed and completed ballot, by hand delivery, overnight service, regular U.S. mail, or electronically via the Notice and Claims Agent's e-ballot portal https://eballot.veritaglobal.net/food52 promptly, so that it is received by the Notice and Claims Agent before the Voting Deadline.

A vote may be designated (*i.e.*, disregarded) if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not made or solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Under the Bankruptcy Code, the Plan will be "accepted" by a voting Class if (excluding insiders) at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Claims in such voting Class that cast Ballots to accept or reject the Plan vote in favor of the Plan.

3. Plan Objection Deadline

The deadline to file objections to the Confirmation of the Plan or final approval of the adequacy of the disclosures contained in this Disclosure Statement, if any ("**Confirmation Objections**"), is ~~**April 29**~~**May 6, 2026, at 4:00 p.m. (ET)** (the "**Objection Deadline**"). All Confirmation Objections must be in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount of the Claim or Interest held by the objector. Any Confirmation Objection must be filed with the Bankruptcy Court and served on the following parties in accordance with the Disclosure Statement Order on or before the Objection Deadline: (a) counsel to the Debtor, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Michael R. Nestor, Esq. (mnestor@ycst.com), Kara Hammond Coyle, Esq. (kcoyle@ycst.com), Elizabeth S. Justison, Esq. (ejustison@ycst.com), and Andrew M. Lee, Esq. (alee@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Benjamin A. Hackman (benjamin.a.hackman@usdoj.gov); and (c) counsel to the Committee, Robinson & Cole LLP, 1650 Market Street Suite 3030, Philadelphia, Pennsylvania 19103, Attn: Rachel Jaffe Mauceri, Esq. (rmauceri@rc.com), Jamie L. Edmonson, Esq. (JEdmonson@rc.com), and Evan M. Lazerowitz, Esq. (ELazerowitz@rc.com).

4. Combined Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan. The Bankruptcy Court entered the Disclosure Statement Order, which, among other things, scheduled a Combined Confirmation Hearing to consider confirmation of the Plan and final approval of the adequacy of the disclosures contained in this Disclosure Statement. The Combined Confirmation Hearing will commence on **May 19, 2026, at 11:00 a.m. (ET)**, before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, at the United States Court for the District of Delaware, 824 N. Market St, Sixth Floor, Courtroom No. 2, Wilmington, Delaware 19801.

The Combined Confirmation 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 Confirmation Objections, without further notice to other parties in interest. The Bankruptcy Court, in its discretion and before the Combined Confirmation Hearing, may put in place additional procedures governing the Combined Confirmation Hearing. The Plan may be modified in accordance with its terms, if necessary, before, during or as a result of the Combined Confirmation Hearing, without further notice to parties in interest.

5. Confirmation

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of findings concerning the Plan and the Debtor, including that:[5]

- the Plan has classified Claims and Interests in a permissible manner;
- the Plan complies with the applicable provisions of the Bankruptcy Code;
- the Debtor has complied with the applicable provisions of the Bankruptcy Code;
- the Debtor, as proponent of the Plan, has proposed the Plan in good faith and not by any means forbidden by law;
- the disclosures required by section 1125 of the Bankruptcy Code have been made;
- the Plan has been accepted by the requisite votes, except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code, of creditors and equity interest holders, and the Plan is feasible;
- all Statutory Fees due and owing have been paid, or the Plan provides for the payment thereof, on the Effective Date; and
- the Plan is in the "best interests" of all Holders of Claims or Interests in an impaired Class by providing to those Holders on account of their Claims or Interests property of a value, as of the Effective Date, that is not less than the amount that each Holder would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim or Interest in that Class has accepted the Plan.

6. Acceptance

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

7. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor (unless liquidation or reorganization is proposed in the plan).

Because the Plan proposes a liquidation of all of the Debtor's assets remaining after the closing of the Sales, for purposes of this test, the Debtor has analyzed the ability of the Liquidating Trustee to meet its obligations under the Plan. Based on the Debtor's analysis,

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

including the information contained in **Exhibit B** regarding recoveries available to Holders of Allowed Claims under the Plan, the Liquidating Trustee will have sufficient assets to accomplish its tasks under the Plan. Therefore, the Debtor believes that its liquidation pursuant to the Plan will meet the feasibility requirements of the Bankruptcy Code.

8. Best Interests Test; Liquidation Analysis

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

Because the Plan proposes a liquidation of all the Debtor's assets, the Debtor has analyzed factors that will impact recoveries (the "**Recoveries**") available to creditors in each scenario. These factors include, but are not necessarily limited to, professional fees and expenses, asset disposition expenses, applicable taxes, potential Claims arising during the pendency of the Chapter 11 Case or a chapter 7 case and trustee fees and expenses.

The information contained in **Exhibit B** hereto provides a summary of the Recoveries under the Plan and in a chapter 7 liquidation.

In summary, the Debtor has determined that a chapter 7 liquidation would result in diminution in the Recoveries to be realized by Holders of Allowed Claims, as compared to the proposed distributions under the Plan. Consequently, the Debtor has determined that the Plan will provide a greater ultimate return to Holders of Allowed Claims than would a chapter 7 liquidation of the Debtor.

9. Alternatives to Confirmation and Consummation of the Plan

The Debtor evaluated alternatives to the Plan, including alternative structures and terms of the Plan. While the Debtor concluded that the Plan is the best alternative and will maximize recoveries to Holders of Allowed Claims, if the Plan is not confirmed, the Debtor, or (subject to the Debtor's exclusive periods under the Bankruptcy Code to file and solicit acceptances of a plan or plans) any other party in interest in the Chapter 11 Case, could attempt to formulate and propose a different plan. Further, if no plan under chapter 11 of the Bankruptcy Code can be confirmed, the Chapter 11 Case may be converted to chapter 7 cases. In liquidation cases under chapter 7 of the Bankruptcy Code, a trustee would be appointed to liquidate the remaining assets of the Debtor and distribute proceeds to creditors. The proceeds of the liquidation would be distributed to the respective creditors of the Debtor in accordance with the priorities established by the Bankruptcy Code. For further discussion of the potential impact on the Debtor of the conversion of the Chapter 11 Case to chapter 7 liquidation, see Article XIV.A of this Disclosure Statement. The Debtor has determined that Confirmation and consummation of the Plan is preferable to the available alternatives.

II. HISTORY OF THE DEBTOR

An overview of the Debtor's history is set forth below. Additional information regarding the Debtor's businesses, capital structure, and the circumstances leading to the filing of the Chapter 11 Case is set forth in the *Declaration of Erika Badan in Support of Chapter 11 Petition and First Day Motions* (the "**First Day Declaration**") [Docket No. 2], available at https://www.veritaglobal.net/food52.

A. Background

The Company was founded in in 2009 by Amanda Hesser—a former New York Times food editor—and Merrill Stubbs—a writer and entrepreneur—as a digital-first food community, centered on cooking, recipes, and storytelling, with a mission of bringing home cooks together to exchange recipes, support each other in the kitchen, and celebrate food as the center of a well-lived life, 52 weeks a year. In 2013, the Company launched an e-commerce shop under the Food52.com domain, where users can browse through products for sale and click on links to related topics including articles and recipes. In 2019, the Sponsor, a private equity firm, acquired a majority stake in the Company for $83 million. Over the next few years, with over $100 million in additional funding from the Sponsor as well as over $20 million in debt financing, the Company started to develop its own private label products and later acquired two additional home goods brands—Schoolhouse and Dansk Designs.

Prior to the Sales, the Company operated three distinct brands: Food52; Schoolhouse; and Dansk Designs. Food52 is a media and commerce platform that unites food, home, and lifestyle through content, community, and curated products, reaching a monthly audience of approximately 37 million. Schoolhouse is an American lighting and specialty retail brand based in Portland, Oregon that sells heirloom-quality home goods, including lighting, furniture, hardware, décor, and home textiles. Dansk Designs is an American cookware and tabletop brand, inspired by Danish designs.

In the months prior to the Petition Date, the Company employed approximately 100 employees. However, due to the cash sweep described below, the Company terminated approximately 80 employees prior to the Petition Date. As of the Petition Date, the Company operated out of two (2) leased spaces, one in Brooklyn, New York and the other in Portland, Oregon. Three (3) of the Company's remaining employees were employed in Portland and the rest of the remaining employees were employed either New York or worked remotely. The Company has since rejected the leases for both locations, *see* Docket No. 230*,* and the Company terminated its remaining employees following the closing of the Sales.

B. Organizational Structure

The Company is a privately-held Delaware corporation that was formed in 2009. As of the Petition Date, the Sponsor's affiliates owned approximately 73% of the Company's stock on a fully diluted basis. The Company had approximately 78 other stockholders, none of whom hold an interest of 10% or more. The Company has one subsidiary— F52 Flatiron, LLC—which is a dormant entity with no assets.

C. Prepetition Capital Structure

At the commencement of this Chapter 11 Case, the Debtor's secured funded debt obligations totaled approximately $1,916,000, consisting of (i) approximately $411,000 owed to Avidbank ("**Avid**") pursuant to that certain *Loan and Security Agreement*, dated April 12, 2021 (as amended from time to time, the "**Avid Loan Agreement**"), by and between the Debtor and Avid, and (ii) approximately $1,505,000 owed to the Prepetition Noteholders,[6] pursuant to that certain *Secured Promissory Note*, dated December 22, 2025 (the "**Prepetition Note**"), by and between the Debtor and the Prepetition Noteholders. The Debtor also had unsecured debt, including a $15 million term loan from Silicon Valley Bank ("**SVB**" and, such loan, the "**SVB Unsecured Loan**"), guaranteed by the Sponsor, and other obligations incurred in the ordinary course of the Debtor's business.

a. *Avid Loan Agreement*

As noted above, the Debtor entered into the Avid Loan Agreement with Avid on April 12, 2021, pursuant to which Avid agreed to provide funding to the Debtor in an aggregate amount of up to $14 million for general working capital purposes, up to $5.25 million of which could be used in connection with the acquisition of Dansk Designs. The loans under the Avid Loan Agreement (collectively, the "**Avid Secured Loans**") were secured by a first priority lien on substantially all of the Debtor's assets and included (i) a revolving credit facility of up to $5 million, and (ii) a term loan facility of up to $8.5 million, which could be increased to $10.5 million upon the completion of certain performance milestones. The Avid Loan Agreement was amended various times, pursuant to which Avid consented to the acquisition of Schoolhouse, waived certain various events of default, and decreased the aggregate borrowing limit to $12,583,300, among other things.

On December 15, 2025, Avid sent the Debtor a letter informing it of purported defaults under the Avid Loan Agreement and its election to exercise remedies and, within hours, swept substantially all of the Debtor's cash from its bank accounts at Avid. Over the following days, Avid continued to credit and debit the Debtor's accounts sitting at Avid, reversing then reinstating wires previously initiated, all of which resulted in a chaotic scramble and confusion regarding the cash available to the Debtor. Ultimately, these actions reduced the balance of the Avid Secured Loans to approximately $411,000 as of the Petition Date from approximately $6.3 million on December 12, 2025.

In accordance with the interim order approving the DIP Financing [Docket No. 41] (the "**Interim DIP Order**"), the Debtor paid Avid's secured Claim in full. The Debtor does not believe it has any further obligations to Avid. As discussed herein, the Debtor may have Claims against Avid with respect to its pre-petition conduct, including the cash sweep.

[6] "**Prepetition Noteholders**" means, collectively, TCG 2.0 Food52, LLC and TCG 3.0 Food52, LLC.

b. ***Prepetition Note***

After the cash in the Debtor's bank accounts at Avid was swept on December 15, 2025, the Prepetition Noteholders provided emergency funding to the Debtor on December 22, 2025, to allow the Debtor to negotiate a value-maximizing transaction with F52, LLC, prepare the Chapter 11 Case, and pay certain taxes. As of the Petition Date, the outstanding principal balance under the Prepetition Note was $1,505,000, and the Prepetition Note was secured by a second priority lien on substantially all of the Debtor's assets.

c. ***Unsecured Indebtedness***

On August 18, 2022, the Debtor entered into that certain *Loan Agreement*, by and between the Debtor and SVB, pursuant to which SVB agreed to provide unsecured funding to the Debtor in the principal amount of $15 million. The guaranteed claim related to the SVB Unsecured Loan was paid in full by the Sponsor, and the Sponsor has filed a Proof of Claim reflecting such payment.

The Debtor has additional unsecured debt obligations, including amounts owed to third-party trade vendors, landlords, contract counterparties, former employees, and other similar parties in the aggregate amount of approximately $11.57 million.

For the avoidance of doubt, the Debtor and Liquidating Trustee, as applicable, reserve all rights to contest the validity and amount of any purported secured or unsecured indebtedness.

D. Circumstances Giving Rise to the Chapter 11 Case

1. **General Background**

As discussed in the First Day Declaration, the Company grew exponentially between 2013 and 2022 and, during this time, launched a myriad of products, features, and businesses. It also built its own custom technology platform. The Company benefitted from the COVID boom, and saw an immense increase in consumer demand as people spent more time at home and had more time to invest in home and food products and activities. During this time, the Company deployed extensive capital on numerous, diverse initiatives to drive growth and capitalize on consumer demand. It also found itself managing three distinct brands with few synergies, four business models with unique challenges, and two offices 3,000 miles apart. Like other companies in the home and retail space, the Company was not immune to the post-COVID downturn. The pivot from growth-at-all-costs to a model of responsible, profitable growth proved elusive to achieve. During this time, the Company also faced ongoing executive changes, strategy changes, and staff turnover across the brands.

In April 2024, the Company appointed Erika Badan as Chief Executive Officer ("**CEO**"). After her appointment as CEO, the Company continued to operate Food52, Schoolhouse, and Dansk Designs as three distinct brands and businesses. During Ms. Badan's tenure, the Company was able to make significant progress in curating the Schoolhouse assortment, growing demand in new parts of the country, elevating staff and systems, and improving the Company's

supply chain network. The Company was also successful growing content, building social media presence, and integrating blue-chip brand partners into its content and marketing experiences.

Notwithstanding those efforts, the Company continued to be burdened by high fixed operational costs, unfavorable legacy contracts, outdated technology, and lack of scalable systems. The Company also took on the responsibility and challenge of amplifying its distinction in design and content, simplifying the Company's operations, streamlining costs, and expanding margin. The Company's mission was to be on a path to profitability by late 2025 or early 2026, and the Company was making steady progress towards that goal, despite a host of external and internal challenges including tariffs, changes in warehousing and fulfillment partners, significant overhead costs, legacy technology and finance issues, burdensome contracts, challenges with alignment in culture and brands, and a limited amount of time and resources to do so.

