

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

In re:

ALAMO DRAFTHOUSE CINEMAS  
HOLDINGS, LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 21-10474 (MFW)

(Joint Administration Requested)

**DECLARATION OF MATTHEW VONDERAHE IN SUPPORT OF  
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Matthew Vonderahe, hereby declare under penalty of perjury:

1. I am the Chief Financial Officer ("**CFO**") of Alamo Drafthouse Cinemas Holdings, LLC ("**Alamo**" or the "**Company**" and, collectively with its affiliated debtors and debtors in possession, the "**Debtors**"). In my capacity as CFO of Alamo, I am familiar with the Debtors' operations, day-to-day business affairs, and books and records. I submit this declaration (this "**Declaration**") to assist the Court (as defined herein) and parties in interest in gaining an understanding of the circumstances that led to the commencement of these chapter 11 cases (collectively, the "**Chapter 11 Cases**") and in support of the Debtors' petitions and motions

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Alamo Drafthouse Cinemas Holdings, LLC (2205); Alamo Drafthouse Cinemas, LLC (5717); Alamo Vineland, LLC (1626); Alamo League Investments GP, LLC (1811); Alamo League Investments, Ltd. (7227); Alamo South Lamar GP, LLC (3632); Alamo South Lamar, LP (4563); Alamo Drafthouse Raleigh, LLC (5979); Alamo DH Anderson Lane, LLC (3642); Alamo Yonkers, LLC (4971); Alamo Mission, LLC (2284); Alamo Ritz, LLC (9465); Alamo Mueller, LLC (1221); Mondo Tees, LLC (6900); Alamo City Foundry, LLC (6092); Alamo Mainstreet, LLC (2052); Alamo City Point, LLC (3691); Alamo Liberty, LLC (5755); Alamo Satown, LLC (6197); Alamo Marketplace, LLC (7041); Alamo Stone Oak, LLC (8398); Alamo Westlakes, LLC (4931); Alamo Park North, LLC (1252); Alamo North SA, LLC (6623); Alamo Avenue B, LLC (8950); Alamo Slaughter Lane GP, LLC (6968); Alamo Slaughter Lane, Ltd. (5341); Alamo Cinema Group I GP, LLC (9537); Alamo Cinema Group I, LP (9656); Alamo Westminster, LLC (8906); Alamo Staten Island, LLC (7781); Alamo Aspen Grove, LLC (7786); Alamo Lakeline, LLC (5294); Alamo Sloans, LLC (9343). The location of the Debtors' service address is: 3908 Avenue B, Austin, Texas 78751.

requesting various types of “first day” relief (collectively, the “**First Day Motions**”). I am authorized by the Debtors to submit this Declaration.

2. I have served as CFO of Alamo since August 2020. Prior to being employed by Alamo, I was the chief financial officer of The Marshall Retail Group from 2016 to August 2020. I received my B.B.A degree from the University of Texas at Austin, and my M.B.A. degree from Southern Methodist University.

3. Except as otherwise noted, all facts set forth in this Declaration are based on my personal knowledge, my discussions with other members of the Debtors’ senior management, my review of relevant documents or my opinion, based upon my experience and knowledge of the Debtors’ operations and financial conditions. In making this Declaration, I have relied in part on information and materials that the Debtors’ personnel and advisors have gathered, prepared, verified, and provided to me, at my direction, or for my benefit in preparing this Declaration. If I were called to testify as a witness in this matter, I would testify competently to the facts set forth herein.

**COMMENCEMENT OF THE CHAPTER 11 PROCEEDINGS**

4. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) with the United States Bankruptcy Court for the District of Delaware (this “**Court**”). As set forth in detail herein, the Debtors commenced the Chapter 11 Cases to preserve and maximize Alamo’s enterprise value for the benefit of its stakeholders in the face of an impending liquidity shortfall and significant industry headwinds primarily caused by the adverse impacts of the COVID-19 pandemic on the movie theater and dining industries.

5. Founded in 1997, the Company operates and franchises movie theaters that provide patrons a unique movie-going experience that includes luxury seating, high-quality food, craft

beer, wine and cocktails, seat-side food and beverage services, collectible consumer products, and a diverse selection of mainstream, independent, and classic movies. In addition to its movie theaters, the Company operates “Mondo,” an online and print editorial business and a merchandising business. The Company also hosts “Fantastic Fest,” an annual film festival held in Austin, Texas.

6. The motion picture industry had a strong year in 2019, but it was down 5% from 2018 due to, among other things, the multi-year trend of increasing competition from streaming services and periodic fluctuations in attendance rates. Nevertheless, Alamo’s business experienced its strongest performance yet, and outperformed the industry by over 5% primarily due to its ability to program non “tent-pole” movies. However, since the middle of March 2020, the global COVID-19 pandemic has significantly and adversely affected Alamo. Not only were Alamo’s theaters shuttered to comply with months-long state and local government shutdown orders, but movie studios also have postponed the release of new content or bypassed theater releases in favor of streaming on media sites impacting operations and liquidity.

7. Considering these unprecedented industry-wide conditions, Alamo has made the necessary adjustments to operations, which will continue until conditions normalize. Approximately 6 of the Company’s 18 theaters are currently operating at 50% mandated seating capacity with less than 20% box office sales at these locations. Additionally, approximately 11 of the 23 franchise-operated theaters are currently operating with COVID-19 relief support of significantly reduced royalty payment plans. Accordingly, as described in more detail below, Alamo has reduced operating expenses, decreased general and administrative expenses, and increased customer safety with social distancing and enhanced cleaning measures.

8. As of the Petition Date, the Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. Concurrently with the filing of this Declaration, the Debtors have requested procedural consolidation and joint administration of these Chapter 11 Cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. No party has requested the appointment of a trustee or examiner in these Chapter 11 Cases, and no committees have been appointed or designated at this time.

9. Part I of this Declaration provides an overview of the Debtors' businesses and capital structure. Part II provides a discussion of the events that compelled the commencement of the Chapter 11 Cases and a summary of the Debtors' prepetition recapitalization efforts to date. Part III affirms the facts set forth in the First Day Motions that the Debtors believe are necessary to enable them to efficiently administer their estates with minimal disruption and loss of value during the Chapter 11 Cases.

## **I. THE DEBTORS' BUSINESSES**

### **A. History and Corporate Structure**

10. Tim and Karrie League founded Alamo Draffhouse Cinema in 1997 in Austin, Texas, converting a parking garage into a one-screen theater. Over the next few years, Alamo opened a second theater in Austin and then franchised new locations in Houston. Passionate about both film and food, Alamo from the beginning offered a from-scratch menu of salads, sandwiches, and pizzas along with wine, beer, and espresso. In 2008, a full cocktail menu was introduced. For special events, multi-course meals were themed to the movies being shown to create a fully immersive cinematic experience for audiences.

11. League sold his majority stake in the franchise company to investor Dave Kennedy in 2004 to focus on the local Austin market theaters as well as develop the related businesses: Fantastic Fest, Rolling Roadshow and Mondo Tees, LLC (“**Mondo**”), a collaboration with major artists and studios to produce licensed posters, soundtracks, toys, apparel, books, games, and collectibles. Meanwhile, Alamo began expanding outside the Texas market, first in Virginia in 2009. When League re-acquired a stake in the company and returned as CEO in 2010, he oversaw Alamo’s expansion over the next decade in Arizona, California, Colorado, Minnesota, Missouri, Nebraska, New York, North Carolina, and multiple cities in Texas. In January 2018, Alamo purchased all membership interests in Mondo. Today, Alamo stands as the largest privately held movie theater business in North America, located in 22 markets with 18 company-operated theaters with 132 screens, and 23 franchise-operated theaters with 187 screens, and Mondo serves as a critical revenue stream for the Company. The movie-going and superior dining experience that Alamo provides its customers is widely acclaimed.

12. On June 13, 2018, the members of Debtor Alamo Drafthouse Cinemas, LLC (“**ADC**”), along with members and partners of certain entities under common control consummated a recapitalization of ADC and its affiliates (the “**Recapitalization**”), which ultimately resulted in the Company being owned by affiliates of Altamont Capital Management, LLC (“**Altamont**”), Mr. League, Mr. Kennedy, and other initial investors. In conjunction with the Recapitalization, the members and partners of ADC and its affiliates exchanged their respective interests for limited partnership interests in Catalina Brothers, Ltd. (“**Catalina**”) and Major Kong Industries, Ltd. (“**Major Kong**”), as applicable. Catalina and Major Kong then contributed their partnership interests in the affiliates to ADC, such that these entities became wholly owned subsidiaries of ADC. Subsequently, Catalina and Major Kong contributed their partnership

interests in ADC to Debtor Alamo Drafthouse Cinemas Holdings, LLC (“**Holdings**”), such that ADC became a wholly owned subsidiary of Holdings. Initially, Catalina and Major Kong held the only membership interests in Holdings.

13. In connection with the Recapitalization, the Company acquired Debtor Alamo Satown, LLC, which operated four franchise locations and franchise development rights, from BACH Holdings, LLC (“**BACH**”) in exchange for \$2.8 million of Class B Common Units in Holdings and \$18.9 million in cash, subject to an agreed upon working capital adjustment.

14. Contemporaneous to the Recapitalization, Altamont purchased Class A Preferred Units directly from Holdings for \$17.4 million and also purchased all the Class A Preferred Units from Catalina and Major Kong for \$48.1 million for an aggregate of \$65.5 million.