2. The Debtor's Pre-Petition Sale Process

In the summer of 2025, the Company, at the direction of its board of directors (the "**Board**"), began to consider strategic alternatives to raise additional capital, including fundraising efforts or a potential sale of one or more business segments. Additionally, in August 2025, the Sponsor committed to an incremental equity investment in the Company to bridge a sale process. In September 2025, the Company engaged Core Advisors LLC ("**Core Advisors**") as its investment banker to solicit interest from potential strategic purchasers, and Buchbinder & Co. LLC ("**Buchbinder**") was engaged as an additional investment banker to solicit interest from special situations investors.[7]

Over the next few months, Core Advisors solicited interest from 135 prospective strategic and financial buyers, and Buchbinder contacted approximately 76 credit funds, special situations groups, and private equity funds, resulting in total outreach to 211 parties. Core Advisors circulated a detailed "teaser" and description of the opportunity to acquire the Company's assets to prospective purchasers. Ultimately, 35 parties signed nondisclosure agreements with the Company and were provided access to the data room, including 27 parties from Core Advisors' outreach and 8 parties from Buchbinder's outreach. Those parties were notified of the December 10, 2025 deadline to submit interest ("**IOIs**"). On December 11, 2025, the Company received six IOIs from prospective purchasers, with a seventh IOI submitted on December 15, 2025.

3. Cash Sweep

On Monday, December 15, 2025, with no forewarning to the Company, Avid swept substantially all of the Company's cash, which was sitting at bank accounts maintained at Avid. This included the reversal of employee payroll and benefits, as well as sweeping funds held in

[7] Buchbinder's engagement was terminated pre-petition and, as of the Petition Date, Core Advisors is the Debtor's only investment banker.

trust to be remitted to the federal government.[8] Despite the Company's immediate request for the return of its cash, Avid ultimately only authorized the return of cash to cover employee payroll and 90% of the health insurance premiums. Avid debited and credited the Company's account on an hourly basis for the next few days, making it virtually impossible for the Company to determine its cash balance.

Avid's actions had significant and far-reaching consequences, necessitating the immediate termination of the majority of the Company's employees during the holidays with no notice, while asking the Company's few remaining employees to work around the clock to keep the Company in business. The Company went from operating in the ordinary course with six IOIs in hand and a capital commitment from the Sponsor on December 12, 2025, to a $0 account balance at Avid and lack of clarity on the remaining committed capital by December 15, 2025. The Estate may have claims against Avid with respect to its pre-petition conduct, including the cash sweep.

4. Chapter 11 Preparations

After the cash sweep by Avid, the Company and its advisors immediately pivoted, working around the clock to identify any solution that could preserve the Company—or any segment thereof—as a going concern and potentially save jobs and vendor relationships. Core Advisors immediately reached out to five of the parties who submitted IOIs, and informed them that any actionable bid would need to include financing to fund the Company's operations through the closing of a sale transaction on an expedited timeline. The Company also contacted various third-party liquidators regarding the immediate liquidation of inventory as well as the potential sale of certain receivables in exchange up front cash. Ultimately, only one party—F52, LLC—submitted an actionable bid for the Company's assets.

With no other options, and almost no liquidity whatsoever, the Board determined that it was in the Company's best interest to execute an asset purchase agreement (the "**Stalking Horse Agreement**") and DIP term sheet (the "**DIP Term Sheet**") with F52, LLC (in its capacity as lender under the DIP Term Sheet, the "**DIP Lender**") and to commence a sale process pursuant to section 363 of the Bankruptcy Code, consistent with the milestones set forth in the DIP Term Sheet. The DIP Lender's proposal included DIP financing ("**DIP Financing**") in the amount of $3.42 million, $1.92 million of which would be made available on an interim basis.

With the DIP Lender's offer in hand, on December 22, 2025, the Company was able to obtain the $1.505 million bridge loan from the Prepetition Noteholders—through the Prepetition Note—to provide the Company with funding to engage additional restructuring professionals, negotiate the Stalking Horse Agreement and DIP Term Sheet with the DIP Lender and prepare the Chapter 11 Case. The Company retained MERU, LLC as its financial advisor on December 18, 2025, and retained Young Conaway Stargatt & Taylor, LLP ("**Young Conaway**") as its restructuring counsel on December 22, 2025.

[8] The Debtor subsequently paid these taxes with the proceeds of the Prepetition Note.

III. THE CHAPTER 11 CASE

On December 29, 2025, the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code in the Bankruptcy Court under the caption *In re Food52, Inc.*, Case No. 25-12277 (LSS). Upon the commencement of the Chapter 11 Case, the automatic stay set forth in the Bankruptcy Code enjoined the commencement or continuation of all collection efforts by creditors and the enforcement of liens against property of the Debtor, with limited exceptions.

A. First Day Motions and Orders

On the Petition Date, the Debtor Filed certain "first day" motions and applications with the Bankruptcy Court seeking certain immediate relief to aid in the efficient administration of the Chapter 11 Case, and to facilitate the Debtor's transition to debtor-in-possession status. The Bankruptcy Court held hearings on these first-day motions, and entered a series of customary orders in connection therewith, including the following:

- *Debtor's Application for Entry of an Order Appointing Kurtzman Carson Consultants, LLC dba Verita Global as Claims and Noticing Agent, Effective as of the Petition Date* [Docket No. 3], which was approved by the Bankruptcy Court on December 31, 2025 [Docket No. 32];

- *Debtor's Motion for Interim and Final Orders (I) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Utility Services, (II) Deeming Utility Companies Adequately Assured of Future Payment, (III) Establishing Procedures for Determining Additional Adequate Assurance of Payment, and (IV) Setting a Final Hearing Related Thereto* [Docket No. 4], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 34] and on a final basis on January 21, 2026 [Docket No. 118];

- *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Pay Certain Prepetition Taxes and Fees and Related Obligations, (II) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* [Docket No. 5], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 33] and on a final basis on January 21, 2026 [Docket No. 117];

- *Debtor's Motion for Interim and Final Orders (I) Authorizing Payment of Prepetition Obligations Incurred in the Ordinary Course of Business in Connection with the Debtor's Insurance Programs, Including Payment of Policy Premiums and Broker Fees; (II) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief* [Docket No. 6], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 35] and on a final basis on January 21, 2026 [Docket No. 125];

- *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Pay and Honor Certain (A) Prepetition Wages, Benefits, and Other Compensation Obligations; (B) Prepetition Employee Business Expenses; and (C) Workers' Compensation Obligations; (II) Authorizing Banks to Honor and Process Checks and Transfers Related to Such Obligations; and (III) Granting Related Relief* [Docket No. 7], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 37] and on a final basis on January 21, 2026 [Docket No. 119];

- *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Pay Prepetition Claims of Certain (A) Critical Vendors, (B) 503(b)(9) Claimants, and (C) Lien Claimants; (II) Confirming Administrative Expense Priority of Outstanding Orders; (III) Authorizing Banks to Honor and Process Checks and Transfers Related to Such Obligations; and (IV) Granting Related Relief* [Docket No. 8], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 38] and on a final basis on January 21, 2026 [Docket No. 126];

- *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing and Approving Continued Use of Cash Management System, (II) Authorizing Use of Prepetition Bank Accounts and Business Forms, (III) Waiving Certain Operating Guidelines and Suspending the Time to Comply with Section 345(b) of the Bankruptcy Code, and (IV) Granting Certain Related Relief* [Docket No. 9], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 36] and on a final basis on January 21, 2026 [Docket No. 127]; and

- *Debtor's Motion for Entry of Interim and Final Orders (I) (A) Authorizing Continuation of, and Payment of Prepetition Amounts Incurred in Connection with, Customer Programs and (B) Authorizing Banks to Honor and Process Checks and Electronic Transfer Requests Related Thereto, and (II) Granting Related Relief* [Docket No. 10], which was approved by the Bankruptcy Court on an interim basis on December 31, 2025 [Docket No. 42] and on a final basis on January 21, 2026 [Docket No. 120].

B. Post-Petition DIP Financing

As discussed above, to commence the Chapter 11 Case and to continue the Debtor's sale process, the Debtor required an immediate infusion of new liquidity. Accordingly, the Debtor negotiated and reached agreement on the terms of the DIP Financing to be provided by the DIP Lender, consisting of a non- amortizing, priming, secured term loan facility in an aggregate principal amount not to exceed $3,420,000, consisting of up to $3,420,000 in term loan commitments (the **"DIP Commitments**"). $1.92 million of the DIP Commitments was made available to the Debtor following the Bankruptcy Court's entry of the Interim DIP Order, and the remaining balance was made available following the Bankruptcy Court's entry of a final order approving the DIP Financing [Docket No.134] (together with the Interim DIP Order, the "**DIP Orders**") on January 22, 2026.

The DIP Financing was secured by a priming first lien security interest on all property and assets (or interests therein) of the Debtor's Estate. F52, LLC's purchase price of the Food52 assets under the Food52 Purchase Agreement consisted of a credit bid of all amounts owed under the DIP Facility along with additional cash. Accordingly, the DIP Commitments were satisfied in full as of the closing of the Food52 Sale.

C. The Debtor's Post-Petition Sale Process and Related Motions

On January 12, 2026, the Bankruptcy Court entered an order [Docket No. 80] (the "**Bid Procedures Order**") approving certain bidding procedures to govern the sale process**,** including the solicitation of competing bidders to participate in an auction **(**the "**Auction**") in accordance with the Bid Procedures Order, which enabled the Debtor to obtain the highest or otherwise best offers for the assets, thereby maximizing the value of the assets for the benefit of the Debtor's Estate and creditors. The Bid Procedures Order scheduled the Auction for February 5, 2026, at 10:00 a.m. (ET).

As stated above, Core Advisors undertook an extensive pre-petition marketing process. Following the Petition Date, Core Advisors continued to market the Debtor's assets, both in whole, by business, or any combination thereof, preserving flexibility to maximize value for the Debtor's Estate. Core Advisors engaged with 48 parties post petition, including 20 potential bidders from Core Advisors' pre-petition process and 28 new potential bidders. Core Advisors provided data room access to 33 potential bidders, processed diligence requests from 18 potential bidders, facilitated 16 management meetings, and coordinated meetings between potential bidders and Young Conaway. Ultimately, in addition to the Stalking Horse Bidder, the Debtor received seven (7) qualified bids for either substantially all of the assets or individual businesses from: (i) Static Media Inc.; (ii) Jonathan Y Designs, Inc.; (iii) Studio Tigress LLC; (iv) Form Portfolios LLC; (v) Troy-CSL Lighting, Inc.; (vi) SH Operations, LLC; and (vii) Morning Bell, LLC. Jonathan Y Designs, Inc. later withdrew its qualified bid following pricing discussions with the Debtor's consent.

After multiple rounds of bidding at the Auction, the Debtor ultimately selected (i) F52, LLC as the successful bidder for the Food52 assets subject to the Food52 Purchase Agreement, (ii) Troy-CSL Lighting, Inc. as the successful bidder for the Schoolhouse assets subject to the Schoolhouse Purchase Agreement, and (iii) Form Portfolios LLC as the successful bidder for the Dansk assets subject to the Dansk Purchase Agreement. The total combined closing consideration provided by the three successful bids was $12.35 million plus the assumption of certain liabilities, reflecting more than a 90% increase in value over the Stalking Horse Bid.

On February 11, 2026, the Bankruptcy Court entered orders [Docket Nos. 210, 211, & 212], approving and authorizing the Debtor's entry into the Food52 Purchase Agreement, the Schoolhouse Purchase Agreement, and the Dansk Purchase Agreement, respectively. The Debtor closed on the Sales on February 13, 2026 [Docket No. 215].

D. Other Procedural and Administrative Motions

Subsequent to the Petition Date, the Debtor also Filed a number of customary motions and applications to (i) retain professionals, (ii) further facilitate the smooth and efficient administration of the Chapter 11 Case, and (iii) reduce the administrative burdens associated herewith, including:

- **Retention Applications**. On January 16, 2026, the Debtor Filed the *Debtor's Application for Entry of an Order Authorizing the Retention and Employment of Kurtzman Carson Consultants, LLC dba Verita Global as Administrative Advisor to the Debtor, Effective as of the Petition Date* [Docket No. 97], which was approved by the Bankruptcy Court on February 4, 2026 [Docket No. 176].

  On January 16, 2026, the Debtor Filed the *Debtor's Application for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Counsel for the Debtor, Effective as of the Petition Date* [Docket No. 98], which was approved by the Bankruptcy Court on February 4, 2026 [Docket No. 177].

  On January 16, 2026, the Debtor Filed the *Debtor's Application for Entry of an Order (I) Authorizing the Retention and Employment of Core Advisors LLC as Investment Banker to the Debtor as of the Petition Date and (II) Modifying Certain Information Requirements of Del. Bankr. L.R. 2016-1* [Docket No. 102], which was approved by the Bankruptcy Court on February 4, 2026 [Docket No. 178].

  On January 16, 2026, the Debtor Filed the *Debtor's Application for Entry of an Order Authorizing the Retention and Employment of MERU, LLC as Financial Advisor for the Debtor Effective as of the Petition Date* [Docket No. 103], which was approved by the Bankruptcy Court on February 4, 2026 [Docket No. 129].

- **Lease and Contract Rejection Motions**. On the Petition Date, the Debtor Filed the *Debtor's First (1st) Omnibus Motion for Entry of an Order Authorizing (I) Rejection of Certain Executory Contracts, Effective as of the Petition Date; (II) and Granting Related Relief* [Docket No. 44], which was approved for certain agreements by the Bankruptcy Court on January 21, 2026 [Docket No. 121] and on February 9, 2026 [Docket No. 205].

  On January 2, 2026, the Debtor Filed the *Debtor's Motion for Entry of an Order Authorizing (I) Rejection of Contract, Effective as of the Petition Date; and (II) Granting Related Relief* [Docket No. 47], which was approved by the Bankruptcy Court on January 21, 2026 [Docket No. 121].

  On January 30, 2026, the Debtor Filed the *Debtor's Second (2nd) Omnibus Motion for Entry of an Order Authorizing (I)Rejection of Certain Unexpired Leases of Nonresidential Real Property and Executory Contracts, Effective as of the Rejection Date; (II) Abandonment of Certain Remaining Personal Property Located at the Leased Premises; and (III) Granting Related Relief* [Docket No.

161], which was approved by the Bankruptcy Court on February 24, 2026 [Docket No. 230].

On February 16, 2026, the Debtor Filed the *Debtor's Third (3rd) Omnibus Motion for Entry of an Order Authorizing (I) Rejection of Certain Executory Contracts, Effective as of February 16, 2026, and (II) Granting Related Relief* [Docket No. 217], which was approved by the Bankruptcy Court on March 9, 2026 [Docket No. 261].

On February 27, 2026, the Debtor File the *Debtor's Fourth (4th) Omnibus Motion for Entry of an Order Authorizing (I) Rejection of Certain Executory Contracts, Effective as of February 28, 2026, and (II) Granting Related Relief* [Docket No. 286], which was approved by the Bankruptcy Court on March 17, 2026 [Docket No. 274].