15. A corporate organization chart is attached hereto as **Exhibit A** reflecting the organization of the Company as it stands today after the Recapitalization. Holdings is the direct or indirect parent of the other Debtors. It is a privately owned company indirectly owned by Altamont, Catalina, Major Kong, and BACH. Holdings owns 100% of ADC, an investment company that, in turn, owns 100% of Mondo and ten (10) investment subsidiaries (the “**Investment Subsidiaries**”).<sup>2</sup> Mondo operates the merchandising arm of the Company. The Investment Subsidiaries own either (i) the theater leases to which they are a party, (ii) real property, or (iii) 100% interests in twenty-one (21) subsidiaries whose only assets are the theater leases to which they are a party (collectively, the “**Theater Debtors**”).

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<sup>2</sup> ADC also owns a 20% interest in non-Debtor DHSL, Inc. ADC also owns the assets and liabilities of non-Debtor FF Wind Down LLC, which is an entity that organizes and hosts the Company’s “Fantastic Fest” film festival.

**B. Capital Structure**

i. *Long Term Debt*

16. On June 13, 2018, the Company entered into a Credit Agreement (as may be amended from time to time, the “**Prepetition Credit Agreement**”) with Bank of America, N.A., Truist Bank, Texas Capital Bank, and Keybank National Association (collectively, the “**Prepetition Lenders**”) for an aggregate of \$105 million, of which \$70 million is a term loan, \$30 million is a development loan, and \$5 million is a revolving line of credit (collectively, the “**Prepetition Credit Facility**”), and requires, among other things, that the Company maintain certain financial debt covenants.

17. Interest accrues on the term and development loans at either LIBOR plus the Applicable Margin, as defined in the Prepetition Credit Agreement, or the Base Rate, which is the higher of (i) Prime Rate, (ii) Federal Funds Rate plus 0.5%, or (iii) LIBOR plus 1%, plus the Applicable Margin. Interest is payable at the end of selected interest periods of one, two, three, or six months for LIBOR loans, but no less frequently than quarterly. The principal on the term and development loans is due quarterly with 1.25% due each quarter through June 30, 2020, 2.5% due each quarter through June 30, 2021, and 3.75% due each quarter through the majority date of June 13, 2023, at which time the remaining outstanding balance is due.

18. Interest accrues on the revolving line of credit at the Base Rate plus the Applicable Margin and is due monthly. The outstanding amount on the revolving line of credit is due on June 13, 2023.

19. The proceeds from the term loan were used to repay all outstanding debt of ADC and its subsidiaries that existed prior to the Recapitalization.

20. Despite the Company’s years of success and continued growth, operations ground to a halt in spring 2020, with state and local authorities mandating the closure of movie theaters

and indoor dining businesses. As the national and local effects of the COVID-19 pandemic became the “new normal,” revenue growth became impossible, and the Company’s liquidity became seriously compromised by summer 2020. During the fall and winter of 2020, the Company engaged with the Prepetition Lenders to negotiate a possible debt refinancing and additional liquidity, but those discussions ultimately were unsuccessful.

21. Beginning in December 2020, ACP Alamo Finance, Inc., an affiliate of Altamont, CF Almo UB LLC (“**CF Almo**”), Thunderbird Brothers LLC and League Holdings LLC (collectively, the “**Purchasers**”), and in light of the Company’s liquidity crisis and inability to reach an agreement with the Prepetition Lenders on a refinancing or additional liquidity, commenced negotiations with the Prepetition Lenders to acquire all existing indebtedness of the Company under the Prepetition Credit Agreement. The debt under the Prepetition Credit Agreement was sold and assigned to the Purchasers as of January 6, 2021. In connection with the purchase of the debt under the Prepetition Credit Agreement, the Purchasers and the Company negotiated an amendment to the Prepetition Credit Agreement (the “**Fourth Amendment**”). Under the Fourth Amendment, among other things, the Purchasers, in their capacity as lenders under the Prepetition Credit Agreement, agreed to provide liquidity to the Company and increased the amount of the term loans under the Prepetition Credit Agreement by \$4 million. Additionally, under the Fourth Amendment, an affiliate of CF Almo, Fortress Credit Corp. (“**Fortress**”), replaced BofA as the administrative agent under the Prepetition Credit Agreement.

22. As detailed below, the Purchasers entered into a restructuring support agreement (the “**Purchaser RSA**”), which set forth an agreement among the Purchasers with respect to a restructuring of the Company, either out-of-court, if certain cost and liability reduction benchmarks could be achieved, or through a chapter 11 sale process. The Purchaser RSA, in turn,



required a further restructuring support agreement with the Company, which restructuring support agreement was negotiated and entered into on February 16, 2021 (the “**Company RSA**”). The Company RSA is attached hereto as **Exhibit B**. Because certain members of the Company’s board of managers (the “**Board**”) are affiliated with the Purchasers, the Board formed a special restructuring committee (the “**Special Committee**”) and engaged an independent manager (the “**Independent Manager**”) to serve on the Special Committee. The Special Committee has been authorized and empowered to consider, review, negotiate, and recommend for approval or rejection of any potential transaction, including, but not limited to, any debt financing (including debtor-in-possession financing in connection with a restructuring) and a potential sale of the Company’s assets.

23. In February 2021, the Purchasers again agreed to increase the term loan by \$2 million under a fifth amendment to the Prepetition Credit Agreement (the “**Fifth Amendment**”). As of the Petition Date, \$78.1 million was outstanding on the term loan, and \$29.6 million of the development loan and \$5.0 million of the revolving line of credit has been drawn.

ii. *PPP Loan*

24. In April 2020, the Debtors applied for and received a \$10.0 million loan (the “**PPP Loan**”) under the Paycheck Protection Program, administered by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, pursuant to that certain unsecured loan agreement by and among Holdings, as borrower, and Texas Capital Bank, N.A., as lender (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**PPP Loan Agreement**”). As of the Petition Date, \$10.0 million principal amount remains outstanding under the PPP Loan Agreement. Pursuant to its terms, the PPP Loan is forgivable to the extent the Debtors can demonstrate compliance with certain

requirements on the use of the funds and employee retention metrics. The Debtors have submitted a request for partial loan forgiveness based on the satisfaction of these requirements and metrics.

## **II. EVENTS LEADING TO THE CHAPTER 11 CASES**

### **A. Impact of COVID-19**

25. The Company's main business segment is operating a leading dine-in theater chain with multiple revenue earnings streams as both an operator and franchisor. The Company operates 18 company-owned dine-in theaters across 9 markets, and 23 franchised dine-in theaters in 13 markets. The theaters are uniquely focused on providing customers with the highest quality experience, with innovative theater designs, superior dining offerings, and best-in-class theatrical presentations. Prior to the COVID-19 pandemic, the Company flourished despite increased competition and industry-wide pressures resulting from the continued growth of streaming platforms. Indeed, the Company began 2020 in a strong liquidity position.

26. However, in response to the rapidly spreading COVID-19 pandemic and governmental shutdown mandates rolling out across various states for theater and indoor dining businesses, by March 25, 2020, Alamo had closed all of its theaters. The Company reacted quickly to the situation and took considerable actions to preserve liquidity, including furloughing about 80% of the staff, reducing pay at both the corporate and theater level, negotiating rent deferrals with landlords, eliminating discretionary expenses, and pausing new theater development projects. The Company also cancelled its annual film festival. During this time, the Company's merchandising arm, Mondo, provided a crucial revenue stream that helped the Company to weather the extended shutdown.

27. This past summer, as Alamo theaters began to reopen in very limited capacity in certain markets, the Company implemented procedures to minimize person-to-person contact with food-and-beverage pre-ordering, frictionless payment, and other in-theater safety initiatives,

including reconfiguring theater seating to optimize social distancing and sterilizing theaters between showings. In addition, the Company sought creative ways to generate additional revenue, including renting theaters to individuals and groups for special and private screenings under the “Your Own Private Alamo” program and launching a 100% curated video-on-demand platform, “Alamo On Demand.” Nevertheless, supply of films remained limited as production companies delayed new releases, and customer demand dwindled.

**B. Discussions with Key Stakeholders Prior to the Petition Date**

28. Throughout the second, third, and fourth fiscal quarters of 2020, Alamo continuously engaged with its key stakeholders, including Altamont and the Prepetition Lenders, on the financial issues facing the Company and the need for relief under the Prepetition Credit Facility. During this time, one of the Debtors’ competitors, Studio Movie Grill Holdings, LLC, filed for chapter 11 relief in October 2020, and another, AMC Entertainment Holdings, Inc., took a number of steps to fortify its liquidity, including a significant equity issuance and convertible note conversion in early February 2021.

29. In response to the mounting financial challenges, in August 2020, the Company retained financial advisory and investment-banking firm Houlihan Lokey Capital, Inc. (“**Houlihan**”) to, among other things, assist the Debtors with cash management practices and to evaluate company cost structure. By the end of 2020, it became clear to the Debtors that they needed immediate relief from their overwhelming debt burden, as operational fixes were not enough to overcome the impact of COVID-19 and industry headwinds. While the Prepetition Lenders were not receptive to infusing more capital into the Company, the Purchasers reached an agreement with the Prepetition Lenders to acquire all of the indebtedness under the Prepetition Credit Agreement, and contemporaneous with the closing of their purchase of the Debt, entered into the Fourth Amendment with the Company.

30. To that end, in January 2021, and in connection with the purchase of the indebtedness under the Prepetition Credit Agreement, the Purchasers entered into the Purchaser RSA, which documented their agreement as to the terms of a restructuring of the Company and established milestones, including deferred rent and trade payable reductions and a deadline for the Company and the Purchasers to negotiate and enter into a restructuring support agreement. To achieve the deferred rent and trade payable reductions, the Debtors engaged Keen-Summit Capital Partners LLC (“**Keen**”) to assist with the Company’s lease negotiation efforts and Portage Point Partners (“**Portage Point**”) to assist with the trade vendor negotiations.