On March 23, 2026, the Debtor File the *Debtor's Fifth (5th) Omnibus Motion for Entry of an Order Authorizing (I) Rejection of Certain Executory Contracts, Effective as of March 23, 2026, and (II) Granting Related Relief* [Docket No. 243], ~~which was approved by the Bankruptcy Court on [•], 2026 [Docket No. [•]].~~and the objection deadline is April 6, 2026 at 4:00 p.m. (ET).

- **Ordinary Course Professionals**. On January 8, 2026, the Debtor Filed the *Debtor's Motion for an Order Authorizing the Debtor to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtor in the Ordinary Course of Business* [Docket No. 63], which was approved by the Bankruptcy Court on January 21, 2026 [Docket No. 123].

- **Interim Compensation Motion**. On January 27, 2026, the Debtor Filed the *Debtor's Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals* [Docket No. 147], which was approved by the Bankruptcy Court on February 9, 2026 [Docket No. 198].

E. Appointment of the Official Committee of General Unsecured Creditors

On January 8, 2026, the U.S. Trustee appointed the following members to the Committee in the Chapter 11 Case: (a) Target Lighting/Thrive Value; (b) Janel Group; (c) Bradshaw International Holdings Hong Kong Ltd.; (d) Pendleton Woolen Mills, Inc.; (e) Raj Overseas; (f) Obeetee Inc.; and (g) VistaVu Solutions Ltd. *See* Docket No. 61. Thereafter, each of Target Lighting/Thrive Value and Raj Overseas resigned from the Committee. On February 4, 2026, the U.S. Trustee reconstituted the Committee to reflect the resignations of Target Lighting/Thrive Value and Raj Overseas. *See* Docket No. 181.

On January 9, 2026 the Committee retained Robinson & Cole LLP as its counsel and on January 16, 2026, the Committee retained Dundon Advisers as its financial advisor. The Bankruptcy Court has authorized both engagements. *See* Docket Nos. 247 & 264.

F. Schedules and Bar Dates

On January 26, 2026, the Debtor filed its Schedules of Assets and Liabilities and Statement of Financial Affairs [Docket Nos. 141& 142] (the "**Schedules and SOFAs**"). Certain of the Schedules and SOFAs were subsequently amended on February 24, 2026. *See* Docket No. 232.

On January 27, 2026, the Debtor Filed a motion [Docket No. 148] to establish certain deadlines for filing Proofs of Claim against the Debtor, which motion was approved by the Bankruptcy Court through an order [Docket No. 199] (the "**Bar Date Order**") entered on February 9, 2026.

The Bar Date Order provides, among other things, that each person or Entity (excluding Governmental Units) that asserts a Claim against the Debtor that arose (or is deemed to have arisen) before the Petition Date, including 503(b)(9) Claims, shall be required to File an original written Proof of Claim so that such Proof of Claim is actually received on or before March 13, 2026 at 5:00 p.m. (prevailing Eastern Time). All Governmental Units holding Claims that arose (or are deemed to have arisen) before the Petition Date shall be required to File an original written Proof of Claim so that such Proof of Claim is actually received on or before June 29, 2026, at 5:00 p.m. (prevailing Eastern Time). Notice of the foregoing deadlines was provided by mail and publication in accordance with the procedures outlined in the Bar Date Order.

G. The Appointment of the Independent Director and the Formation of the Special Committee

In early December 2025, the Board appointed Ms. Jill Frizzley to serve as an independent director on the Board to assist with exploring all available strategic alternatives due to her restructuring expertise. Effective February 5, 2026, the Board consented to the formation of a special committee (the "**Special Committee**") of the Board, consisting solely of Ms. Frizzley, to conduct an investigation (the "**Investigation**") of potential Claims and Causes of Action against (i) the Debtor's directors and officers who served on or after the Petition Date (the "**Postpetition D&Os**"), and (ii) the Sponsor, including the Debtor's former director appointed by the Sponsor (together with the Postpetition D&Os, collectively, the "**Insiders**"). In connection therewith, the Special Committee was granted exclusive rights, authority, and powers in connection with any matters arising in or related to the Investigation, including, but not limited to, the authority to make a determination regarding the propriety of any releases provided by the Debtor and its Estate under the Plan.

In furtherance thereof, the Special Committee commenced the Investigation and directed Young Conaway to conduct diligence on potential Claims the Debtor may have against its directors and officers who served on or after the Petition Date, its former director appointed by the Sponsor, and the Sponsor, focused on, among other things, Claims for breaches of fiduciary duty under state law and fraudulent conveyances. Under the direct supervision of the Special Committee, Young Conaway reviewed thousands of pages of documentation regarding, among other things, the Debtor's debt obligations, corporate governance materials, such as information

provided to the Board and minutes and other materials related to meetings of the Board, insurance policies, and correspondence among the Sponsor and the Debtor.

In addition to reviewing such materials, Young Conaway also conducted a total of seven interviews, including interviews with officers of the Debtor at the time of the filing, the current members of the Board, the former Sponsor appointee to the Board, and former counsel to the Debtor.

The Special Committee, working with Young Conaway, then performed a factual examination and a review and analysis of applicable law for the potential Causes of Action. Young Conaway held weekly meetings with the Special Committee to discuss the Investigation's progress, process, and preliminary findings.

The Investigation broadly assessed whether any potential Causes of Action, including breach of fiduciary duty claims and claims for avoidance actions, could be asserted by the Debtor against any Insider. In executing this mandate, the Investigation analyzed, among other things, (a) negotiations around various amendments to the Avid Loan Agreement, (b) events leading up to Avid sweeping the Debtor's accounts following breaches of the Avid Loan Agreement by the Debtor, (c) concerns surrounding the performance of certain former officers who aren't proposed released parties, (d) a potential financing with SG Stonegate Asset Company I, LLC, and (e) authorization and execution of the Debtor's contracts with Form Portfolios LLC.

On March 23, 2026, Young Conaway presented its findings to the Special Committee. Through its independent decision-making process, the Special Committee did not identify any plausible or colorable potential Causes of Action against any Insider that, if pursued by the Debtor, is likely to provide value to the Estate.

Young Conaway has also responded to the Committee's various diligence requests and continues to respond to such requests. The Special Committee will continue to seek feedback from the Committee and conduct further review and investigation of claims and causes of action to the extent facts or circumstances indicate that such a review is prudent or necessary.

All Retained Causes of Action are preserved for the benefit of general unsecured creditors and, if actionable, may be pursued by the Liquidating Trust, as described herein and in the Plan.

H. The Committee's Ongoing Investigation

The Committee has commenced its own investigation (the "**Committee Investigation**") into colorable claims the Debtor's Estate may possess, including, without limitation, against the Debtor's directors and officers, the Debtor's insiders, and other third parties. Any releases granted to any of these parties under the Plan remain subject to the completion of the Committee's investigation. The Committee reserves all rights to any resolution of the claims subject to the Committee Investigation, including challenging any releases provided for in the Plan related to any such claims.

All Retained Causes of Action are preserved for the benefit of general unsecured creditors and, if actionable, may be pursued by the Liquidating Trust, as described herein and in

the Plan. The Retained Causes of Action include any claims or causes of action against Avid, including without limitation, with respect to the cash sweep and any actions and/or omissions leading thereto.

IV. TREATMENT OF CLAIMS AND INTERESTS

The Plan provides for the following treatment of Claims and Interests, as set forth more fully in the Plan:

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtor or the Liquidating Trustee (as applicable), each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims, OCPs, and Holders of Claims for Statutory Fees) will receive in full and final satisfaction of its Allowed 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 on or prior to the Effective Date, on the Effective Date (or, if not then due, when such Allowed Administrative Claim becomes due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which (i) an order allowing such Administrative Claim becomes a Final Order or (ii) the Debtor or the Liquidating Trustee (as applicable) and the holder of the Administrative Claim consensually agree to the Allowed amount of such Claim, or as soon as reasonably practicable thereafter; or (3) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims, all applications seeking allowance and payment of Administrative Claims must be Filed and served on the Debtor or the Liquidating Trustee (as applicable) and their counsel no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of the occurrence of the Effective Date. The burden of proof for the allowance of Administrative Claims remains on the Holder of the Administrative Claim.

Objection to such applications must be Filed and served on the requesting party on or before the Claims Objection Deadline. After notice and a hearing, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, a Final Order.

Except as otherwise provided in Articles II.B or II.D of the Plan, Holders of Administrative Claims that do not File and serve an application for payment of administrative expense requesting the allowance of an Administrative Claim no later than the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting Administrative Claims against the Debtor, the Estate, the Liquidating Trust, the Liquidating Trustee, or their assets and properties, and any Administrative Claims shall be deemed disallowed as of the Effective Date, without further order of the Bankruptcy Court, unless otherwise ordered by the Bankruptcy Court.

B. Professional Fee Claims and Administrative Claims of OCPs

1. Final Fee Applications

All requests for payment of Professional Fee Claims by Retained Professionals for services rendered and reimbursement of expenses incurred prior to the Effective Date must be Filed no later than thirty (30) days after the Effective Date. Objections to Professional Fee Claims must be Filed and served no later than twenty-one (21) days after the Filing of the Professional Fee Claim. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims of Retained Professionals after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. Unless otherwise agreed to by the Debtor and the Retained Professional, the Debtor shall pay Professional Fee Claims that are Allowed by Final Order following the Effective Date in Cash from the Professional Fee Reserve Account within five (5) Business Days of the entry of such Final Order.

2. Administrative Claims of OCPs

All requests for payment of Administrative Claims of OCPs shall be made pursuant to the OCP Order. To the extent any Administrative Claims of OCPs have not been paid pursuant to the OCP Order on or before the Effective Date, the amount of Administrative Claims owing to such OCPs shall be paid in Cash to such OCPs by the Debtor or the Liquidating Trustee (as applicable) as soon as reasonably practicable after such Administrative Claims are authorized in accordance with the OCP Order.

3. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Liquidating Trustee 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 the Chapter 11 Case that are incurred after the Effective Date. Upon the Effective Date, any requirement that Retained Professionals comply with sections 327 through 331 of the Bankruptcy Code or that OCPs comply with the OCP Order in seeking retention or compensation for services rendered after such date shall terminate, and the Liquidating Trustee may employ and pay any retained professionals in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Code.

4. Professional Fee Reserve Amount

Unless otherwise agreed to prior to the Effective Date by the Debtor and the Retained Professional, to receive payment for (a) unpaid fees and expenses incurred through the Effective Date and (b) unpaid fees and expenses anticipated to be incurred post-Effective Date in connection with the preparation of the Retained Professionals' Professional Fee Claims, the Retained Professionals shall estimate such amounts and shall deliver such estimates to the Debtor and its counsel no later than three (3) Business Days prior to the Effective Date; *provided* that such estimates shall not be binding with respect to the fees and expenses of such Retained Professional. If a Retained Professional does not provide an estimate of its unpaid fees and expenses, the Debtor may estimate such fees and expenses of the Retained Professional. The

total amount so estimated hereunder as of the Effective Date shall comprise the "**Professional Fee Reserve Amount**." The Retained Professionals may submit invoices for their post-Effective Date services, including with respect to the preparation of Professional Fee Claims, to the Liquidating Trust in the ordinary course of business.

5. Professional Fee Reserve

On or before the Effective Date, the Debtor shall fund the Professional Fee Reserve Account with Cash equal to the Professional Fee Reserve Amount, which shall be held in the trust account of counsel to the Debtor. The Professional Fee Reserve and amounts funded therein are, and shall continue to be, maintained in trust solely for the benefit of each Retained Professional separately on a per-Retained Professional basis. Such funds shall not be considered property of the Debtor, its Estate, or the Liquidating Trust (as applicable); *provided*, *however*, that the Liquidating Trust shall have a reversionary interest in any Cash remaining in the Professional Fee Reserve after payment in full of all Allowed Professional Fee Claims without any further notice, action, or order of the Bankruptcy Court.

C. Priority Tax Claims

On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent a Holder of an Allowed Priority Tax Claim and the Debtor or the Liquidating Trustee, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Priority Tax Claim, each Holder thereof will be paid in full in Cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

D. U.S. Trustee Statutory Fees

All Statutory Fees that are due and owing as of the Effective Date shall be paid by the Debtor in full in Cash on the Effective Date. The Debtor shall file all monthly operating reports due prior to the Effective Date when they become due, using UST Form 11-MOR. After the Effective Date, the post-Effective Date Debtor and the Liquidating Trustee, as applicable, shall file with the Bankruptcy Court the final monthly operating report and separate UST Form 11 PCR report when they become due. After the Effective Date, the post-Effective Date Debtor and the Liquidating Trustee, as applicable, shall pay any and all applicable Statutory Fees in full in Cash when due and payable. The post Effective Date Debtor and the Liquidating Trustee, as applicable, shall remain obligated to pay any applicable Statutory Fees until the earliest of the Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code. The U.S. Trustee shall not be treated as providing any release under the Plan. Statutory Fees are Allowed. The U.S. Trustee shall not be required to file any Proof of Claim or any request for administrative expense for Statutory Fees. The provisions of this paragraph shall control notwithstanding any other provision(s) in the Plan to the contrary.

E. Classified 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 sections 1122 and 1123(a)(1) 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 also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been otherwise paid, released, or satisfied at any time.

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

Class	Claim or Interest	Status	Voting Rights
1	Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3	General Unsecured Claims	Impaired	Entitled to Vote
4	Subordinated Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
5	Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

1. Class 1 –Secured Claims

(a) *Classification*: Class 1 consists of all Secured Claims, including the Prepetition Note Claim (solely to the extent such Claim is an Allowed Secured Claim), against the Debtor.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Secured Claim and the Debtor or the Liquidating Trustee, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Secured Claim, each Holder thereof will receive: (i) payment in full in Cash; (ii) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) reinstatement of such Claim; or (iv) such other treatment rendering such Claim Unimpaired.

(c) *Voting*: Class 1 is Unimpaired, and Holders of Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Secured Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

(a) *Classification*: Class 2 consists of all Other Priority Claims against the Debtor.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim and

the Debtor or the Liquidating Trustee, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Other Priority Claim, each Holder thereof will receive: (i) payment in full in Cash; or (ii) such other treatment rendering such Claim Unimpaired.

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

3. Class 3 – General Unsecured Claims

(a) *Classification*: Class 3 consists of all General Unsecured Claims against the Debtor.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim and the Debtor or the Liquidating Trustee, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed General Unsecured Claim, each Holder thereof will receive its *pro rata* share of the Beneficial Trust Interests, which Beneficial Trust Interests shall entitle the holders thereof to receive their *pro rata* share of the distributable proceeds from the Liquidating Trust Assets.

(c) *Voting*: Class 3 is Impaired, and Holders of the General Unsecured Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Subordinated Claims

(a) *Classification*: Class 4 consists of all Subordinated Claims against the Debtor.

(b) *Treatment*: On the Effective Date, all Subordinated Claims shall be canceled, released, and extinguished, and will be of no further force or effect, and Holders of such Claims shall not receive any distributions under the Plan on account of such Claim.

(c) *Voting*: Class 4 is Impaired, and Holders of Subordinated Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 4 Subordinated Claims are not entitled to vote to accept or reject the Plan.