31. On February 16, 2021, the Company and the Purchasers (the “**RSA Parties**”) entered into (i) the Company RSA, which memorialized the terms of a potential recapitalization of the Company through an out-of-court restructuring, or a potential sale of the Company’s assets through an in-court restructuring, (ii) a term sheet for the principal terms of a proposed debtor-in-possession financing, and (iii) a term sheet for the principal terms of a proposed sale transaction between the RSA Parties.

32. Thereafter, the Fifth Amendment increased the borrowing amount available to the Debtors under the Prepetition Credit Facility by an additional \$2 million to provide the Debtors with additional liquidity to sustain their operations. Unfortunately, the Company’s liquidity has become too constrained to continue operations outside of the protections afforded by the Bankruptcy Code, and the Purchasers were unwilling to provide additional liquidity without the protections afforded debtor-in-possession financing under a bankruptcy court order entered pursuant to the Bankruptcy Code, thereby necessitating the filing of these Chapter 11 Cases.

### **III. POSTPETITION FINANCING AND SALE PROCESS**<sup>3</sup>

33. The postpetition financing and use of Cash Collateral will, among other things, permit the Debtors to continue to fund their operations during the pendency of these Chapter 11 Cases, and ensure that the Debtors will have sufficient liquidity to successfully operate their business while pursuing their reorganization efforts through the sale process contemplated by the Company RSA.

#### **A. Postpetition Financing**

34. The Postpetition Financing provides for the following key terms:

i. *DIP Facility*

35. The DIP Facility is a multi-draw term loan facility in the amount of new funds up to \$20.0 million, with up to an aggregate principal amount of \$7.0 million available upon the entry of an order of this Court approving the Financing Motion on an interim basis (the “**Interim DIP Order**”). Upon the entry of an order of this Court approving the Financing Motion on a final basis (the “**Final DIP Order**”), the Postpetition Loan Agreement also provides for a roll up of up to \$40 million of the obligations under the Prepetition Credit Facility on a pro rata basis according to the term loan holdings under the DIP Facility.

ii. *Collateral*

36. The DIP Term Loan will be secured by all tangible and intangible real and personal property of the Debtors (including without limitation, all prepetition and post-petition property and assets of the Debtors and all equity interests owned by the Debtors), and all other property of the Debtors of whatever kind, nature, or description, whether acquired or created prepetition or

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<sup>3</sup> Capitalized terms used in this section but not otherwise defined herein shall have the meanings ascribed to them in the Financing Motion (as defined below).

postpetition to secure the DIP Obligations, and the proceeds of each of the foregoing, subject to the Carve-Out.

iii. *Covenants*

37. The Postpetition Loan Agreement includes certain affirmative and negative covenants and events of default consistent with the Prepetition Credit Agreement, and such other covenants and events of default that are usual and customary for debtor-in-possession financings of this type. The Postpetition Loan Agreement also requires compliance with the Budget, subject to certain permitted variances.

iv. *Interest and Fees*

38. Under the Postpetition Documents, the Debtors have agreed, subject to Court approval, to pay certain interest and fees to the Postpetition Agent and the Postpetition Lenders. Specifically, for the DIP Term Loan, the Debtors have agreed to an interest rate of 15.0% per annum, to be paid in kind, and for the Roll-Up Loans, an interest rate of 4.5% per annum. In addition, the Debtors have agreed to pay to the Postpetition Agent a closing fee in an amount equal to \$50,000, (the “**Agent Fee**”) and an upfront fee of 2.0% on the principal amount of the DIP Loans (the “**Upfront Fee**”). The Agent Fee shall be fully earned on the date of entry of the Interim Order and netted against the initial draw on the effective date of the DIP Facility. The Upfront Fee shall be approved upon entry of the Interim Order and the percentage equal to the percentage of the DIP Facility made available pursuant to the Interim Order shall be netted against the initial draw. Upon entry of the Final Order, the remainder of the Upfront Fee shall be paid in cash.

v. *Milestones*

39. The Postpetition Loan Agreement establishes the following milestones, which may be waived or extended by the consent of the Prepetition Agent and Postpetition Agent:

<u>Event</u>	<u>Due Date</u>
Entry of an Interim Order Approving the postpetition financing	No later than two (2) business days after the Petition Date
Entry of the Bidding Procedures Order	No later than twenty-three (23) days after the Petition Date
Entry of a Final Order Approving the postpetition financing	No later than twenty-three (23) days after the Petition Date
Occurrence of an Auction	No later than sixty (60) days after the Petition Date
Entry of the Sale Order	No later than sixty-three (63) days after the Petition Date
Consummation of Sale Transaction	No later than seventy-five (75) days after the Petition Date

**B. Need for Postpetition Financing**

40. The Debtors need an immediate infusion of liquidity to ensure sufficient working capital to operate their business and administer their estates. The necessary payments include payments to employees, third party vendors, landlords, utilities, taxing authorities, and insurance companies, among others, who provide the essential services needed to operate, maintain, and insure the Debtors' assets. The postpetition financing is also necessary to provide a positive message to the market that these Chapter 11 Cases are sufficiently funded, which is critical to address any concerns raised by the Debtors' customers, employees, landlords and vendors. Thus, immediate access to the postpetition financing and the continued use of Cash Collateral is necessary to avoid immediate and irreparable harm to the Debtors and is crucial to the Debtors' efforts to maximize and preserve value for their stakeholders during these Chapter 11 Cases.

41. Access to the DIP Facility will provide the Debtors with capital that is essential to (a) operate throughout these Chapter 11 Cases; (b) avoid immediate and irreparable harm to the Debtors' estates; and (c) provide the Debtors with sufficient runway to pursue their sale process. In anticipation of the immediate need for the postpetition financing and the continued use of Cash Collateral, Management, with the assistance of their financial advisors, Portage Point, prepared the Budget, which process I oversaw. I am familiar with the Budget and its contents. I believe the

Budget is fair, reasonable, and appropriate under the circumstances. The Budget contemplates that the Debtors will need to obtain approximately \$7.0 million in new financing between the Petition Date and the date the Interim DIP Order must be entered under the terms of the Postpetition Loan Agreement.

42. The Debtors, with the assistance of their advisors, including Portage Point, have determined that the DIP Facility should be sufficient to support the Debtors' operations through the pendency of these Chapter 11 Cases and should be adequate, considering all available assets, to pay administrative expenses due or accruing during the period covered by the Budget. Additionally, the postpetition financing will provide the Debtors with continued access to Cash Collateral, which relieves the Debtors of the cost of borrowing additional amounts to replace that cash. I believe the Postpetition Documents reflect good faith, arms'-length, vigorous negotiation among the Debtors and the Postpetition Lenders. Without access to the postpetition financing and the continued use of Cash Collateral, the Debtors would suffer immediate and irreparable harm, and the Debtors would be forced to liquidate. I believe that the use of Cash Collateral alone would be insufficient to meet the Debtors' postpetition liquidity needs.

**C. The Postpetition Financing Is the Best Financing Available**

43. As described more fully in the Mason Declaration, the Debtors have been unable to obtain unsecured credit allowable as an administrative expense. The Debtors have also been unable to obtain credit: (a) having priority over that of administrative expenses; (b) secured by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. I do not believe that the Debtors would be able to obtain financing on an unsecured basis pursuant to sections 364(b) and 503(1) of the Bankruptcy Code, or even on a superiority basis under section 364(c)(1) of the Bankruptcy Code, on terms more favorable than those of the DIP Facility.



Moreover, the proposed postpetition financing serves as an important component of the Debtors' overall chapter 11 efforts, providing the stability of adequate liquidity and the resources to emerge from the chapter 11 process in a timely and expeditious manner.

**D. Sale Process**

44. With the support of the Purchasers embodied in the form of Stalking Horse APA (as defined in and attached to the Bid Procedures Motion, filed concurrently herewith), the Debtors are poised to run a sale process to ensure that value is maximized and distributed efficiently and appropriately. After its engagement in August 2020, Houlihan began a solicitation process with soft inquiries to determine market interest in a potential sale of the Company. However, given the tumultuous end to the year with their negotiations with the Prepetition Secured Lenders and fearful of the impact a sale process would have on the lease negotiation efforts led by Keen, the Debtors did not conduct a prepetition sale process. The Debtors are seeking to run a fulsome marketing process overseen by the Special Committee and under the supervision of this Court. To that end, upon the execution of the Stalking Horse APA, the Debtors will launch their sale and marketing efforts.

45. After an extensive negotiation process in connection with the RSA, I believe, with input from the Debtors' advisors and the Special Committee, that the transactions contemplated under the postpetition financing and the proposed sale process comprise a viable path forward for the Company that will maximize the value of the Debtors' assets for the benefit of its senior secured and unsecured creditors (including its employees and franchisees), while ensuring sufficient funds will remain to pay all administrative expenses of these Chapter 11 Cases and allowing for a responsible wind-down process after the proposed sale closes. For these reasons and the other reasons described in this Declaration, I believe that entry into the postpetition

financing and the proposed sale process represent a value-maximizing path forward for the Debtors.

#### **IV. FIRST DAY MOTIONS**

46. Concurrently with the filing of their chapter 11 petitions, the Debtors filed the below-listed First Day Motions seeking relief that the Debtors believe is necessary to enable them to maximize the value of their estates while the Chapter 11 Cases are pending. The facts set forth in the First Day Motions are incorporated herein in their entirety. The Debtors request that the relief requested in each of the First Day Motions be granted as critical elements in ensuring that value is preserved as they transition into chapter 11.

##### **A. Administrative Motions**

- i. *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief*
- ii. *Debtors' Application for Entry of an Order Appointing Epiq Corporate Restructuring, LLC as Claims Agent Effective as of the Petition Date*

##### **B. Operational Motions Requiring Immediate Relief**

- i. *Debtors' Motion for Entry of Interim and Final Orders (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, and (IV) Granting Related Relief*
- ii. *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing Continuation of, and Payment of Prepetition Obligations Incurred in the Ordinary Course of Business in Connection with, the Insurance Program, and (B) Authorizing Banks to Honor and Process Checks and Electronic Transfer Requests Related Thereto*
- iii. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Prepetition Taxes and Fees, and (II) Granting Related Relief*

- iv. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Honor Prepetition Obligations to Customers and Otherwise Continue Customer Practices, and (II) Granting Related Relief*
- v. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Maintain their Existing Cash Management System, Bank Accounts, and Business Forms, (B) Honor Certain Prepetition Obligations Related Thereto, and (C) Continue to Perform Intercompany Transactions, (II) Granting Administrative Expense Status to Postpetition Intercompany Claims, and (III) Granting Related Relief*
- vi. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Program, and (II) Granting Related Relief*
- vii. *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to: (A) Use Cash Collateral Pending a Final Hearing; (B) Incur Postpetition Debt on an Emergency Basis Pending a Final Hearing; and (C) Grant Adequate Protection to Pre-Petition Secured Parties (the "Financing Motion")*

**C. Payment of Claims Motions**

- i. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors To Pay Certain Prepetition Claims of (A) Critical Vendors and Service Providers and (B) Certain Vendors Entitled to Administrative Expense Priority under Section 503(b)(9) of the Bankruptcy Code; and (II) Authorizing Banks To Honor and Process Check and Electronic Transfer Requests Related Thereto*

61. The First Day Motions request authority to, among other things, enter into the postpetition financing, honor workforce-related compensation and benefits obligations, pay claims of certain critical vendors, suppliers, and taxing authorities, continue to honor certain customer programs, and continue the Debtors' cash management system and other operations in the ordinary course of business to ensure minimal disruption of the Debtors' business operations during these Chapter 11 Cases. For the avoidance of doubt, the Debtors request authority, but not direction, to incur indebtedness, pay amounts or satisfy obligations with respect to the relief requested in the First Day Motions.

62. The Debtors have tailored their requests for immediate relief to those circumstances when the failure to receive such relief would cause immediate and irreparable harm to the Debtors and their estates. I believe an orderly transition into chapter 11 is critical to the viability of the Debtors' operations, success of the sale and marketing efforts and that any delay in granting the relief described below could hinder the Debtors' operations and cause irreparable harm. Other requests for relief will be deferred for consideration at a later hearing.

63. I have reviewed each of the First Day Motions and am familiar with the content and substance contained therein. The facts set forth in each First Day Motion are true and correct to the best of my knowledge and belief with appropriate reliance on other corporate officers and advisors and I can attest to such facts. I believe that the relief requested in each of the First Day Motions listed above (a) is necessary to allow the Debtors to operate with minimal disruption and productivity losses during these Chapter 11 Cases, (b) is critical to ensure the maximization of value of the Debtors' estates through preserving customer, supplier and other partner relationships, among other things, (c) is essential to achieving a successful sale process that maximizes the value of the Debtors' assets, and (d) serves the best interests of the Debtors' stakeholders.

### **CONCLUSION**

64. The Debtors' ultimate goal in the Chapter 11 Cases is to achieve an orderly, efficient, consensual, and successful recapitalization to maximize the value of the Debtors' estates for their stakeholders. The Chapter 11 Cases will allow the Debtors to finalize a sale of their assets through a court-supervised process, while also enabling the Company to strengthen its balance sheet. To minimize any loss of value, the Debtors' immediate objective is to maintain a business-as-usual atmosphere during the early stages of the Chapter 11 Cases, with as little interruption or disruption to the Debtors' operations as possible. I believe that if the Court grants the relief

requested in each of the First Day Motions, the prospect for achieving these objectives and completing a successful reorganization of the Debtors' businesses will be substantially enhanced.

*[Signature page follows]*

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

Dated: March 3, 2021

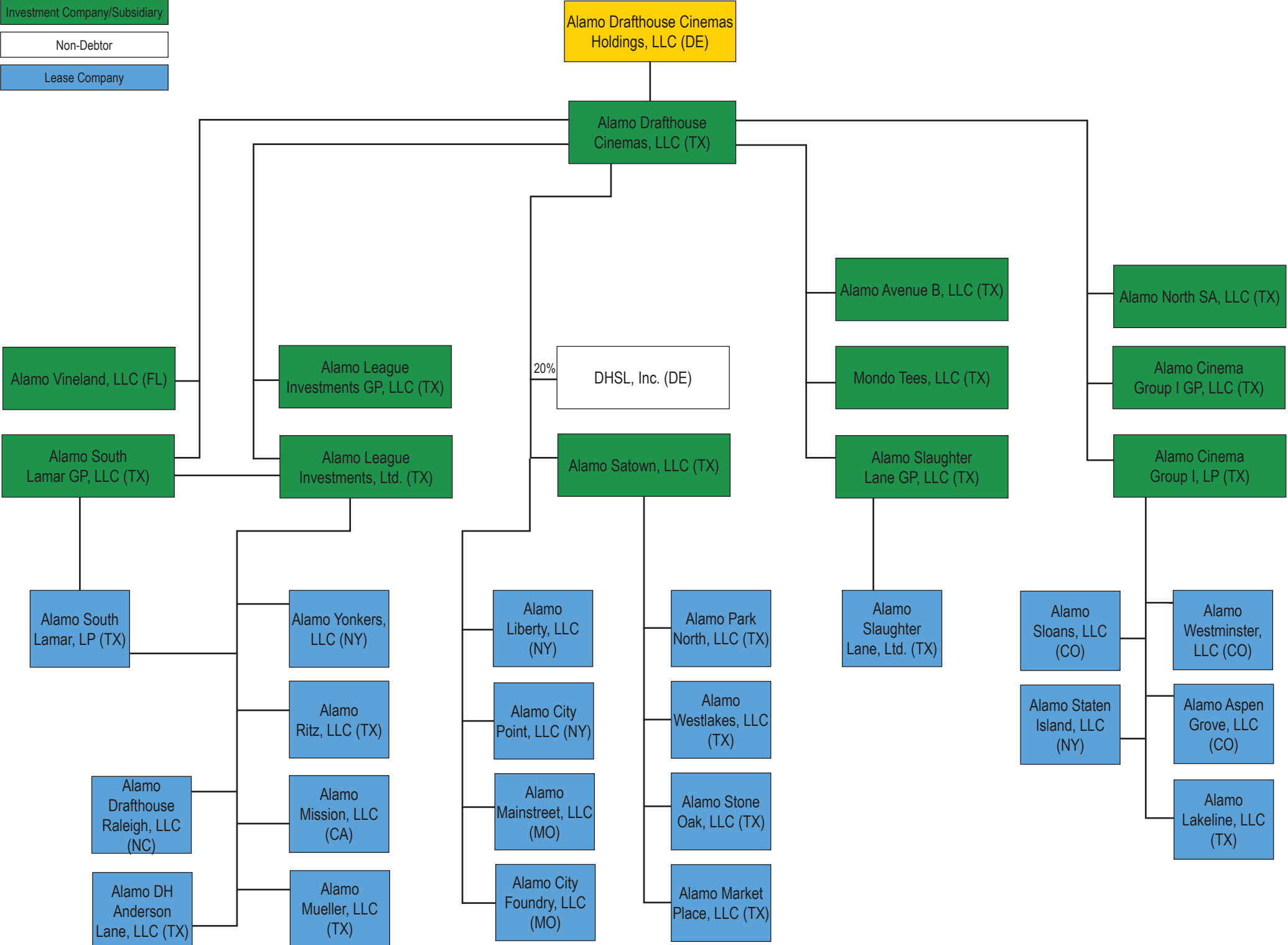
/s/ Matthew Vonderahe

Matthew Vonderahe  
Chief Financial Officer

**Exhibit A**

**Corporate Organization Chart**

Holding Company  
Investment Company/Subsidiary  
Non-Debtor  
Lease Company





**Exhibit B**

**Company RSA**

**THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.**

### **RESTRUCTURING SUPPORT AGREEMENT**

This RESTRUCTURING SUPPORT AGREEMENT (including all exhibits, annexes, and schedules hereto in accordance with Section 15.2, this “Agreement”) is made and entered into as of February 16, 2021, by and among the following parties (each of the Entities described in sub-clauses (i) through (iv) of this preamble and any person or entity that subsequently becomes a party hereto, an “RSA Party,” and collectively, the “RSA Parties”):<sup>1</sup>

- i. Alamo Drafthouse Cinemas Holdings, LLC and each of its wholly owned direct and indirect subsidiaries (the “Company”);
- ii. ACP Alamo Finance, Inc. (“Altamont”);
- iii. CF ALMO UST LLC and CF ALMO UB LLC (collectively, “Fortress”); and
- iv. League Holdings, LLC and Thunderbird Brothers LLC (collectively, the “Minority Lenders,” and together with Altamont, Fortress, and any person or Entity that subsequently becomes an RSA Party that executes and delivers a Restructuring Support Agreement Joinder or Transfer Agreement Joinder, each a “Lender” and collectively, the “Consenting Lenders”).