5. Class 5 – Interests

(a) *Classification*: Class 5 consists of all Interests.

(b) *Treatment*: On the Effective Date, all Interests shall be canceled, released, and extinguished, and will be of no further force or effect, and Holders of such Interests shall not receive any distributions under the Plan on account of such Interest.

(c) *Voting*: Class 5 is Impaired, and Holders of Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 5 Interests are not entitled to vote to accept or reject the Plan.

F. Special Provisions Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtor's or the Liquidating Trustee's rights with respect to any Claims, including all legal and equitable defenses to or setoffs or recoupments against any Claims.

G. Elimination of Vacant Classes

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 Combined 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.

H. Controversy Concerning Impairment

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

I. Subordination of Claims

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan shall take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, contract, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtor or the Liquidating Trustee (as applicable) reserves the right to seek the Bankruptcy Court's permission to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

J. Reservation of Rights Regarding Claims

Except as otherwise provided in the Plan or in other Final Orders of the Bankruptcy Court, nothing will affect the Debtor's or the Liquidating Trustee's respective rights and defenses, whether legal or equitable, with respect to any Claim, including, without limitation, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

K. Postpetition Interest on Claims

Except as required by applicable bankruptcy law or as otherwise expressly provided in the Plan or the Confirmation Order, postpetition interest, penalties, or other fees will not accrue or be payable on account of any Claim.

L. Insurance

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

V. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Sources of Consideration for Plan Distributions

Subject in all respects to the provisions of the Plan concerning the Professional Fee Reserve, and except as otherwise provided in the Plan, the Debtor or the Liquidating Trustee (as applicable) shall fund distributions under the Plan with Cash on hand on the Effective Date and all other Liquidating Trust Assets.

B. Vesting of Assets

On the Effective Date, subject to sections 1141(b) and 1141(c) of the Bankruptcy Code, the Liquidating Trust Assets shall vest in and be transferred to the Liquidating Trust free and clear of all Claims, Liens, and other interests of creditors and equity security holders of the Debtor, except as otherwise expressly provided in the Plan.

C. Liquidating Trust

1. Establishment of the Liquidating Trust

On the Effective Date, the Liquidating Trust will be established pursuant to the Liquidating Trust Agreement, which will be Filed with the Bankruptcy Court as part of the Plan Supplement. Upon establishment of the Liquidating Trust, title to the Liquidating Trust Assets shall be deemed transferred to the Liquidating Trust without any further action of the Debtor or any employees, officers, directors, shareholders, agents, advisors, or representatives of the Debtor.

2. Transfer of the Liquidating Trust Assets

Subject to section 1141 of the Bankruptcy Code, all property vesting in and transferred to the Liquidating Trust shall be made free and clear of all Claims, Liens, and Interests of creditors and equity security holders of the Debtor, except as may be otherwise provided for in the Plan. Upon completion of the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Debtor will have no further interest in, or with respect to, the Liquidating Trust Assets or the

Liquidating Trust. For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets to the Liquidating Trust in accordance with the terms in the Plan as a transfer to the Liquidating Trust Beneficiaries, followed by a transfer of such assets by such Liquidating Trust Beneficiaries to the Liquidating Trust, and the Liquidating Trust Beneficiaries will be treated as the grantors and owners thereof.

3. Liquidating Trust Agreement

On the Effective Date, the Debtor shall execute the Liquidating Trust Agreement in substantially the same form as set forth in the Plan Supplement. Any nonmaterial modifications to the Liquidating Trust Agreement made by the Debtor or the Liquidating Trustee (as applicable) will be automatically ratified if made in accordance with the terms of the Liquidating Trust Agreement. The Liquidating Trust Agreement will contain provisions permitting the amendment or modification of the Liquidating Trust Agreement necessary to implement the provisions of the Plan.

4. Purpose of the Liquidating Trust

The Liquidating Trust shall be established for, among other purposes, the purpose of (a) receiving and holding the Liquidating Trust Assets; (b) administering, disputing, objecting to, compromising, or otherwise resolving all Claims and Interests; (c) making distributions to the Liquidating Trust Beneficiaries in accordance with the Plan and the Liquidating Trust Agreement; (d) maximizing recoveries for the benefit of the Liquidating Trust Beneficiaries; and (e) commencing and pursuing the Retained Causes of Action and managing and administering any proceeds thereof, with no objective to continue or engage in the conduct of a trade or business in accordance with Treasury Regulation section 301.7701-4(d). The Liquidating Trust is intended to qualify as a "liquidating trust" under Treasury Regulation section 301.7701-4(d) and a "grantor trust" under section 671 of the Internal Revenue Code (the "**Tax Code**"), to the extent permitted by applicable law, for state and local income tax purposes, with the Liquidating Trust Beneficiaries treated as grantors and owners of the Liquidating Trust. To the extent permitted by applicable law, all parties, including the Liquidating Trustee and any Liquidating Trust Beneficiaries, shall report consistently with the foregoing for all applicable tax reporting purposes (including consistent reporting for valuation purposes).

5. Liquidating Trustee

(a) *Appointment of the Liquidating Trustee*

Upon the occurrence of the Effective Date, the Liquidating Trustee shall be deemed appointed to serve as the trustee and administrator of the Liquidating Trust established pursuant to the Plan and the Liquidating Trust Agreement. The Liquidating Trustee, subject to the terms and conditions of the Plan, the Plan Supplement, the Confirmation Order, and the Liquidating Trust Agreement, shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements, and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

The Liquidating Trustee shall have and perform all of the duties, responsibilities, rights, and obligations set forth in the Plan and the Liquidating Trust Agreement, as applicable.

(b) *Liquidating Trustee as Representative of the Estate*

From and after the Effective Date, the Liquidating Trustee shall act as the exclusive representative of the Estate for all purposes and as the sole officer and director of the post-Effective Date Debtor and shall be automatically substituted as the "plaintiff" with respect to all Retained Causes of Action that were commenced on or prior to the Effective Date. Any successor Liquidating Trustee appointed pursuant to the Liquidating Trust Agreement shall be bound by and comply with the terms of the Plan, the Confirmation Order, and the Liquidating Trust Agreement.

(c) *Responsibilities and Authority of the Liquidating Trustee*

The responsibilities and authority of the Liquidating Trustee shall be as set forth in the Liquidating Trust Agreement, and shall include, among others, the following rights and responsibilities, which shall be the exclusive rights and responsibilities of the Liquidating Trustee: (i) preserving and liquidating the Liquidating Trust Assets; (ii) administering and paying taxes, including, among other things, (1) filing tax returns and (2) representing the interest and account of the Liquidating Trust before any taxing authority in all matters including, without limitation, any action, suit, proceeding, or audit; (iii) retaining and paying, without the need for retention or fee applications, professionals in connection with the Liquidating Trustee's performance of its duties under the Plan and the Liquidating Trust Agreement; (iv) distributing information statements as required for U.S. federal income tax and other applicable tax purposes; (v) preparing and filing all monthly operating reports due after the Effective Date and all post-confirmation reports as required by the U.S. Trustee; (vi) Filing an application for entry by the Bankruptcy Court of a final decree closing the Chapter 11 Case; (vii) making distributions to the Liquidating Trust Beneficiaries in accordance with the Plan and Liquidating Trust Agreement; and (viii) such other responsibilities as may be vested in the Liquidating Trustee pursuant to the Plan, the Plan Supplement, the Liquidating Trust Agreement, or an order of the Bankruptcy Court (including, without limitation, the Confirmation Order), or as may be necessary and proper to carry out the provisions of the Plan.

(d) *Powers of the Liquidating Trustee*

The Liquidating Trustee shall have the power and authority to perform the acts described in the Liquidating Trust Agreement (subject to approval by the Bankruptcy Court where applicable), in addition to any powers granted by law or conferred to it by any other provision of the Plan, including without limitation any set forth in the Plan, provided, however, that enumeration of the following powers shall not be considered in any way to limit or control the power and authority of the Liquidating Trustee to act as specifically authorized by any other provision of the Plan, the Liquidating Trust Agreement, and/or any applicable law, and to act in such manner as the Liquidating Trustee may deem necessary or appropriate to take any act deemed appropriate by the Liquidating Trustee, including, without limitation, to discharge all obligations assumed by the Liquidating Trustee or provided in the Plan and to conserve and

protect the Liquidating Trust or to confer on the creditors the benefits intended to be conferred upon them by the Plan.

The powers of the Liquidating Trustee shall be as set forth in the Liquidating Trust Agreement, and shall include, among others, the following: (i) the power to invest funds of the Liquidating Trust, and withdraw, make distributions, and pay taxes and other obligations owed by the Liquidating Trust from such funds in accordance with the Plan and the Liquidating Trust Agreement; (ii) the power to engage and compensate, without prior Bankruptcy Court order or approval, employees and professionals to assist the Liquidating Trustee with respect to its responsibilities; (iii) the power to pursue, prosecute, resolve, compromise, and settle any Retained Causes of Action; (iv) the power to object to Claims, including, without limitation, the power to seek subordination or recharacterization of Claims by objection, motion, or adversary proceeding, as applicable; (v) the power and authority to wind-down, liquidate, or otherwise dissolve the post-Effective Date Debtor and its wholly-owned subsidiary, without the necessity for any other or further actions to be taken by or on behalf of such dissolving Entity or its shareholders or any payments to be made in connection therewith, other than the filing of a certificate of dissolution with the appropriate governmental authorities, pursuant to Section 303 of the Delaware General Corporation Law codified at title 8 of the Delaware Code or other applicable state or foreign law; and (vi) such other powers as may be vested in or assumed by the Liquidating Trustee pursuant to the Plan, the Plan Supplement, the Liquidating Trust Agreement, or by an order of the Bankruptcy Court (including, without limitation, the Confirmation Order), or as may be necessary and proper to carry out the provisions of the Plan.

(e) *Compensation of the Liquidating Trustee*

The Liquidating Trustee shall be compensated as set forth in the Liquidating Trust Agreement. The Liquidating Trustee shall fully comply with the terms, conditions and rights set forth in the Plan, the Plan Supplement, the Confirmation Order, and the Liquidating Trust Agreement. The Liquidating Trustee (and any professionals retained by the Liquidating Trustee) shall not be required to File a fee application to receive compensation.

(f) *Retention and Payment of Professionals*

The Liquidating Trustee shall have the right, without Bankruptcy Court approval, to retain the services of attorneys, accountants, and other professionals and agents, to assist and advise the Liquidating Trustee in the performance of his, her, or its duties, and to compensate and reimburse expenses of such professionals in accordance with the Liquidating Trust Agreement. For the avoidance of doubt, the Liquidating Trust can retain any professionals currently retained by the Committee or the Debtor.

6. Termination of the Liquidating Trust

The Liquidating Trust shall be dissolved upon the earlier of (a) the distribution of all of the Liquidating Trust Assets to the Liquidating Trust Beneficiaries; and (b) the fifth anniversary of the creation of the Liquidating Trust; *provided* that, if warranted by the facts and circumstances involved in resolving or monetizing any Liquidating Trust Assets, upon application to, and if approved by, the Bankruptcy Court upon a finding that such extension is

necessary or appropriate for purposes of resolving or monetizing such Liquidating Trust Assets and distributing the proceeds to Liquidating Trust Beneficiaries, the term of the Liquidating Trust may be extended by the Liquidating Trustee for a specified term in accordance with applicable tax laws and regulations. This application must be filed with the Bankruptcy Court no earlier than six (6) months before the termination date of the Liquidating Trust.

D. U.S. Federal Income Tax Treatment and Reporting of Liquidating Trust

For all U.S. federal and applicable state, local, and non-U.S. income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the Liquidating Trust, other than the Disputed Claims Reserve, as a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, 1994-2 C.B. 684 and as a "grantor trust" within the meaning of sections 671 through 679 of the Tax Code. In furtherance of this objective, the Liquidating Trustee shall, in its business judgment, make continuing best efforts not to unduly prolong the duration of the Liquidating Trust. Moreover, for all U.S. federal and applicable state, local, and non-U.S. income tax purposes, it is intended that (1) the Liquidating Trust Beneficiaries be treated as if they had (i) received a distribution from the Estate of an undivided interest in the Liquidating Trust Assets (to the extent of the value of their respective share in the applicable Assets) and (ii) subsequently contributed such undivided interest to the Liquidating Trust in exchange for an interest in the Liquidating Trust and (2) the Liquidating Trust Beneficiaries be treated as the grantors of the Liquidating Trust and as deemed owners of the Liquidating Trust and Liquidating Trust Assets. The terms of the Liquidating Trust Agreement shall be consistent with the foregoing tax treatment and no party hereto shall take any position inconsistent herewith.

For all U.S. federal and applicable state and local income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the Disputed Claims Reserve as a "disputed ownership fund" within the meaning of Treasury Regulation section 1.468B-9. Following the funding of the Liquidating Trust, the Debtor shall provide a "§ 1.468B-9 Statement" in respect of the Disputed Claims Reserve to the Liquidating Trustee in accordance with Treasury Regulation section 1.468B-9(g).

The Liquidating Trustee shall be responsible for filing all tax returns for the Liquidating Trust and the Debtor. The Liquidating Trustee shall be responsible for payment, out of the Liquidating Trust Assets, of any taxes imposed on the Liquidating Trust or in respect of the Liquidating Trust Assets. The Liquidating Trustee may request an expedited determination of taxes of the Debtor under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Debtor for all taxable periods through the dissolution of the Liquidating Trust.

The Liquidating Trust shall comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions made by the Liquidating Trust shall be subject to any such withholding and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, without limitation, requiring that, as a condition to the receipt of a distribution, the Holder of an Allowed Claim complete and deliver to the Liquidating Trustee the appropriate IRS Form W-8 or IRS Form W-9, as applicable. Notwithstanding any other provision of the Plan, (i) each Holder of an Allowed Claim that is to receive a distribution from the Liquidating Trust shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any Governmental Unit, including income and other tax obligations, on account of such distribution and (ii) no distribution shall be made to or on behalf of such Holder under the Plan unless and until such Holder has made arrangements satisfactory to the Liquidating Trustee to allow it to comply with the Liquidating Trustee's tax withholding and reporting requirements. All Holders of Allowed General Unsecured Claims are deemed to have agreed to use the valuation of the Liquidating Trust Assets transferred to the Liquidating Trust as established by the Liquidating Trustee for all federal income tax purposes.

E. Preservation of Causes of Action

Except as otherwise provided in Article IX of the Plan or in any contract, instrument, release, or agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, all Retained Causes of Action are preserved and shall vest in and be transferred to the Liquidating Trust on the Effective Date. For the avoidance of doubt, no Claims or Causes of Action that are released under the Plan or the DIP Order, including for the benefit of the Debtor Released Parties and the Released Parties, shall be a Retained Cause of Action.

F. Corporate Action

1. Transfer of Assets and Assumption of Liabilities

On the Effective Date, (a) the Debtor shall, in accordance with the Plan, cause the Liquidating Trust Assets to be transferred to the Liquidating Trust; and (b) the Liquidating Trust shall assume all obligations of the Debtor under the Plan.