### ***RECITALS***

WHEREAS, certain of the Consenting Lenders entered into a Restructuring Support Agreement dated January 5, 2021 (the “Consenting Lender RSA”) to pursue certain restructuring and recapitalization transactions as set forth in the Consenting Lender RSA;

WHEREAS, the RSA Parties seek to pursue and consummate the transactions described herein (the “Restructuring Transactions”) through either (a) a recapitalization of the Company effectuated through a consensual out-of-court restructuring (an “Out-of-Court Restructuring”) or (b) a sale of the Company’s assets and business pursuant to section 363 of the Bankruptcy Code in cases commenced under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”) in the Bankruptcy Court (an “In-Court Restructuring”); and

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<sup>1</sup> Capitalized terms used but not defined in the preamble and recitals to this Agreement shall have the meanings ascribed to them in Section 1.

WHEREAS, in furtherance of the Restructuring Transactions, the RSA Parties have agreed to use commercially reasonable efforts to enter into definitive documentation with respect to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of each of which is hereby acknowledged, the RSA Parties, intending to be legally bound, each agree as follows:

## ***AGREEMENT***

### **Section 1. Definitions and Interpretation.**

1.1 Definitions. The following terms shall have the following definitions:

“Agent” means any administrative agent, collateral agent, or similar Entity under the Credit Agreement, including any successors thereto.

“Agreement” has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules hereto in accordance with Section 13.2 of this Agreement (including the Term Sheets).

“Agreement Effective Date” means the date on which each of the RSA Parties has executed this Agreement.

“Agreement Effective Period” means, with respect to any RSA Party, the period from the Agreement Effective Date to the Termination Date applicable to that RSA Party.

“Alternative Restructuring Proposal” means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, financing proposal, debt investment, equity investment, liquidation, tender offer, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction or series of transactions involving the Company or the debt, equity, or other interests in the Company, in each case, that is inconsistent with or represents an alternative to one or more of the Restructuring Transactions or any part thereof.

“Asset Purchase Agreement” means an asset purchase agreement consistent with the terms and conditions of the Stalking Horse Term Sheet.

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

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

“Causes of Action” means any action, Claim, cross-claim, counterclaim, third-party claim, cause of action, controversy, demand, right, action, lien, indemnity, Equity Interest, guaranty, suit, obligation, liability, loss, debt, recoupment, damage, judgment, account, defense, objection, remedies, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, foreseen or unforeseen, existing or hereafter arising, contingent or noncontingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in contract or in tort, in law or in equity, or pursuant to any other theory of law (including, without limitation, under any state or federal securities laws).

“Chapter 11 Cases” has the meaning set forth in the recitals to this Agreement.

“Chosen Court” means (a) before the Company commences the Chapter 11 Cases, federal or state courts located in the State of New York, and (b) after commencement of the Chapter 11 Cases, if any, the Bankruptcy Court.

“Claim” has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.

“Company” means Alamo Drafthouse Cinemas Holdings, LLC and each of its wholly owned direct and indirect subsidiaries.

“Company Claims or Interests” means any Claim against, or Equity Interest in, the Company, including the Loan Claims.

“Company Lease” means any real property lease entered into by the Company.

“Confidentiality Agreement” means an executed confidentiality agreement, including with respect to material non-public information, in connection with any proposed Restructuring Transactions.

“Consenting Lenders” has the meaning set forth in the recitals.

“Consenting Lender RSA” has the meaning set forth in the recitals.

“Credit Agreement” means that certain Credit Agreement, dated as of June 13, 2018 (as previously amended, amended and restated, supplemented, or otherwise modified, including pursuant to the Loan Sale and Assignment Agreement and Fourth Amendment Agreement and as may be further amended, modified or supplemented from time to time), by and among Alamo Drafthouse Cinemas Holdings, LLC, as parent, Alamo Drafthouse Cinemas, LLC, as the borrower, the guarantors named therein, Fortress Credit Corp., as administrative agent, and the lender parties thereto.

“DIP Credit Agreement” means the debtor in possession credit agreement consistent with the terms and conditions of the DIP Term Sheet.

“DIP Facility” means the new senior secured superpriority debtor in possession financing facility provided to the Company in the DIP Credit Agreement.

“DIP Loan” means the loans provided under the DIP Facility.

“DIP Term Sheet” means the term sheet attached hereto as **Exhibit B** summarizing the material terms of a proposed debtor in possession financing facility to be provided by the Lenders to the Company in the event that the Company commences the Chapter 11 Cases in accordance with the terms of this Agreement.

“Effective Date” means the date of consummation of the Restructuring Transactions, on which date the Company shall provide written notice to counsel to each of the RSA Parties in accordance with Section 15.11 of this Agreement confirming (a) in the event of an In-Court Restructuring, the Sale Closing has occurred; or (b) in the event of an Out-of-Court Restructuring, the applicable Out-of-Court Restructuring Documents have been executed and have become effective in accordance with the terms thereof and all closing conditions have been satisfied. The failure to give such notice shall not affect whether the Effective Date has occurred.

“Entity” shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

“Equity Interests” means, collectively, the shares, common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of the Company, and options, warrants, rights, or other securities or agreements to acquire or subscribe for, or which are convertible into the shares of, common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of the Company (in each case whether or not arising under or in connection with any employment agreement).

“Fiduciary Out” means the Company’s right to terminate this agreement pursuant to Section 12.2(c).

“Fiduciary Out Period” means the five (5) Business Day period prior to the effective date of the Company’s termination of this Agreement pursuant to Section 12.2(c).

“Financing Order” means any order entered in the Chapter 11 Cases authorizing debtor in possession financing or the use of cash collateral (whether interim or final).

“First Day Papers” means the motions, orders, pleadings, or other papers that the Company files with the Bankruptcy Court in connection with the commencement of the Chapter 11 Cases, if any.

“Governance Documents” means the organizational and governance documents for the Reorganized Company and their subsidiaries, including, without limitation, certificates of incorporation, certificates of formation or certificates of limited partnership (or equivalent

organizational documents), bylaws, limited liability company agreements, and limited partnership agreements (or equivalent governing documents), as applicable, which shall implement an Out-of-Court Restructuring or In-Court Restructuring, as applicable, upon terms and conditions consistent with this Agreement.

“In-Court-Restructuring” has the meaning set forth in the preamble to this Agreement.

“In-Court Restructuring Documents” means the documents listed in Section 3.2.

“Kennedy” means Dave Kennedy.

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

“League” means Tim League or Karrie League, as applicable.

“Lender” has the meaning set forth in the recitals.

“Liquidation Preference” has the meaning set forth in the Restructuring Term Sheet.

“Loans” means the loans outstanding under the Credit Agreement, which such loans shall be restructured and replaced through the Restructuring Transactions.

“Loan Claims” means the Claims and Causes of Action arising under or related to the Loans.

“Management Incentive Plan” means that (i) certain management incentive plan granting preferred equity to certain management personal of the Reorganized Company as set forth in the Restructuring Term Sheet, and (ii) in the event of an In-Court Restructuring, an incentive plan and retention plan acceptable to the Required Consenting Lenders.

“Milestones” means the milestones set forth in Section 4 of this Agreement.

“Minority Lenders” has the meaning set forth in the recitals to this Agreement.

“New First Lien Credit Agreement” means that senior secured delayed draw term loan facility with Reorganized HoldCo on substantially the same terms as the Credit Agreement and consistent with the terms set forth in the Restructuring Term Sheet; *provided* that the New First Lien Credit Agreement may be a further amended Credit Agreement.

“New Term Loans” means the new term loans to be issued under the New First Lien Credit Agreement.

“Out-of-Court Restructuring” has the meaning set forth in the recitals to this Agreement.

“Out-of-Court Restructuring Documents” means the documents listed in Section 3.1 of this Agreement.

“Permitted Transferee” means each transferee of any Company Claim or Interest who meets the requirements of Section 9.1 of this Agreement.

“Petition Date” means the date on which the Company files a petition for relief commencing the Chapter 11 Cases, if any.

“Promissory Notes” has the meaning set forth in Section 8.4.

“Qualified Marketmaker” means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Company Claims or Interests (or enter with customers into long and short positions in Company Claims or Interests), in its capacity as a dealer or market maker in Company Claims or Interests and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

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

“Release” means the releases given by the Releasing Parties to the Released Parties under Section 14.

“Released Party” means the Company, the Reorganized Company, Altamont, Fortress, League Holdings, LLC, Thunderbird Brothers LLC and each of their respective Related Parties.

“Releasing Party” means the Company, the Reorganized Company, Altamont, Fortress, League Holdings, LLC, Thunderbird Brothers LLC and each of their respective Related Parties. For the avoidance of doubt, each of the Releasing Parties shall grant the Release in all of its capacities, including on behalf of each of their affiliates, in each case, in accordance with the terms and conditions set forth in this Agreement.

“Reorganized Company” means the Reorganized HoldCo and its direct and indirect subsidiaries from and after the Effective Date (*i.e.*, upon the consummation of the Restructuring Transactions).

“Reorganized HoldCo” means either (i) Alamo Drafthouse Cinemas Holdings, LLC from and after the Effective Date or (ii) an entity to be formed by the Consenting Lenders to acquire HoldCo or Alamo Drafthouse Cinemas, LLC.

“Required Consenting Lenders” means the Consenting Lenders that hold at least 85% of the outstanding principal amount of the Loans.