2. Removal of Directors and Officers; Termination of Employees and Consultants

On the Effective Date, and upon the Debtor causing the Liquidating Trust Assets to be transferred to the Liquidating Trust, the Debtor shall have no further duties or responsibilities in connection with implementation of the Plan, and the directors and officers of the Debtor shall be deemed to have resigned and the engagement of consultants of the Debtor shall be deemed to have terminated. From and after the Effective Date, the Liquidating Trustee shall be authorized to act on behalf of the Estate, provided that the Liquidating Trustee shall have no duties other than as expressly set forth in the Plan and the Liquidating Trust Agreement (as applicable).

For the avoidance of doubt, after the Effective Date, the Debtor will continue to exist with respect to (i) any applications for Professional Fee Claims or expense reimbursements for its Retained Professionals, including preparing, objecting to, defending, and attending any hearing with respect to the same; (ii) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or Confirmation Order; and (iii) any appeal pending as of the Effective Date or filed thereafter, the outcome of which could reasonably be expected to affect in any material way any cases, controversies, suits or disputes arising in connection with the consummation, interpretation, implementation or enforcement of the Plan or the Confirmation Order. Following the Effective Date, the Debtor's Retained Professionals shall be entitled to reasonable compensation for services rendered in connection with the matters identified in clauses (i) through (iii). Any such payments made in connection therewith shall be made without any further notice to or action, order, or approval of the Bankruptcy Court subject to the presentment of invoices to the Liquidating Trustee in customary form.

G. Books and Records

On the Effective Date, the Liquidating Trust shall: (a) take possession of all books, records, and files of the Debtor and the Estate that were not sold and transferred pursuant to the APAs; and (b) provide for the retention and storage of such books, records, and files until such time as the Liquidating Trustee determines, in accordance with the Liquidating Trust Agreement, that retention of same is no longer necessary or beneficial.

Notwithstanding anything to the contrary in the Liquidating Trust Agreement, prior to disposing of the Debtor's books and records, the Liquidating Trustee shall file a notice of its intent to abandon or destroy such records with a ten (10) Business Day objection period and serve the notice on counsel to the Sponsor, the Prepetition Noteholder, the U.S. Trustee, and all other parties requesting notice pursuant to Bankruptcy Rule 2002. If no objections are received by the expiration of the ten (10) Business Day objection period, the Liquidating Trustee shall be authorized to abandon and/ or destroy the books and records as set forth in the notice.

H. Plan Transactions

On the Effective Date or as soon reasonably practicable thereafter, the Debtor and the Liquidating Trustee (as applicable) may take any and all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including, but not limited to, (1) the execution and delivery of appropriate agreements or other documents of consolidation, conversion, disposition, transfer, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of any appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, duty, or obligation on terms consistent with the Plan; (3) the filing of appropriate documents with the appropriate governmental authorities pursuant to applicable law; and (4) any and all other actions that the Debtor or the Liquidating Trustee (as applicable) determine are necessary or appropriate to effectuate the Plan.

I. Effectuating Documents and Further Transactions

Upon entry of the Confirmation Order, the Debtor and the Liquidating Trustee (as applicable) shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, consents, certificates, resolutions, programs, and other agreements or documents, and take such acts and actions as may be reasonable, necessary, or appropriate to effectuate, implement, consummate, and/or further evidence the terms and conditions of the Plan and any transactions described in or contemplated by the Plan. The Debtor, the Liquidating Trustee, all Holders of Claims 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.

J. Section 1146 Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, as applicable, transfers of property pursuant to the Plan shall not be subject to any stamp tax or other similar tax, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax and are authorized to accept for filing and recordation all such instruments or other documents governing or evidencing such transfers without the payment of any such tax. Such exemption specifically applies, without limitation, to the transfer of the Liquidating Trust Assets to the Liquidating Trust.

K. Sale Orders

Notwithstanding anything to the contrary in the Plan, nothing in the Plan shall affect, impair or supersede the Sale Orders, which remain in full force and effect and govern in the event of any inconsistency with the Plan.

L. Authority to Act

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under the Plan that would otherwise require approval of the stockholders, security holders, officers, directors, partners, or other owners of the Debtor shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as applicable) pursuant to the applicable law of the state in which the Debtor is formed, without any further vote, consent, approval, authorization, or other action by such stockholders, security holders, officers, directors, partners or other owners of the Debtor or notice to, order of, or hearing before, the Bankruptcy Court.

M. No Revesting of Liquidating Trust Assets

No Liquidating Trust Asset will revest in the Debtor on or after the date such asset vests in or is transferred to the Liquidating Trust but will vest upon such transfer in the Liquidating Trust to be administered by the Liquidating Trustee in accordance with the Plan and the Liquidating Trust Agreement.

VI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND INSURANCE POLICIES

A. General Treatment

On the Effective Date, except as otherwise provided in the Plan (which exclusion includes the Insurance Policies), all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected pursuant to an order of the Bankruptcy Court, will be deemed rejected, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code other than those Executory Contracts or Unexpired Leases that are the subject of a motion to assume that is pending on the Confirmation Date.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan, and payment of any cure amounts relating thereto, shall, upon satisfaction of the applicable requirements of section 365 of the Bankruptcy Code, result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults or provisions restricting the change in control of 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.

B. Rejection Damages Claims

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and Confirmation Order results in a Claim, then, unless otherwise ordered by the Bankruptcy Court, such Claim shall be forever barred and shall not be enforceable against the Debtor, the Estate, the Liquidating Trustee, Liquidating Trust, or any of their respective assets and properties unless a Proof of Claim is Filed with the Notice and Claims Agent within thirty (30) days of the applicable counterparty to an Executory Contract or Unexpired Lease receiving notice of such rejection and the deadline to file any Claims, which notice may be included in the notice of the Effective Date of the Plan.

The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease under the Plan and Confirmation Order; any other Claims held by a party to a rejected Executory Contract or Unexpired Lease shall have been evidenced by a Proof of Claim Filed by the applicable Bar Date or shall be barred and unenforceable unless otherwise ordered by the Bankruptcy Court. Claims arising from the rejection of Executory Contracts or Unexpired Leases under the Plan and Confirmation Order shall be classified as General Unsecured Claims and shall, if Allowed, be treated in accordance with Article III.B.3 of the Plan; *provided, however*, that the foregoing provision shall not limit the rights of any counterparty to an Executory Contract or Unexpired Lease who continued to provide goods or services to the Debtor following the Petition Date to seek to have its Claim(s) Allowed as Administrative Claim(s); *provided*, *further*, *however*, that any such Administrative Claims shall be filed no later than the Administrative Claims Bar Date.

C. Insurance Preservation

Nothing in the Plan, the Confirmation Order, or the Liquidating Trust Agreement, alters the rights and obligations of the Debtor (and its Estate) and the Debtor's insurers (and third-party

claims administrators) under the Insurance Policies or modifies the coverage or benefits provided thereunder, or the terms and conditions thereof, or diminishes or impairs the enforceability of the Insurance Policies. All of the Debtor's rights and its Estate's rights under any Insurance Policy to which the Debtor and/or the Debtor's Estate may be beneficiaries shall vest with the Liquidating Trust for the benefit of the Liquidating Trust Beneficiaries and all of the beneficiaries of such policies.

VII. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distribution Record Date

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

Except as otherwise provided in the Plan, the Disbursing Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtor's records as of the date of any such distribution; *provided*, *however*, that the manner of such distributions shall be determined at the discretion of the Debtor or the Liquidating Trustee (as applicable); *provided further*, *however*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder and the Debtor or Liquidating Trustee (as applicable) shall have no obligation to determine alternative or current addresses.

B. Withholdings

The Liquidating Trustee shall (1) withhold, deduct, and pay over to the appropriate governmental authority any amount required to be withheld under tax laws with respect to any distribution pursuant to the Liquidating Trust Agreement; and (2) comply with any reporting requirements imposed by any federal, state, local, or foreign taxing authority. The Liquidating Trustee may withhold all or the appropriate portion of any distribution due to any Liquidating Trust Beneficiary until such time as such Liquidating Trust Beneficiary provides the necessary information (*i.e.*, IRS Forms) to comply with any withholding requirements of any governmental authority. Any tax withheld shall be treated as distributed and received by the applicable beneficiary for all purposes of the Liquidating Trust Agreement and Plan. If a Liquidating Trust Beneficiary fails to provide the information necessary to comply with any withholding requirements of any governmental authority on or before the day that is six (6) months after the Effective Date of the Plan, then such beneficiary's distribution may be treated as unclaimed property in accordance with the Liquidating Trust Agreement.

C. Date of Distributions

Distributions made after the Effective Date to Holders of Allowed Claims shall be deemed to have been made on the Effective Date and no interest shall accrue or be payable with respect to such Claims or any distribution related thereto. In the event that 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 or as soon as reasonably practicable after the next succeeding Business Day but shall be deemed to have been completed as of the required date.

D. Disbursing Agent

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Disbursing Agent on or after the Effective Date. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. If the Disbursing Agent is otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Liquidating Trust.

E. Powers of Disbursing Agent

The Disbursing Agent may (1) effect all actions and execute all agreements, instruments, and other documents necessary to carry out the provisions of the Plan; (2) make all distributions contemplated thereby; and (3) perform such other duties as may be required of the Disbursing Agent pursuant to the Plan.

F. Surrender of Instruments

As a condition precedent to receiving any distribution under the Plan, each holder of a certificated instrument or note must surrender such instrument or note held by it to the Disbursing Agent or its designee. Any holder of such instrument or note that fails to (1) surrender the instrument or note; or (2) execute and deliver an affidavit of loss or indemnity reasonably satisfactory to the Disbursing Agent and furnish a bond in form, substance, and amount reasonably satisfactory to the Disbursing Agent within six (6) months of being entitled to such distribution shall be deemed to have forfeited all rights and Claims and may not participate in any distribution hereunder.

G. IRS Forms

In connection with the Plan, to the extent applicable, the Debtor and the Liquidating Trustee (as applicable) shall comply with all tax withholding and reporting requirements imposed by any Governmental Unit, and all distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Debtor and the Liquidating Trustee (as applicable) shall be authorized to take all actions necessary 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 Debtor and the Liquidating Trustee 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.

As a condition precedent to receiving any distribution under the Plan, each Holder of an Allowed Claim that is entitled to a distribution under the Plan must provide the Liquidating Trustee an executed IRS Form. The Liquidating Trustee shall make an initial request (by first-class mail) to Holders of Allowed Claims for the information required under this section as soon as reasonably practicable after the Effective Date and after such Claims are Allowed for distribution purposes and shall specify a period of sixty (60) days to respond. A second request shall be made after the expiration of the initial sixty (60) day period. Each such request shall specify that (a) the information is being requested for purposes of potential distributions under the Plan, (b) Holders must promptly provide written notice of any change in address to the Liquidating Trustee, otherwise the Liquidating Trustee is authorized to conclusively rely on the address for such Holder listed on the Debtor's books and records or in any Filed Proof of Claim or transfer of Claim, and (c) that the failure to respond will result in disallowance of the Claim in accordance with this section of the Plan, absent further other of the Bankruptcy Court to the contrary.

An Allowed Claim of a Holder that fails to provide an executed IRS Form or provide any other required information to effectuate a distribution within thirty (30) days of service (by first-class mail) of the second request for the same shall be deemed disallowed and expunged for purposes of distributions under the Plan. For the avoidance of doubt, the Liquidating Trust is not required to follow up with any Holder of an Allowed Claim if they fail to timely provide an executed IRS Form following service of the requests set forth above.

H. Delivery of Distributions

Subject to applicable Bankruptcy Rules, all distributions to Holders of Allowed Claims shall be made by the Disbursing Agent, who shall transmit such distributions to the applicable Holders of Allowed Claims or their designees.

If any distribution to a Holder of an Allowed Claim (a) is returned as undeliverable for lack of a current address or otherwise; or (b) is not cashed or otherwise presented for collection by the Holder of the Allowed Claim within sixty (60) calendar days after the mailing of such distribution, the Liquidating Trustee shall be authorized to cancel such distribution check. For the avoidance of doubt, the Liquidating Trustee shall have no affirmative obligation to locate the correct current address of such Holder. Thirty (30) calendar days after the cancellation of a distribution check by the Liquidating Trustee, if the Holder has not provided the Liquidating Trustee with written notice of a change of address, (a) the Holder of such Claim shall cease to be entitled to the undeliverable distribution or uncashed distribution, which will revert to the Liquidating Trust for distribution in accordance with the Plan and the Liquidating Trust Agreement and (b) the Allowed Claim of such Holder shall be deemed disallowed and expunged for purposes of further distributions under the Plan, absent further other of the Bankruptcy Court to the contrary.

I. Manner of Payment

Any distributions to be made by or on behalf of the Debtor or the Liquidating Trustee (as applicable) pursuant to the Plan shall be made by checks drawn on accounts maintained by the Debtor or the Liquidating Trustee (as applicable), or by wire transfer if circumstances justify, at the option of the Debtor or the Liquidating Trustee (as applicable).

J. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal* on the Petition Date.

K. Setoffs and Recoupments

The Debtor or the Liquidating Trustee (as applicable), pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy and/or non-bankruptcy law, without the approval of the Bankruptcy Court and upon no less than fourteen (14) calendar days' notice to the applicable Holder of a Claim, or as may be agreed to by the Holder of a Claim, may, but shall not be required to, set off against or recoup against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is to be made on account of such Allowed Claim), any Claims of any nature whatsoever that the Debtor or its Estate may have against the Holder of such Allowed Claim; *provided*, *however*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the Liquidating Trustee (as applicable) of any such claim the Debtor or its Estate may have against the Holder of such Claim. The Liquidating Trustee shall be required to file such notice on the docket of the Chapter 11 Case.

L. Minimum Distributions

No payment of Cash in an amount of less than one-hundred U.S. dollars ($100.00) shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be used in accordance with the Plan and the Liquidating Trust Agreement.

If the Cash available for the final distribution is less than the cost to distribute such funds, the Liquidating Trustee may donate such funds to the unaffiliated charity of the Liquidating Trustee's choice.

M. Allocation of Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan includes both principal and accrued but unpaid prepetition interest, such distribution shall be allocated to the principal amount (as determined for U.S. federal income tax purposes) of the Claim first, and then to accrued but unpaid prepetition interest.

N. Distributions Free and Clear

Except as otherwise provided in the Plan, any distribution or transfer made under the Plan shall be free and clear of any Liens, Claims, encumbrances, charges, and other interests, and no other entity shall have any interest, whether legal, beneficial, or otherwise, in property distributed or transferred pursuant to the Plan.

O. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

If a Holder of a Claim receives a payment or other satisfaction of its Claim other than through the Debtor and/or the Liquidating Trustee (as applicable) on account of such Claim, such Claim shall be reduced by the amount of such payment or satisfaction without an objection to such Claim having to be Filed, and if the Claim was paid or satisfied in full other than through the Debtor and/or the Liquidating Trustee (as applicable), then such Claim shall be disallowed and any recovery in excess of a single recovery in full shall be paid over to the Debtor or the Liquidating Trustee (as applicable) without an objection to such Claim having to be Filed; *provided, however,* that a notice of satisfaction shall be Filed and served reflecting that a particular Claim has been satisfied. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment or satisfaction from a party that is not the Debtor and/or the Liquidating Trustee (as applicable) on account of such Claim, such Holder shall, within fourteen (14) Business Days of receipt thereof, repay or return the distribution to the Debtor or Liquidating Trustee (as applicable), 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

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtor's Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtor's insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurer's payment of such Claim, the applicable portion of such Claim may be expunged (and the Claims Register adjusted accordingly) 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; *provided*, that the Debtor or the Liquidating Trustee, as applicable, shall serve notice of such satisfaction on the affected Holder of the applicable Claim.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall take into account payments made in accordance with the provisions of any applicable Insurance Policy. Except as set forth in Article IX of the Plan, nothing in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtor or any Entity, including the Liquidating Trust, may hold against any other Person or 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.

VIII. PROCEDURES FOR RESOLVING UNLIQUIDATED AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Liquidating Trustee shall have and retain any and all rights and defenses that the Debtor had with respect to any Claim or Interest immediately prior to the Effective Date.

B. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the Liquidating Trustee shall have the authority to: (1) File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) 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 Debtor or the Liquidating Trustee (as applicable) may (but is not required to) at any time request that the Bankruptcy Court estimate any Disputed 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 whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection.

Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged or disallowed from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars ($0.00) unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtor or the Liquidating Trustee (as applicable) may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

D. Adjustment to Claims Without Objection

Any Claim that has been paid, satisfied, or assumed by Buyers in the Sales, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtor or the Liquidating Trustee (as applicable) without an objection to such Claim having to be Filed following notice filed on the docket (*i.e.*, a notice of satisfaction of claims) in the Bankruptcy Court of such adjustment or expungement.

E. Time to File Objections to Claims

Except as otherwise provided in the Plan, any objections to Claims shall be Filed on or before the Claims Objection Deadline (as such date may be extended upon entry of an order by the Bankruptcy Court).

F. No Distributions Pending Allowance

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

G. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan and the Liquidating Trust Agreement (as applicable). As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim 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. No interest shall accrue or be paid on any Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Claim.

IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent to Effective Date

The occurrence of the Effective Date is subject to each of the following conditions precedent:

1. The Bankruptcy Court shall have approved the Disclosure Statement as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code.

2. The Confirmation Order shall have been entered and shall be in full force and effect.

3. There shall have been no modification or stay of the Confirmation Order or entry of any other order prohibiting the transactions contemplated by the Plan from being consummated.

4. The Professional Fee Reserve Account shall have been fully funded pursuant to the terms of the Plan.

5. All actions, documents and agreements necessary to implement the Plan shall have been effected, executed and/or tendered for delivery. 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).

6. The Liquidating Trust Agreement shall have been executed.

7. The Liquidating Trustee shall have been appointed and assumed its rights and responsibilities under the Plan and the Liquidating Trust Agreement, as applicable.

8. The Debtor shall have received all authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions, or documents necessary to implement the Plan and any transaction contemplated hereby that are required by law, regulation, or order.

B. Waiver of Conditions

Except as provided in the Plan, the conditions to the Effective Date set forth in Article VIII.A. of the Plan may be waived in whole or in part by the Debtor, in consultation with the Committee, without notice to any parties in interest or the Bankruptcy Court and without a hearing.

C. Effect of Vacatur of the Confirmation Order

If the Confirmation Order is vacated: (1) the Plan will be null and void in all respects, including with respect to the release of Claims and distributions for Allowed Claims; and (2) nothing contained in the Plan will (a) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtor or (b) prejudice in any manner the rights, including any claims or defenses, of any party in interest.

D. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtor will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code.

X. RELEASE, INJUNCTION, AND RELATED PROVISIONS

The Plan contains the following release, injunction, and related provisions:

A. Releases by the Debtor[9]

As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code and for good and valuable consideration, each Debtor Released Party[10] is deemed conclusively,

[9] The releases by the Debtor and its Estate set forth in Article IX.A of the Plan are subject to the completion of the Investigation and the Debtor intends to disclose the findings of the Investigation with the Committee upon its completion and present a record at the Combined Confirmation Hearing regarding the same.

[10] As set forth in the Plan, "**Debtor Released Parties**" means, collectively, solely in its capacity as such, (a) each of the Debtor's officers and directors who served on or after the Petition Date; (b) the Debtor's former director

absolutely, unconditionally, irrevocably, and forever released, to the maximum extent permitted by law, by the Debtor and its Estate from any and all Claims and Causes of Action, whether known or unknown, including any Claims and Causes of Action that the Debtor or its Estate would have been legally entitled to assert in its own right including any Claims or Causes of Action that could be asserted derivatively or on behalf of the Debtor (or its Estate), 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 Debtor (including the management, ownership, or operation thereof, or otherwise), any securities issued by the Debtor and the ownership thereof, the Debtor's in- or out-of-court restructuring efforts, the payment or satisfaction of prepetition debt or Claims, this Chapter 11 Case, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, documents and pleadings related to the Sales, the DIP Orders, the DIP Term Sheet, and any related agreement, instruments, and other documents relating thereto, the Plan, the Plan Supplement, or any other transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Sales, the Plan, the Plan Supplement, this Chapter 11 Case, the filing of this Chapter 11 Case, the pursuit of the Confirmation Order, the pursuit of the Sale Orders, the conduct of the sale process, the pursuit of consummation, the administration and implementation of the Plan, including 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 or omission taking place on or before the Effective Date; provided, however, that this provision shall not operate to waive or release any Claims or Causes of Action related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual intentional fraud, willful misconduct, or gross negligence of such Person. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (2) any obligations under or in respect of the Sale Orders or the APAs; or (3) the Retained Causes of Action. For the avoidance of doubt, the releases set forth above do not release any Claims or Causes of Action that could be asserted directly or derivatively or on behalf of the Debtor (or its Estate) against Avid related to the Avid Loan.

B. <u>Releases by Holders of Claims</u>

As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, in exchange for good and valuable consideration, including the obligations of the Debtor under the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each Releasing

appointed by the Sponsor; (c) the Sponsor; (d) the Prepetition Noteholders, (e) the Committee and its members, (f) each current and former Affiliate of each Entity in clause (a) through the following clause (e); and (g) the respective Related Parties for each of the foregoing in (a) through (f) above; *provided, however*, that any Debtor Released Party that elects to opt-out of the releases set forth in Article IX.B of the Plan shall not be a Debtor Released Party. For the avoidance of doubt, directors and officers of the Debtor who did not serve in such capacity on or after the Petition Date are not Debtor Released Parties, other than the former director appointed by the Sponsor. Plan Art. I.A.34.

Party[11] shall be deemed to conclusively, absolutely, unconditionally, irrevocably and forever release each Released Party from any and all Claims and Causes of Action, whether known or unknown, including any Claims and Causes of Action that the Debtor or its Estate would have been legally entitled to assert in its own right including any Claims or Causes of Action that could be asserted derivatively or on behalf of the Debtor (or its Estate), that such Entity would have been legally entitled to assert (whether individually or collectively), based on, relating to, or in any manner arising from, in whole or in part, the Debtor (including the management, ownership or operation thereof, or otherwise), any securities issued by the Debtor and the ownership thereof, the Debtor's in- or out-of-court restructuring efforts, the payment or satisfaction of prepetition debt or Claims, this Chapter 11 Case, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, documents and pleadings related to the Sales, or agreement or document created or entered into in connection with the Sales, the DIP Orders the DIP Term Sheet, and any related agreement, instruments, and other documents relating thereto, the Plan, the Plan Supplement, this Chapter 11 Case, the filing of this Chapter 11 Case, the pursuit of the Confirmation Order, the pursuit of the Sale Orders, the conduct of the sale process, the pursuit of consummation, the administration and implementation of the Plan, including 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 or omission taking place on or before the Effective Date; *provided*, *however*, that this provision shall not operate to waive or release any Claims or Causes of Action related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual intentional fraud, willful misconduct, or gross negligence of such Person. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan; (2) any obligations under or in respect of the Sale Orders or the APAs; or (3) any obligations relating to any Order entered by the Bankruptcy Court in this Chapter 11 Case.

C. Exculpation

Except as otherwise specifically provided in the Plan, to the maximum extent permitted by applicable law, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action for any Claim related to any act or omission arising from the Petition Date through and including

[11] As set forth in the Plan, "**Releasing Parties**" means, in their capacities as such: (a) all Holders of Claims who are sent a Ballot, with respect to Class 3 (General Unsecured Claims), or Non-Voting Opt Out Form, with respect to Class 1 (Secured Claims) and Class 2 (Other Priority Claims), and do not timely elect to opt-out of, or object to, the releases provided by the Plan in accordance with the Solicitation Procedures; (b) each Released Party who has voluntarily agreed to be a releasing party by electing not to opt-out of the releases set forth in Article IX.B of the Plan, and (c) with respect to any Person or Entity in the foregoing clauses (a) and (b), the Related Party of such Person or Entity solely in their capacity as such (provided that with respect to any Related Party identified herein, each such Person constitutes a Releasing Party under this clause: (i) solely with respect to Claims that such Related Party could have properly asserted for or on behalf of a Person identified in clauses (a) and (b) of the definition of Releasing Parties; and (ii) solely to the extent the Releasing Party can legally bind the Related Party under applicable non-bankruptcy law). Plan Art. I.A.88.

the Effective Date in connection with, relating to, or arising out of, this Chapter 11 Case, the formulation, preparation, dissemination, negotiation, or filing of the Debtor's in court restructuring efforts, the Disclosure Statement, documents and pleadings related to the Sales, the DIP Orders and any related agreement, instruments, and other documents relating thereto, the Plan, the Plan Supplement, or any other restructuring transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Sales, the Plan, the Plan Supplement, this Chapter 11 Case, the filing of this Chapter 11 Case, the pursuit of the Confirmation Order, the pursuit of the Sale Orders, the conduct of the sale process, the pursuit of consummation, the administration and implementation of the Plan, including 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 or omission taking place between the Petition Date and the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual intentional fraud, willful misconduct, or gross negligence of such Person, but in all respects such Entities shall be entitled to reasonably rely upon the written advice of counsel with respect to their duties and responsibilities pursuant to the Plan to the extent permitted under applicable law.

D. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (1) are subject to compromise and settlement pursuant to the terms of the Plan; (2) have been released pursuant to the Plan; (3) are subject to exculpation pursuant to the Plan; or (4) are otherwise satisfied, stayed, released, or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from taking any actions to interfere with the implementation or consummation of the Plan and from commencing or continuing in any manner, any action or other proceeding on account of any such Claims, Interests, Causes of Action, or liabilities that have been compromised or settled against the Debtor or any Person or Entity so released or exculpated (or the property or estate of any Entity, directly or indirectly, so released or exculpated) on account of, or in connection with or with respect to, any released, settled, compromised, or exculpated Claims, Interests, Causes of Action, or liabilities, including being permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtor Released Parties, the Released Parties, or Exculpated Parties (as applicable): (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 lien or encumbrance of any kind against such Entities or the property or the estate 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 or subrogation 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 ((i) other than a setoff exercised prior to the Petition Date, (ii) unless such Entity has filed a motion requesting the right to perform such setoff on or before the Effective Date or has filed a Proof of Claim or proof of Interest indicating that such Entity asserts, has, or

intends to preserve any right of setoff pursuant to applicable law; or (iii) otherwise permissible under applicable law, asserted through a timely filed or deemed timely filed Proof of Claim); 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, exculpated, or settled pursuant to the Plan.

E. Waiver of Statutory Limitations on Releases

EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE PLAN (INCLUDING UNDER ARTICLE IX OF THE PLAN) EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE PARTY RELEASED, IT HAS CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY, INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542. THE RELEASES CONTAINED IN ARTICLE IX OF THE PLAN ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

F. No Discharge

Because the Debtor is liquidating, it is not entitled to a discharge of obligations pursuant to section 1141 of the Bankruptcy Code with regard to any Holders of Claims.

G. Release of Liens

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

If any Holder of a Secured Claim or any agent for such Holder has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Liquidating Trustee that are necessary or desirable to record or

effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Liquidating Trustee shall be entitled to make any such filings or recordings on such Holder's behalf.

H. Challenge Period

Upon entry of the Confirmation Order, the challenge period under the DIP Order shall be deemed to expire (to the extent not already expired pursuant to the terms of the DIP Order) against (x) the Committee and (y) all other parties in this Chapter 11 Case. No claims or causes of action that are stipulated, waived, or released under the DIP Order shall be Retained Causes of Action or otherwise transferred to the Litigation Trust.

I. Sponsor Guaranty of SVB Loan

Notwithstanding anything in the Plan to the contrary, nothing in the Plan shall release, discharge, or otherwise affect the Sponsor's guarantee of the SVB Loan and any claim filed by the Sponsor on behalf of such guarantee shall be treated as a Class 3 (General Unsecured Claim), to the extent such claim is Allowed.

XI. RETENTION OF JURISDICTION

The Plan provides that, notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or related to, the Chapter 11 Case, the Sales, the Confirmation Order, the Plan Supplement, and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction over, among other items, each of the following:

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 Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests.

2. Resolve any cases, controversies, suits, or disputes that may arise in connection with Claims, including Claim objections, allowance, disallowance, subordination, estimation and distribution.

3. Decide and resolve all matters related to the granting and denying, in whole or in part of, any applications for allowance of compensation or reimbursement of expenses to Retained Professionals authorized pursuant to the Bankruptcy Code or the Plan.

4. Resolve any matters related to: (a) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect to which the Debtor may be liable and to hear, determine, and, if necessary, liquidate, any cure amount arising therefrom; and/or (b) any dispute regarding whether a contract or lease is or was executory or expired.

5. Adjudicate, decide or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving the Debtor that may be pending on the Effective Date.

6. Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code.

7. Adjudicate, decide or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters relating to the Retained Causes of Action.

8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement.

9. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Person's or Entity's obligations incurred in connection with the Plan.

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

11. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions.

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

13. Determine any other matters that may arise in connection with or related to the APAs or related Sale documents, the Disclosure Statement, the Plan, the Plan Supplement, and the Confirmation Order.

14. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan.

15. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by any Holder for amounts not timely repaid.

16. 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.

17. Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Plan Supplement, or the Confirmation Order.

18. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including, without limitation, any request by the Debtor or the Liquidating Trustee on behalf of the Liquidating Trust (as applicable) for an expedited determination of tax under section 505(b) of the Bankruptcy Code.