“Restructuring Condition” means (i) a resolution and compromise of the Company’s deferred rental obligations and accounts payable to a maximum of \$7.0 million, and (ii) agreements with lessors under Company leases to amend or modify such leases upon terms that will reduce the Reorganized Company’s lease related expenses by not less than 15% from the Company’s lease expenses for calendar year 2019; *provided* that the determination of lease expense reductions shall exclude lease expenses for those Company lease locations that have been closed or opened since January 1, 2019 or locations that will be closed in connection with the Restructuring Transactions.

“Restructuring Support Agreement Joinder” means a joinder to this Agreement substantially in the form attached hereto as **Exhibit D**.

“Restructuring Term Sheet” means the term sheet for the Restructuring Transactions attached hereto as **Exhibit A**.

“Restructuring Transactions” has the meaning set forth in the recitals to this Agreement.

“Rules” means Rule 501(a)(1), (2), (3), and (7) of the Securities Act.

“Sale” means a sale of substantially all assets of the Company, whether occurring out-of-court, through a sale pursuant to section 363 of the Bankruptcy Code.

“Sale Closing” means the closing of the Sale.

“Sale Motion” means, in the event the Company commences the Chapter 11 Cases, a motion seeking entry of the Sales Procedures Order and the Sale Order, which motion shall include proposed bidding procedures and stalking horse bid protections in form and substance consistent with the Stalking Horse Term Sheet.

“Sale Procedures Order” means an order of the Bankruptcy Court approving procedures governing the solicitation of bids for the Company’s assets and business and scheduling an auction and hearing on the Sale.

“Sale Order” means an order of the Bankruptcy Court approving the Sale.

“Securities Act” means the Securities Act of 1933, as amended.



“Stalking Horse Term Sheet” means the term sheet attached hereto as **Exhibit C** summarizing the material terms of a Sale, including bidding procedures and stalking horse bid protections, through an In-Court Restructuring.

“Term Sheets” means the Restructuring Term Sheet, the DIP Term Sheet and the Stalking Horse Term Sheet.

“Termination Date” means, as to an RSA Party, the date on which termination of this Agreement as to such RSA Party is effective in accordance with Section 12.

“Termination Event” means an event as set forth in Section 12 giving rise to an RSA Party’s right to terminate this Agreement.

“Transfer” means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions).

“Transfer Agreement Joinder” means an executed form of the transfer agreement joinder, substantially in the form attached hereto as **Exhibit E**, providing, among other things, that a transferee is bound by the terms of this Agreement.

1.2 Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; provided, that any capitalized terms herein which are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date hereof;

(d) unless otherwise specified, all references herein to “Sections” are references to Sections of this Agreement;

(e) the words “herein,” “hereof,” and “hereto” refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(f) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(g) references to “shareholders,” “directors,” or “officers” shall also include “members” or “managers,” as applicable, as such terms are defined under the applicable limited liability company Laws;

(h) the use of “include” or “including” is without limitation, whether stated or not; and

(i) the phrase “counsel to the RSA Parties” refers in this Agreement to each counsel to each of the RSA Parties specified in Section 15.11.

**Section 2. Effectiveness of this Agreement.**

This Agreement shall become effective and binding upon each of the RSA Parties at 12:00 a.m., prevailing Eastern Time, on the Agreement Effective Date.

**Section 3. Restructuring Documents.**

3.1 The “Out-of-Court Restructuring Documents” shall consist of the following: (a) the New First Lien Credit Agreement; (b) the Governance Documents; (c) the Management Incentive Plan; and (d) all other material documents customarily delivered in connection with transactions of this type (including, without limitation, any and all other documents implementing, achieving, contemplated by or relating to the New First Lien Credit Agreement).

3.2 The “In-Court Restructuring Documents,” shall consist of any document required to be filed or approved to implement the Restructuring Transactions in an In-Court Restructuring, including but not limited to, the following: (a) the Asset Purchase Agreement; (b) the First Day Papers; (c) the Sale Motion; (d) the Sale Procedures Order; (e) the Sale Order; (f) the Financing Order; (g) the DIP Credit Agreement (and any related financing documentation); (h) the Management Incentive Plan; and (i) such other motions, orders, agreements, and documentation necessary to consummate and document the Restructuring Transactions contemplated by this Agreement, in an In-Court Restructuring.

3.3 The Out-of-Court Restructuring Documents and In-Court Restructuring Documentation remain subject to negotiation and completion by and shall otherwise be in form and substance acceptable to the Company and the Required Consenting Lenders; *provided, however,* solely with respect to any term or provision in an Out-of-Court Restructuring Document or In-Court Restructuring Document that materially and adversely affects any RSA Party (including provisions pertaining to the Term Sheets), such term or provision shall be reasonably acceptable to the affected RSA Party. Upon completion, the Out-of-Court Restructuring Documents or the In-Court Restructuring Documents and every other document, deed, agreement, filing, notification, letter or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement, including the Term Sheets, as they may be modified, amended, or supplemented in accordance with Section 13.

**Section 4. Milestones.**

4.1 Out-of-Court Restructuring Milestones. The RSA Parties agree that the following Milestones shall apply to and govern the timetable for consummating the Out-of-Court Restructuring unless extended or waived, in writing, by the Required Consenting Lenders:

(a) no later than March 1, 2021, the Company shall have satisfied the Restructuring Condition; and

(b) no later than March 13, 2021, the Out-of-Court Restructuring shall have been consummated.

4.2 In-Court Restructuring Milestones. In the event that the Company fails to meet either Milestone set forth in Section 4.1, the RSA Parties agree to pursue the In-Court Restructuring pursuant to the following Milestones unless such Milestones are extended or waived, in writing, by the Required Consenting Lenders:

(a) no later than March 13, 2021, the Company shall have executed the Asset Purchase Agreement;

(b) no later than March 14, 2021, the Company shall have commenced the Chapter 11 Cases;

(c) no later than two (2) Business Days after the filing of the Chapter 11 Cases, the Bankruptcy Court shall have entered the Financing Order on an interim basis;

(d) no later than 23 days after the filing of the Chapter 11 Cases, the Bankruptcy Court shall have entered the Financing Order on a final basis;

(e) no later than 23 days after the filing of the Chapter 11 Cases, the Bankruptcy Court shall have entered the Sale Procedures Order;

(f) no later than 60 days after the filing of the Chapter 11 Cases, the Company shall have held an auction in connection with the Sale;

(g) no later than 63 days after the filing of the Chapter 11 Cases, the Bankruptcy Court shall have entered the Sale Order approving the Sale; and

(h) no later than 75 days after the filing of the Chapter 11 Cases, the In-Court Restructuring shall have been consummated.

4.3 Failure to Meet In-Court Restructuring Milestones. Unless extended or waived in writing by the Required Consenting Lenders, (i) the Company's failure to satisfy the Milestones set forth in Section 4.1 will terminate any obligation that the Agent or Consenting Lenders may have under or in connection with the Credit Agreement to forbear from exercising creditor remedies, and (ii) the Company's failure to satisfy any Milestone contained in Section 4.2 shall constitute a Termination Event pursuant to Section 12.1.

**Section 5. Commitments of the Consenting Lenders.**

**5.1 General Commitments, Forbearances, and Waivers.**

- (a) During the Agreement Effective Period, each of the Consenting Lenders agrees to:
- (i) take all commercially reasonable actions in furtherance and support of consummating the Restructuring Transactions contemplated in this Agreement;
  - (ii) negotiate in good faith the terms and conditions of, execute, perform its obligations under and deliver the Out-of-Court Restructuring Documents or In-Court Restructuring Documents contemplated by this Agreement in a manner consistent with the Term Sheets and within the time frames specified herein;
  - (iii) subject to the entry of a Financing Order, use commercially reasonable efforts to negotiate, execute and deliver the DIP Credit Agreement and to consummate the DIP Facility;
  - (iv) use commercially reasonable efforts to cooperate with and assist the Company in obtaining additional support for the Restructuring Transactions from the Company's other stakeholders; and
  - (v) give any notice, order, instruction, or direction to the applicable Agents necessary to give effect to the Restructuring Transactions and the terms of this Agreement; *provided* that none of the Consenting Lenders shall be obligated to waive (to the extent waivable) any condition to the consummation of any part of the Restructuring Transactions set forth in any Out-of-Court Restructuring Document or In-Court Restructuring Document.
- (b) During the Agreement Effective Period, the Consenting Lenders agree to not directly or indirectly:
- (i) object to, delay, impede, or take any other action to interfere with acceptance, approval, implementation, or consummation of the Restructuring Transactions;
  - (ii) solicit, propose, file, support, vote for, or consent to any Alternative Restructuring Proposal;
  - (iii) file any motion, pleadings, or other document with any court (including any modification or amendments to any motion, pleadings, or other document with any court) that, in whole or in part, violates the terms of this Agreement;
  - (iv) except as set forth in Section 4.3, exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any Claims against or Equity Interests in the Company;

(v) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the Restructuring Transactions against the other RSA Parties other than to enforce this Agreement, any Out-of-Court Restructuring Document or In-Court Restructuring Document, or as otherwise permitted under this Agreement;

(vi) object to, delay, impede, or take any other action to interfere with the Company's ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code; or

(vii) take any other action that is inconsistent with this Agreement or any Out-of-Court Restructuring Document or In-Court Restructuring Document or that would or would reasonably be expected to, prevent, interfere with, delay or impede the acceptance, approval, implementation or consummation of the Restructuring Transactions in any material manner.