19. To recover all assets of the Debtor and property of the Estate, wherever located.

20. To consider requests for extensions of the term of the Liquidating Trust as provided in the Plan.

21. Enter an order or final decree concluding or closing the Chapter 11 Case.

22. Enforce all orders previously entered by the Bankruptcy Court.

23. Hear any other matter over which the Bankruptcy Court has jurisdiction.

XII. MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

A. Modification of the Plan

Subject to the limitations contained in the Plan, the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules (1) to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129 of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

B. Other Amendments

The Debtor may make appropriate non-material, technical adjustments and modifications to the Plan or the Plan Supplement prior to the Effective Date without further order or approval of the Bankruptcy Court.

C. Effect of Confirmation on Modifications

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

D. Revocation of Plan; Effect of Non-Occurrence of Conditions to the Effective Date

Subject to the conditions to the Effective Date, the Debtor reserves the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to File subsequent plans of reorganization or liquidation. If the Debtor revokes or withdraw the Plan, or if entry of the

Confirmation Order or the Effective Date does not occur, then (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan, the Plan Supplement, the Confirmation Order, or the Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of the Debtor or any other Person or Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtor or any other Person or Entity.

XIII. MISCELLANEOUS PROVISIONS

A. Debtor's Operation from Combined Confirmation Hearing Through Effective Date

During the period from the Combined Confirmation Hearing through and until the Effective Date, the Debtor shall continue to operate as a debtor-in-possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules, and all orders of the Bankruptcy Court that are then in full force and effect.

B. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the documents and instruments contained in the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtor, the Liquidating Trustee, all Holders of Claims against and Interests in the Debtor (regardless of whether any such Holder has voted or failed to vote to accept or reject the Plan and regardless of whether any such Holder is entitled to receive any distribution under the Plan), all Persons or Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Person or Entity acquiring property under the Plan, any and all non-Debtor parties to Executory Contracts and Unexpired Leases, and all parties in interest.

C. Additional Documents

On or before the Effective Date, the Debtor 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 Debtor, the Liquidating Trustee, all Holders of Claims or Interests receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may reasonably be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

D. Reservation of Rights

The Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the 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 the Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

E. 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, beneficiaries or guardian, if any, of each Person or Entity.

F. Determination of Tax Liabilities

As of the Effective Date, the Liquidating Trustee will be responsible for preparing and filing any tax forms or returns on behalf of the Estate and Liquidating Trust; *provided*, *however*, that the Liquidating Trustee shall not be responsible for preparing or filing any tax forms for Holders of Interests in the Debtor (which Interests shall be cancelled pursuant to the Plan), but shall provide such Holders with any information reasonably required to prepare such forms. The Debtor and the Liquidating Trustee (as applicable) shall have the right to request an expedited determination of any tax liability pursuant to section 505 of the Bankruptcy Code, including on any unpaid liability of the Estate or the Liquidating Trust for any tax incurred during the administration of the Chapter 11 Case.

G. Dissolution of the Committee

On the Effective Date, the Committee will dissolve and the members thereof will be released and discharged from all duties and obligations arising from or related to the Chapter 11 Case; *provided*, *however*, that, after the Effective Date, the Committee will continue to exist solely with respect to (1) any applications for Professional Fee Claims or expense reimbursements for members of the Committee, including preparing, objecting to, defending, and attending any hearing with respect to the same; (2) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or Confirmation Order; and (3) any appeal pending as of the Effective Date or filed thereafter, the outcome of which could reasonably be expected to affect in any material way the treatment of the Holders of General Unsecured Claims, including, but not limited to, any cases, controversies, suits or disputes arising in connection with the consummation, interpretation, implementation or enforcement of the Plan, the Plan Supplement, or the Confirmation Order. Following the Effective Date, the Committee's Retained Professionals shall be entitled to reasonable compensation for services rendered in connection with the matters identified in clauses (1) through (3). Any such payments made in connection therewith shall be made without any further notice to or action, order, or approval of the Bankruptcy Court.

H. Notices

In order for all notices, requests, and demands to or upon the Debtor or the Liquidating Trustee, as the case may be, to be effective, such notices, requests and demands shall be in writing (including by electronic mail) and, unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by email, when received, and served on or delivered to the following parties:

Debtor	Counsel to the Debtor
Salt House, Inc., Attn: Erika Badan (erika@salt-house.com)	**Young Conaway Stargatt & Taylor, LLP** Rodney Square 1000 North King Street Wilmington, Delaware 19801 Attention: Michael R. Nestor, Esq.; Kara Hammon Coyle, Esq.; Elizabeth S. Justison, Esq. Email: mnestor@ycst.com; kcoyle@ycst.com; ejustison@ycst.com
Liquidating Trustee	**Counsel to the Liquidating Trustee**
To be disclosed in the Plan Supplement	To be disclosed in the Plan Supplement

I. Term of Injunctions or Stays

Except as otherwise provided in the Plan, to the maximum extent permitted by applicable law and subject to the Bankruptcy Court's post-Confirmation jurisdiction to modify the injunctions and stays under the Plan (1) all injunctions with respect to or stays against an action against property of the Debtor or the Estate arising under or entered during the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, and in existence on the date the Confirmation Order is entered, shall remain in full force and effect until such property is no longer property of the Debtor or the Estate; and (2) all other injunctions and stays arising under or entered during the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earliest of (a) the date that the Chapter 11 Case are closed pursuant to a Final Order of the Bankruptcy Court, or (b) the date that the Chapter 11 Case are dismissed pursuant to a Final Order of the Bankruptcy Court. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect indefinitely.

J. Entire Agreement

On the Effective Date, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

K. 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. Copies of such exhibits and documents shall be made available upon written request to Debtor's counsel or Liquidating Trustee's counsel (as applicable) at the address above or by downloading such exhibits and documents free of charge from the Notice and Claims Agent's website.

Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not

constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control. The documents in the Plan Supplement are considered an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

L. 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 Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters.

M. Non-Severability of Plan Provision Upon Confirmation

If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation.

The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is the following: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtor and the Liquidating Trustee (as applicable); and (3) non-severable and mutually dependent.

N. Closing of Chapter 11 Case

After the full administration of the Chapter 11 Case, the Liquidating Trustee shall promptly File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022, a motion pursuant to Local Rule 3022-1(a), and any applicable order of the Bankruptcy Court to close the Chapter 11 Case.

XIV. RISK FACTORS

Prior to voting on the Plan, the Holders of General Unsecured Claims in Class 3, as well as Entities in non-voting Classes, should carefully consider the risk factors described below, as well as all of the information contained in this Disclosure Statement, including the exhibits hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. *See* Article XV of this Disclosure Statement for a discussion of tax law considerations.

A. Plan Confirmation

There is no guarantee that the Plan will be confirmed. If the Plan, or a substantially similar plan, is not confirmed, the terms and timing of any plan of liquidation ultimately confirmed in the Chapter 11 Case, and the treatment of Claims and Interests, will be unknown. In addition, if the Plan is not confirmed, a significant risk exists that the Chapter 11 Case may be converted to a case under chapter 7. In that event, the Debtor believes that creditor recoveries would be substantially diminished.

B. The Effective Date May Not Occur

The Plan provides that there are conditions precedent to the occurrence of the Effective Date. There is no guarantee as to the timing of the Effective Date. Additionally, if the conditions precedent to the Effective Date are not satisfied or waived, the Bankruptcy Court may vacate the Confirmation Order. In that event, the Plan would be deemed null and void, and the Debtor or any other party may propose or solicit votes on an alternative plan of liquidation that may not be as favorable to parties in interest as the Plan.

C. Allowance of Claims

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

D. Risk Factors That May Affect Recoveries Available to Holders of Allowed Claims Under the Plan

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

The distributions available to the Holders of Allowed General Unsecured Claims in Class 3 under the Plan can be affected by a variety of contingencies, including, without limitation, the amount of Allowed Professional Fee Claims, Allowed Administrative Claims, Priority Tax Claims, Class 1 Secured Claims, and Class 2 Other Priority Claims, thereby reducing the amount of distributions available for Holders of Allowed Claims in Classes 3.

2. Any Valuation of Any Assets to be Distributed Under the Plan is Speculative

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

3. The Debtor Cannot Guarantee the Timing of Distributions

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

4. Certain Tax Implications of the Debtor's Bankruptcy

Holders of Allowed Claims should carefully review Article XV of this Disclosure Statement, "Certain U.S. Federal Income Tax Consequences of Consummation of the Plan," for a description of certain tax implications of the Plan and the Debtor's Chapter 11 Case. As described more fully in that Article, the tax treatment of the Liquidating Trust is subject to substantial uncertainty and the intended tax treatment of the Liquidating Trust will not be known until the resolution of the Disputed Claims. This date may be later than the due date for a Holder's federal income tax return for its taxable year that includes the Effective Date. For example, assuming the Effective Date occurs in 2026, an individual U.S. Holder's federal income tax return would normally be due on April 15, 2027, but the intended tax treatment of the Trust may not be known until later. Thus, a Holder may be required to file for an extension of the filing date for such tax returns or may be required to amend such tax returns if it files them prior to the date the intended tax treatment of the Trust is determined. Further, even if an extension is obtained, the extension generally does not extend the due date for paying any taxes associated with the extended tax return. Holders are urged to consult their tax advisors with respect to the need to file for an extension or amend such tax returns.

5. Liquidating Trust's Expenses

The ultimate amount of Cash available to satisfy Allowed General Unsecured Claims in Class 3 depends, in part, on the manner in which the Liquidating Trustee operates the Liquidating Trust and the expenses it incurs. Such expenses may include, without limitation, the ordinary course and other expenses of administering the Liquidating Trust, including, among other things, any taxes relating thereto and the costs to liquidate the Liquidating Trust Assets, investigate and prosecute the Retained Causes of Action, prosecute objections to Claims, and make distributions. The expenses of the Liquidating Trustee will be given priority over distributions to Holders of Allowed General Unsecured Claims in Class 3. As a result, if the Liquidating Trustee incurs professional or other expenses in excess of current expectations, the amount of distributable assets remaining to satisfy Allowed General Unsecured Claims in Class 3 will decrease.

E. Risk Factors Relating to Securities Law

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan from registration under the Securities Act and state securities laws if three principal requirements are satisfied: (1) the securities must be offered and sold under a plan and must be securities of the debtor, an affiliate participating in a joint plan with the debtor or a successor to the debtor under the plan; (2) the recipients of the securities must hold a pre-petition or administrative expense claim against the debtor or an interest in the debtor; and (3) the securities must be issued entirely in exchange for the recipient's claim against, or interest, in the debtor, or

principally in such exchange and partly for cash or property. To the extent that the rights to distributions from the Liquidating Trust are deemed to constitute securities issued in accordance with the Plan, the Debtor believes that those interests satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and, therefore, those interests are exempt from registration under the Securities Act and applicable state securities laws.

1. Uncertainty of Value

In addition to the prohibition on the transfer of rights to distributions from the Liquidating Trust as discussed above, the value of such rights will depend on various significant risks and uncertainties, including, without limitation, (a) the effect of substantial delays in liquidating claims and other contingent assets and liabilities; and (b) the effects of any changes in tax and other government rules and regulations applicable to the Liquidating Trust. All of these risks are beyond the control of the Liquidating Trust. The amount of any recovery realized by the Liquidating Trust and its respective beneficiaries will vary depending upon the extent to which these risks materialize.

F. Disclosure Statement Disclaimer

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

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

2. Information Contained in This Disclosure Statement is for Soliciting Votes

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

3. This Disclosure Statement was not Reviewed or Approved by the SEC

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

4. This Disclosure Statement May Contain Forward Looking Statements

This Disclosure Statement may contain "forward looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as

amended. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements and may include, without limitations, information regarding the Debtor's expectations with respect to future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those risks described in this Article.

5. 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 their own legal counsel, accountant or other applicable advisor with regard to any legal, tax and other matters concerning their Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

6. 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 Debtor) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtor, Holders of Allowed Claims or Interests, or any other parties in interest.

7. Failure to Identify Potential Objections

No reliance should be placed on the fact that a particular Retained Cause of Action or potential objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Liquidating Trustee may, pursuant to the Plan, object to applicable Claims or Interests after the Effective Date of the Plan or pursue a Retained Cause of Action irrespective of whether this Disclosure Statement identifies a particular Retained Cause of Action or objection to a Claim, excluding any Cause of Action that is released pursuant to Article IX of the Plan.

8. 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 Debtor (or any entity, as the case may be) to object to that Holder's Claim or Interest, or seek to recover any preferential, fraudulent or other voidable transfer of assets, regardless of whether any Claims or Causes of Action of the Debtor or its Estate are specifically or generally identified in this Disclosure Statement.

9. Information Was Provided by the Debtor and Was Relied Upon by the Debtor's Advisors

The Debtor's advisors have relied upon information provided by the Debtor in connection with the preparation of this Disclosure Statement. Although the Debtor's advisors have

performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement.

10. Potential Exists for Inaccuracies, and the Debtor Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor 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 Debtor has used its reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtor nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtor may subsequently update the information in this Disclosure Statement, the Debtor has no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

11. No Representations Outside This Disclosure Statement are Authorized

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

XV. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF CONSUMMATION OF THE PLAN

The confirmation and execution of the Plan may have tax consequences to the Liquidating Trust Beneficiaries. The Debtor does not offer an opinion as to any federal, state, local, foreign, or other tax consequences to Liquidating Trust Beneficiaries as a result of the confirmation of the Plan. All Liquidating Trust Beneficiaries are urged to consult their own tax advisors with respect to the federal, state, local, foreign, and other tax consequences of the Plan. The Plan is not intended, and should not be construed, as legal or tax advice to any Liquidating Trust Beneficiary or other party in interest.

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtor and to Holders of certain Claims. This discussion does not address the U.S. federal income tax consequences to (i) creditors whose Claims are Unimpaired or otherwise entitled to payment in full in cash under the Plan or (ii) Holders who are deemed to reject the Plan, such as Holders of Class 4 Subordinated Claims and Class 5 Interests.

The discussion of U.S. federal income tax consequences below is based on the U.S. Internal Revenue Code of 1986, as amended from time to time (the "**Tax Code**"), Treasury Regulations promulgated or proposed under the Tax Code, judicial authorities, published positions of the Internal Revenue Service ("**IRS**"), and other applicable authorities, 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. The U.S. federal income tax consequences of the Plan are complex and subject to significant uncertainties. The Debtor has not requested an opinion of counsel or a ruling from the IRS with respect to any of the tax aspects of the Plan. No assurance can be given that the IRS will not take a position contrary to the description of U.S. federal income tax consequences of the Plan described below.

This discussion does not address non-U.S., state, or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to special classes of taxpayers, foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, individual retirement and other tax deferred accounts, Holders that are, or hold Claims through, S corporations, partnerships, or other pass-through entities for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market securities, persons subject to the alternative minimum tax or the "Medicare" tax on unearned income, persons who use the accrual method of accounting and report income on an "applicable financial statement," and persons holding Claims that are part of a straddle, hedging, constructive sale, or conversion transaction. In addition, this discussion does not address U.S. federal taxes other than income taxes. The following discussion generally assumes that the Plan implements the liquidation of the Debtor for U.S. federal income tax purposes and that all distributions by the Debtor will be taxed accordingly. Additionally, this discussion assumes that (i) the various arrangements to which the Debtor is a party will be respected for U.S. federal income tax purposes in accordance with the form of such arrangements and (ii) except if otherwise indicated, the Claims are held as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Tax Code.

The following discussion 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 each Holder's individual circumstances. Each Holder is urged to consult such Holder's own tax advisor for the U.S. federal, state, local, foreign, and other tax consequences applicable under the Plan.

A. CONSEQUENCES TO THE DEBTOR

1. Tax Liability for the 2025 Taxable Year and the Year of Implementation of the Plan

The Debtor estimates that, as of December 31, 2024, it had consolidated net operating losses ("**NOLs**") for U.S. federal income tax purposes of approximately $103,105,586, among other tax attributes (including consolidated disallowed business interest expense carryforwards, tax credits and aggregate tax basis in excess liabilities). The Debtor has not determined the Debtor's taxable income for the 2025 taxable year,

and the amount of any NOLs and other tax attributes, as well as the application of any limitations on their use, remain subject to review and adjustment by the IRS.

2. Transfer of Assets to the Liquidating Trust

Pursuant to the Plan, the Liquidating Trust will be established, and the Liquidating Trust Assets will be transferred to the Liquidating Trust. For U.S. federal income tax purposes, the transfer of the Liquidating Trust Assets to the Liquidating Trust generally is treated as equivalent to a sale of such assets at the then fair market value of the Liquidating Trust Assets. Although the Debtor may recognize taxable income in connection with the transfer of the Liquidating Trust Assets to the Liquidating Trust in the taxable year of such transfer, the Debtor expects available NOLs carried forward from prior years to offset up to 80% of the Debtor's taxable income. When offsets from available NOLs are combined with other deductions and tax attributes for such year it is anticipated the Debtor will avoid any meaningful U.S. federal income tax liability for such year.

3. Cancellation of Debt

The Tax Code provides that a debtor must recognize cancellation of debt income ("**CODI**") upon the elimination or reduction of debt for insufficient consideration. The Tax Code provides an exception to such income recognition treatment for CODI arising by reason of the discharge of a debtor's indebtedness in a bankruptcy case or to the extent of the debtor's insolvency immediately before the cancellation of debt. In such case, the Tax Code requires the debtor to reduce certain of the debtor's tax attributes – such as current year NOLs, NOL carryforwards, tax credits, capital losses and tax basis in assets – by the amount of any such excluded CODI. CODI generally is the amount by which the adjusted issue price of cancelled debt exceeds the sum of the amount of cash and the fair market value of any other property given in exchange therefor. In general, any reduction in tax attributes under the CODI rules does not occur until the end of the tax year, after such attributes have been applied to determine the tax for the year in which the discharge occurs or, in the case of asset basis reduction, the first day of the taxable year following the tax year in which the CODI is realized. Where a debtor joins in the filing of a consolidated U.S. federal income tax return, applicable Treasury Regulations require, in certain circumstances, that the tax attributes of the consolidated subsidiaries of the debtor and other members of the group also be reduced. Consistent with the intended treatment of the Plan as a plan of liquidation for U.S. federal income tax purposes, the Debtor believes that no CODI will be recognized by the Debtor as a result of the implementation of the Plan prior to the distribution by the Debtor of all of its assets. In such case, the reduction of tax attributes resulting from such CODI (which, as indicated above, only occurs as of the end of the tax year in which the CODI is realized and after determination of the debtor's taxable income for such year) generally should not have a material impact on the Debtor.

B. CONSEQUENCES TO HOLDERS OF GENERAL UNSECURED CLAIMS

Pursuant to the Plan, each Holder of an Allowed General Unsecured Claim in Class 3 will receive, in full and final satisfaction of its applicable claim, its *pro rata* share of the Beneficial Trust Interests. As discussed below (*see* Section XV.C of this Disclosure Statement), each Holder of an Allowed General Unsecured Claim in Class 3 that receives a beneficial interest in the Liquidating Trust will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, an undivided interest in the Liquidating Trust Assets consistent with its pro rata interest in the Liquidating Trust, and subject to any portion(s) of the Liquidating Trust being treated as a "disputed ownership fund" for U.S. federal income tax purposes.

1. General Consequences to Holders of General Unsecured Claims in Class 3

In general, Holders of Allowed General Unsecured Claim in Class 3 will recognize gain or loss with respect to their Allowed Claim in an amount equal to the difference between (i) the fair market value of their undivided interest in the Liquidating Trust Assets and treated as received in respect of their Claim (other than any consideration attributable to a Claim for accrued but unpaid interest) and (ii) the adjusted tax basis of the Claim exchanged therefor (other than any tax basis attributable to accrued but unpaid interest previously included in the holder's taxable income). The Liquidating Trustee will in good faith value the Liquidating Trust Assets as of the Effective Date, and all parties to the Liquidating Trust must consistently use such valuation for all U.S. federal income tax purposes. As discussed below, the amount of cash or other property received in respect of an Allowed Claim for accrued but unpaid interest will be taxed as ordinary income, except to the extent previously included in income by a holder under its method of accounting.

After the date of transfer of Liquidating Trust Assets to the Liquidating Trust, a Holder's share of any collections received on the Liquidating Trust Assets (other than as a result of the subsequent disallowance of Disputed Claims or the reallocation of undeliverable distributions) should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Allowed Claim but should be separately treated as amounts realized in respect of such holder's beneficial interest in the Liquidating Trust Assets.

In the event of the subsequent disallowance of any Disputed Claim, it is possible that a holder of a previously Allowed Claim may receive additional Cash or, in the case of the release of non-Cash assets from a Disputed Claims Reserve, non-Cash distributions in respect of its Claim. Accordingly, it is possible that the recognition of any loss realized by a holder with respect to an Allowed Claim may be deferred until all Claims are Allowed or Disallowed. Alternatively, it is possible that a holder will have additional gain in respect of any additional distributions received.

If gain or loss is recognized, such gain or loss may be long-term capital gain or loss if the Allowed Claim disposed of is a capital asset in the hands of the Holder and

has been held for more than one year. Each Holder of an Allowed Claim should consult such Holder's tax advisor to determine whether gain or loss recognized by such Holder will be long-term capital gain or loss and the specific tax effect thereof on such Holder. The character of any gain or loss depends on, among other things, the origin of the Holder's Allowed Claim, when the Holder receives payment (or is deemed to receive payment) in respect of such Allowed Claim, whether the Holder reports income using the accrual or cash method of tax accounting, whether the Holder acquired its Allowed Claim at a discount, whether the Holder has taken a bad debt deduction with respect to such Allowed Claim, and whether (as intended and herein assumed) the Plan implements the liquidation of the Debtor for U.S. federal income tax purposes.

A Holder's aggregate tax basis in such Holder's undivided interest in the Liquidating Trust Assets (subject to any portion(s) of the Liquidating Trust being treated as a "disputed ownership fund" for U.S. federal income tax purposes) will be equal to the fair market value of such interest increased by its share of the Debtor's liabilities to which such assets remain subject upon transfer to the Liquidating Trust. A Holder's holding period generally will begin on the day following the date of transfer of Liquidating Trust Assets to the Liquidating Trust.

2. Distributions in Respect of Accrued But Unpaid Interest

In general, to the extent any amount received (whether in cash or as other property) by a Holder of a debt instrument is received in satisfaction of interest that accrued during such Holder's holding period, such amount will be taxable to the Holder as ordinary interest income (if not previously included in the Holder's gross income under the Holder's normal method of accounting). Conversely, a Holder generally recognizes a deductible loss to the extent any accrued interest was previously included in such Holder's gross income and is not paid in full.

C. TAX TREATMENT OF THE LIQUIDATING TRUST AND HOLDERS OF BENEFICIAL INTERESTS THEREIN

The Liquidating Trust is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes (other than in respect of any portion of the assets transferred to the Liquidating Trust that are part of a Disputed Claims Reserve, *i.e.*, assets allocable to Disputed Claims, including assets retained on account of Disputed Claims, as discussed below). In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor" trust (i.e., a pass-through entity). Revenue Procedure 94-45, 1994-2 C.B. 684 sets forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. The Liquidating Trust will be structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94- 45, all parties (including, without limitation, the Debtor, the Liquidating Trustee and beneficiaries of the Liquidating Trust) shall treat the transfer of the Liquidating Trust Assets to the Liquidating Trust as (1) a transfer of such Liquidating Trust Assets (subject to any obligations relating to those assets) directly to recipients of beneficial interests in the Liquidating Trust (other than any Disputed Claims Reserve) followed by (2) the transfer by such beneficiaries to the Liquidating Trust of such Liquidating Trust Assets in

exchange for beneficial interests in the Liquidating Trust. Accordingly, except in the event of contrary definitive guidance, holders of beneficial interests in the Liquidating Trust shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of the assets transferred by the Debtor to the Liquidating Trust (other than any Disputed Claims Reserve).

No ruling is currently being requested from the IRS concerning the tax status of the Liquidating Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the Liquidating Trust and to Holders could vary from those discussed herein. Certain U.S. federal income tax consequences of the Liquidating Trust or portions thereof being treated as a "disputed ownership fund" within the meaning of Treasury Regulation section 1.468B-9 are also discussed below.

1. General "Liquidating Trust" Tax Reporting by the Liquidating Trust and its Beneficiaries

For all U.S. federal income tax purposes, all parties must treat the Liquidating Trust as a grantor trust of which the holders of beneficial interests in the Liquidating Trust are the owners and grantors, and treat such beneficiaries as the direct owners of an undivided interest in the Liquidating Trust Assets transferred to the Liquidating Trust (other than any Disputed Claims Reserve), consistent with their pro rata interests therein. The Liquidating Trustee will file tax returns for the Liquidating Trust treating the Liquidating Trust as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations. The Liquidating Trustee also shall annually send to each holder of a beneficial interest in the Liquidating Trust a separate statement regarding the receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes.

All taxable income and loss of the Liquidating Trust will be allocated among, and treated as directly earned and incurred by, the holders of beneficial interests in the Liquidating Trust with respect to such Holder's interest in the assets of the Liquidating Trust (and not as income or loss with respect to such Holder's prior Claims), with the possible exception of any taxable income and loss allocable to any Disputed Claims Reserve. The character of any income and the character and ability to use any loss will depend on the particular circumstances of each beneficial interest holder. The U.S. federal income tax consequences to U.S. beneficiaries of U.S. grantor trusts with foreign corporate subsidiaries is not entirely clear. Holders of Liquidating Trust beneficial interests may be taxed on certain income of foreign corporate subsidiaries of the Liquidating Trust, but the amount of such income, if any, is not expected to be material.

As soon as reasonably practicable after the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Liquidating Trustee shall make a good faith valuation of the fair market value of such Liquidating Trust Assets. All parties to the Liquidating Trust (including, without limitation, the Debtor, Holders of Allowed Claims, and the beneficiaries of the Liquidating Trust) must consistently use such valuation for all U.S. federal income tax purposes.

The U.S. federal income tax obligations of a holder of a beneficial interest in the Liquidating Trust are not dependent on the Liquidating Trust distributing any cash or other proceeds, subject to any Disputed Claims Reserve. Thus, a holder of a beneficial interest in the Liquidating Trust may incur a U.S. federal income tax liability with respect to its allocable share of the Liquidating Trust's income even if the Liquidating Trust does not make a concurrent distribution to the holder. In general, other than in respect of cash retained as part of a Disputed Claims Reserve (the subsequent distribution of which still relates to a holder's Allowed Claim), a distribution of cash by the Liquidating Trust will not be separately taxable to a beneficiary of the Liquidating Trust since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying Liquidating Trust Assets (and was taxed at the time the cash was earned or received by the Liquidating Trust). Holders are urged to consult such Holders' tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of cash originally retained by the Liquidating Trust as part of a Disputed Claims Reserve. The Liquidating Trust will comply with all applicable governmental withholding requirements.

2. Tax Reporting for Assets Allocable to Disputed Claims

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by a Liquidating Trustee of an IRS private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee may elect to treat any Disputed Claims Reserve as a "disputed ownership fund" governed by section 1.468B-9(b)(2) of the Treasury Regulations.

Accordingly, if a "disputed ownership fund" election is made with respect to any Disputed Claims Reserves, such reserve will be subject to tax annually on a separate entity basis on any net income earned with respect to the Liquidating Trust Assets allocable to such Disputed Claims Reserve (including any gain recognized upon the disposition of such Liquidating Trust Assets). All distributions from such reserves (which distributions will be net of the expenses, including taxes, relating to the retention or disposition of such assets) will be treated as received by Holders in respect of their Claims as if distributed by the Debtor. All parties (including, without limitation, the Debtor, the Liquidating Trustee and the beneficiaries of the Liquidating Trust) will be required to report for tax purposes consistently with the foregoing.

If a Disputed Claims Reserve is established, such reserve will be responsible for payment, out of the assets of such reserve, of any taxes imposed on the reserve or its assets. In the event, and to the extent, any cash in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets of such reserve (including any income that may arise upon the distribution of the assets in such reserve), assets of the Disputed Claims Reserve may be sold to pay such taxes.

D. WITHHOLDING ON DISTRIBUTIONS AND INFORMATION REPORTING

All distributions to Holders of Allowed Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income

tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate (currently 24%). Backup withholding generally applies if a Holder (a) fails to furnish such Holder's social security number or other taxpayer identification number, (b) furnishes an incorrect social security number or other taxpayer identification number, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the tax identification number provided is such Holder's correct number and that such Holder is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain Persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. Holders of Allowed Claims are urged to consult such Holders' tax advisors regarding the Treasury Regulations governing backup withholding and whether the transactions contemplated by the Plan would be subject to those Treasury Regulations.

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the Holder's tax returns.

The foregoing summary has been provided for informational purposes only. All Holders are urged to consult such Holders' tax advisors concerning the federal, state, local, foreign, and other tax consequences applicable under the Plan.

XVI. ADDITIONAL INFORMATION

Any statements in this Disclosure Statement concerning the provisions of any document are not necessarily complete, and in each instance reference is made to such document for the full text thereof. Certain documents described or referred to in this Disclosure Statement have not been attached as exhibits because of the impracticability of furnishing copies of these documents to all recipients of this Disclosure Statement. The Debtor will file all exhibits to the Plan with the Bankruptcy Court and make them available for review on https://www.veritaglobal.net/Food52 no later than seven days before the Voting Deadline.

XVII. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtor believes that the Confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtor urges all Holders of Claims in Class 3 to vote to accept the Plan and to evidence their acceptance by duly completing and returning their ballots so that they will be received on or before the Voting Deadline.

Dated: March ~~25~~27, 2026

Respectfully submitted,

/s/ Erika Badan
By: Erika Badan
Authorized Representative

Salt House, Inc.