5.2 Commitments with Respect to the Chapter 11 Cases. In addition to the foregoing, in the event of an In-Court Restructuring:

(a) During the Agreement Effective Period, if the Sale is consummated pursuant to a Sale Order, each Consenting Lender agrees that it shall support, and not oppose, the Sale and the Bankruptcy Court's entry of the Sale Order.

(b) During the Agreement Effective Period, each Consenting Lender agrees severally, and not jointly, that it shall support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by the Company in the Bankruptcy Court that is consistent with this Agreement, other than to enforce this Agreement or any Out-of-Court Restructuring Document or In-Court Restructuring Document, or as otherwise permitted under this Agreement.

(c) During the Agreement Effective Period, and except as set forth in Section 4.3, each Consenting Lender that is the holder of a Loan or a DIP Loan (if applicable) shall not agree, consent to or direct any person (including the Agent) to amend, modify, waive or take any action with respect to any rights, remedies, terms or conditions contained in the Credit Agreement or DIP Credit Agreement (if applicable) unless such amendment, modification, waiver or action is approved by holders of at least 85% of the aggregate outstanding principal amount of the Loans.

**Section 6. Additional Provisions Regarding the Commitments of the Consenting Lenders.**

Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall:

(a) affect the ability of any Consenting Lender to consult with any other Consenting Lender, the Company or any other party in interest in the Chapter 11 Cases;

(b) impair or waive the rights of any Consenting Lender to assert or raise any objection not prohibited by this Agreement in connection with the Restructuring Transactions;

(c) prevent any Consenting Lender from enforcing this Agreement or any Out-of-Court Restructuring Document or In-Court Restructuring Document, or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or any Out-of-Court Restructuring Document or In-Court Restructuring Document; or

(d) require any Consenting Lender to incur, assume, become liable in respect of or suffer to exist any expenses, liabilities or other obligations, or agree to or become bound by any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses, liabilities or other obligations to such Consenting Lender other than as expressly described in this Agreement.

**Section 7. Commitments of the Company.**

7.1 Affirmative Commitments. Except as set forth in Section 8.1, unless agreed or waived in writing by the Required Consenting Lenders, during the Agreement Effective Period, the Company agrees to:

(a) take all commercially reasonable actions in furtherance and support of consummating the Restructuring Transactions contemplated in this Agreement;

(b) use commercially reasonable efforts to obtain, file, submit or register any and all required governmental, regulatory or third-party approvals, filings, registrations or notices that are necessary or advisable for the implementation or consummation of the Restructuring Transactions;

(c) comply with the Milestones set forth in Section 4 of this Agreement;

(d) use commercially reasonable efforts to timely oppose and object to the efforts of any person seeking in any manner to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Restructuring Transactions (including, if applicable, the timely filing of objections or written responses in the Chapter 11 Cases) to the extent such opposition or objection is reasonably necessary or desirable to facilitate implementation of the Restructuring Transactions;

(e) support a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Loan Claims;

(f) use commercially reasonable efforts to negotiate, execute and deliver the Out-of-Court Restructuring Documents or, if applicable, the In-Court Restructuring Documents, and any other agreements necessary to effectuate and consummate the Restructuring Transactions as contemplated by this Agreement;

(g) use commercially reasonable efforts to seek additional support for the Restructuring Transactions from their other material stakeholders;

(h) inform counsel to such Consenting Lender as to: (i) the status and progress of the Restructuring Transactions, including progress in relation to the negotiations of the Out-of-Court Restructuring Documents or the In-Court Restructuring Documents; and (ii) the status of obtaining any necessary authorizations (including any consents) from, each as and if applicable, the boards of the Company, each other RSA Party, any competent judicial body, governmental authority, banking, taxation, supervisory, or regulatory body or any stock exchange;

(i) inform the applicable counsel to each other RSA Party as soon as it becomes aware of: (i) any event or circumstance that has occurred, or that is reasonably likely to occur (and if it did so occur), that would constitute a default under the Credit Agreement or DIP Credit Agreement or that would permit any RSA Party to terminate, or would result in the termination of, this Agreement; (ii) any matter or circumstance which they know to be a material impediment to the implementation or consummation of the Restructuring Transactions; (iii) any notice of any commencement of any involuntary insolvency proceedings, legal suit for payment of debt or securement of security from or by any person in respect of the Company; (iv) a breach of this Agreement (including a breach by the Company); (v) any representation or statement made or deemed to be made by the Company under this Agreement which is or proves to have been materially incorrect or misleading in any respect when made or deemed to be made; (vi) the initiation, institution or commencement of any lawsuit, action or other proceeding by any person or entity (A) involving the Company (including any assets, permits, businesses, operations or activities of the Company) or any of their respective current or former officers, employees, managers, directors, members or equity holders (in their capacities as such), or (B) challenging the validity of the Restructuring Transactions contemplated by this Agreement or any Out-of-Court Restructuring Documents or In-Court Restructuring Document or seeking to enjoin, restrain or prohibit this Agreement or any Out-of-Court Restructuring Documents or In-Court Restructuring Document or the consummation of the transactions contemplated hereby or thereby; (vii) the happening or existence of any fact, event or circumstance that shall have made any of the conditions precedent to any RSA Party's obligations set forth in (or to be set forth in) any of the Out-of-Court Restructuring Documents or In-Court Restructuring Document incapable of being satisfied prior to July 4, 2021; and (viii) the receipt of notice from any person or entity alleging that the consent of such person or entity is or may be required under any contract, agreement, permit, Law or otherwise in connection with the consummation of any part of the Restructuring Transactions;

(j) use commercially reasonable efforts to maintain its good standing under the Laws of the state or other jurisdiction in which they are incorporated or organized;

(k) provide draft copies of all material motions or applications and other documents the Company intends to file with the Bankruptcy Court to counsel to each of the Consenting Lenders two (2) Business Days prior to the date when the Company intends to file any such pleading or other document; provided, that if and to the extent, due to exigent circumstances, the Company needs to file a document on an expedited basis and is therefore unable to provide a draft at least two (2) Business Days prior to the date it intends to file such document, the Company may

provide such draft as soon as reasonably practicable before the date the Company intends to file the document, and consult in good faith with such counsel regarding the form and substance of any such proposed filing with the Bankruptcy Court;

(l) subject to applicable laws and government restrictions and recommendations due to COVID-19, use commercially reasonable efforts to (i) maintain the current business operations of the Company, keep available the services of its current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties) and preserve in all material respects its relationships with customers, sales representatives, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties); (ii) maintain their respective books and records on a basis consistent with prior practice; (iii) maintain their physical assets, equipment, properties and facilities in their condition and repair as of the Agreement Effective Date; (iv) maintain all of their respective licenses and permits in full force and effect (including by filing all reports, notifications and filings with, and paying all fees to, the applicable governmental entities necessary to maintain all such licenses and permits in full force and effect); and (v) maintain all necessary insurance policies, or suitable replacements therefor, in full force and effect;

(m) operate their business in the ordinary course in a manner that is consistent with past practices and in compliance with applicable law; and

(n) subject to the provisions of any bid procedures order entered by the Bankruptcy Court to the contrary, if the Company receives an Alternative Restructuring Proposal, as soon as reasonably practicable upon the receipt of such Alternative Restructuring Proposal, notify the Consenting Lenders of the receipt thereof, with such notice to include the material terms thereof (including the identity of the persons or entities involved), and thereafter promptly update the Consenting Lenders regarding the occurrence and substance of any material discussions, negotiations, changes or other developments related to such Alternative Restructuring Proposal.

7.2 Negative Commitments. Except as set forth in Section 8.1, unless agreed or waived in writing by the Required Consenting Lenders, during the Agreement Effective Period, the Company shall not directly or indirectly:

(a) other than the DIP Facility, incur any debt for borrowed money, including loans guaranteed or sponsored by any federal, state or local government or government agency;

(b) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions or otherwise commence any proceeding opposing any of the terms of this Agreement or any of the other Out-of-Court Restructuring Documents or In-Court Restructuring Documents;

(c) other than the marketing process to be implemented in connection with the Sale, take any action, or encourage any other person or entity to take any action, that is inconsistent in any material respect with, or is intended or would reasonably be expected to frustrate or impede approval, implementation and consummation of, the Restructuring Transactions;



(d) prior to the execution of the Asset Purchase Agreement, actively seek, solicit, propose, consent to, vote for, or enter into any agreement regarding any Alternative Restructuring Proposal, and after the execution of the Asset Purchase Agreement, enter into any agreement regarding any Alternative Restructuring Proposal;

(e) (i) seek discovery in connection with or prepare or commence an avoidance action or other legal proceeding that challenges: (A) the amount, validity, allowance, character, enforceability or priority of any Claims against, or Interests in, the Company of the Consenting Lenders, including the Loan Claims, or any of them, or (B) the validity, enforceability or perfection of any lien or other encumbrance securing any Claims against, or Interests in, the Company of the Consenting Lenders, including the Loan Claims, or (ii) support any third party in connection with any of the acts described in clause (d)(i); or

(f) execute, deliver or file any Out-of-Court Restructuring Document or In-Court Restructuring Document (including any amendment, supplement or modification of, or any waiver to, any such document) that, in whole or in part, is not consistent in all material respects with this Agreement or is not otherwise acceptable to the applicable Consenting Lenders (as set forth in Section 3.3), or file any pleading seeking authorization to accomplish or effect any of the foregoing.

7.3 The Company acknowledges, agrees, and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of default or termination by any RSA Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the extent legally possible, the applicability of the automatic stay solely with respect to the giving of such notice and attendant termination); *provided* that nothing herein shall prejudice any RSA Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

## **Section 8. Additional Provisions Regarding the Company's Commitments.**

8.1 Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require the Company or the board of directors, board of managers, restructuring committee of the board of managers or similar governing body of the Company to take any action or to refrain from taking any action with respect to the Restructuring Transactions to the extent it determines in good faith, upon the advice of outside counsel, that the taking or failing to take such action would violate applicable Law or be in breach of its fiduciary obligations under applicable Law, and any such action or inaction pursuant to this Section 8.1 shall not be deemed to constitute a breach of this Agreement.

8.2 Notwithstanding anything to the contrary in this Agreement, the Company and their respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to: (a) consider, respond to, and discuss unsolicited Alternative Restructuring Proposals; (b) provide access to non-public information concerning the Company to any Entity that (i) provides an unsolicited Alternative Restructuring Proposal; (ii) executes and delivers a Confidentiality Agreement; and (iii) requests such

information; (c) maintain or continue discussions or negotiations with respect to any unsolicited Alternative Restructuring Proposal if (x) the board of directors, board of managers, restructuring committee of the board of managers or similar governing body of the Company determines in good faith, upon the advice of outside legal counsel, that failure to take such action would violate applicable Law or be in breach of its fiduciary obligations under applicable Law, and (y) the board of directors, board of managers, restructuring committee of the board of managers or similar governing body of the Company has determined, upon the advice of outside legal counsel, that such Alternative Restructuring Proposal is reasonably likely to lead to a transaction that is more favorable to the holders of Claims against, or Interests in, the Company than the Restructuring Transactions and is reasonably capable of being completed in accordance with its terms, taking into account all legal, financial, financing, conditionality, timing and other aspects of such Alternative Restructuring Proposal in a timely manner; and (d) enter into or continue discussions or negotiations with holders of Claims against, or Interests in, the Company, or any other entity regarding the Restructuring Transactions.

8.3 Nothing in this Agreement shall: (a) impair or waive the rights of the Company to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; (b) prevent the Company from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Term Sheets; or (c) create any additional fiduciary obligations or duties on the part of the Company or any members, managers, directors or officers of the Company that did not exist prior to the date of this Agreement.

8.4 Subject to the Section 12.2(c), with respect to the personal guarantees of either Kennedy or League of Company Leases, and for so long as the Minority Lenders are party to, and not in breach of, this Agreement, the Company agrees to use commercially reasonable efforts to relieve Kennedy and League of obligations under their respective personal guarantees of Company Leases as such Company Leases are renegotiated or minimize the financial exposure on such personal guarantees.

## **Section 9. Transfer of Interests and Securities.**

9.1 During the Agreement Effective Period, no Consenting Lender shall Transfer any ownership (including any beneficial ownership as defined in the Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in Loan Claims to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless:

(a) the authorized transferee is either: (i) a qualified institutional buyer as defined in Rule 144A of the Securities Act; (ii) a non-U.S. person in an offshore transaction as defined under Regulation S under the Securities Act; (iii) an institutional accredited investor (as defined in the Rules); or (iv) an RSA Party; and

(b) either (i) the transferee executes and delivers to counsel to each RSA Party at or before the time of the proposed Transfer, a Transfer Agreement Joinder; or (ii) the transferee is an RSA Party and the transferee provides notice of such Transfer to counsel to each other RSA Party at or before the time of the proposed Transfer (such transferee, a "Permitted Transferee").

9.2 Upon compliance with the requirements of Section 9.1 of this Agreement, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Loan Claims. Any Transfer in violation of Section 9.1 shall be void *ab initio*.

9.3 This Agreement shall in no way be construed to preclude the Consenting Lenders from acquiring additional Company Claims or Interests; *provided*, that (a) any additional Loan Claims acquired shall automatically and immediately upon acquisition by a Consenting Lender be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the RSA Parties) and (b) such Consenting Lender must provide notice of such acquisition (including the amount and type of Company Claim/Interest acquired) to counsel to each other RSA Party promptly upon such acquisition.

9.4 Notwithstanding Section 9.1 of this Agreement, a Qualified Marketmaker that acquires any Loan Claims with the purpose and intent of acting as a Qualified Marketmaker for such Loan Claims shall not be required to execute and deliver a Transfer Agreement Joinder in respect of such Loan Claims if: (a) such Qualified Marketmaker subsequently transfers such Loan Claims (by purchase, sale assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor; (b) the transferee otherwise is a Permitted Transferee under Section 9.1; and (c) the Transfer otherwise is a Permitted Transfer under Section 9.1. To the extent that a Consenting Lender is acting in its capacity as a Qualified Marketmaker, it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title or interests in Company Claims or Interests that the Qualified Marketmaker acquires from a holder of the Company Claims or Interests who is not a Consenting Lender without the requirement that the transferee be a Permitted Transferee.

9.5 Notwithstanding anything to the contrary in this Section 9, the restrictions on Transfer set forth in this Section 9 shall not apply to the grant of any liens or encumbrances on any claims and interests in favor of a bank or broker-dealer holding custody of such claims and interests in the ordinary course of business and which lien or encumbrance is released upon the Transfer of such claims and interests.

**Section 10. Representations and Warranties of the Consenting Lenders.**

Each Consenting Lender severally, and not jointly, represents and warrants that, as of the date such Consenting Lenders executes and delivers this Agreement:

(a) it is the beneficial or record owner of the face amount of the Loans or is the nominee, investment manager, or advisor for beneficial holders of the Loans reflected in, and, having made reasonable inquiry, is not the beneficial or record owner of any Loan Claims other than those reflected in, such Consenting Lender's signature page to this Agreement or a Transfer Agreement Joinder, as applicable (as may be updated pursuant to Section 9);

(b) it has the full power and authority to act on behalf of, vote and consent to matters concerning, such Loan Claims;

(c) such Loan Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way such Consenting Lender's ability to perform any and all of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has the full power to vote, approve changes to, and transfer all of its Loan Claims referable to it as contemplated by this Agreement subject to applicable Law;

(e) it has access to adequate information regarding the terms of this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement;

(f) it has not relied upon any other Consenting Lender in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement;

(g) solely with respect to holders of Loan Claims: (i) it is either (A) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (B) not a U.S. person (as defined in Regulation S of the Securities Act), or (C) an institutional accredited investor (as defined in the Rules); *and* (ii) any securities acquired by the Consenting Lender in connection with the Restructuring Transactions will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act; and

(h) to the extent it holds any other Company Claims or Interests, it shall not take any action or exercise any rights inconsistent with the terms of this Agreement on account of such Company Claims or Interests.

**Section 11. Mutual Representations, Warranties, and Covenants.**

Each of the RSA Parties represents, warrants, and covenants to each other RSA Party, as of the date such RSA Party executed and delivers this Agreement:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement or, if applicable, the Bankruptcy Code, no consent or approval is required by any other person or entity in order for it to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its articles of association, memorandum of association, other applicable constitutional documents or material contracts to which it is a party;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement; and

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with any other RSA Parties to this Agreement that have not been disclosed to all RSA Parties to this Agreement.

## **Section 12. Termination Events.**

12.1 Required Consenting Lender Termination Events. This Agreement may be terminated by the Required Consenting Lenders by the delivery of a written notice in accordance with Section 15.11 of this Agreement upon the occurrence of the following events:

(a) the breach in any material respect by the Company of any of the representations, warranties, covenants, or commitments, including those set forth in Sections 7, 8 and 11 of this Agreement, that remains uncured (to the extent curable) for ten (10) Business Days after the Required Consenting Lenders (or the Agent when directed by the Required Consenting Lenders) transmits a written notice to the other RSA Parties detailing such breach in accordance with Section 15.11 of this Agreement;

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for five (5) Business Days after the transmission of a written notice with respect to such issuance in accordance with Section 15.11 of this Agreement;

(c) the failure of the Company to satisfy any of the Milestones set forth in Section 4.2;

(d) the failure of the RSA Parties to consummate the Restructuring Transactions on or before July 4, 2021;

(e) the Bankruptcy Court grants relief that is inconsistent with this Agreement or the Terms Sheets in any material respect or enters an order denying the Sale Motion and such order remains in effect for five (5) Business Days after entry of such order;

(f) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by the Company seeking an order (without the prior written consent of the Required Consenting Lenders), (i) converting one or more of the Chapter 11 Cases of the Company to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers

beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of the Company, or (iii) rejecting this Agreement;

(g) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any assets of the Company having an aggregate fair market value in excess of \$250,000;

(h) the Company approves an Alternative Restructuring Proposal or enters into a definitive agreement with respect to an Alternative Restructuring Proposal, or determines, pursuant to Section 8.1, that the Company or the board of directors, board of managers, restructuring committee of the board of managers or any similar governing body of the Company taking any action or refraining from taking any action with respect to the Restructuring Transactions would violate applicable Law or be in breach of its fiduciary obligations under applicable Law;

(i) in the event that the Company commences the Chapter 11 Cases, the Company withdraws the Sale Motion, or publicly announces its intention to withdraw the Sale Motion;

(j) a Default or Event of Default (as each is defined in the DIP Credit Agreement) has occurred and is continuing;

(k) the Bankruptcy Court enters an order invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the Loan Claims, the liens securing the Loan Claims, the DIP Facility, or the liens securing the DIP Facility; or

(l) the Company executes, delivers, files, amends or modifies, or files a pleading seeking approval of, or authority to amend or modify, any Out-of-Court Restructuring Document or In-Court Restructuring Document that, in any such case, is not consistent in all material respects with this Agreement or the Term Sheets or otherwise acceptable to the applicable required RSA Party set forth in Section 3.3.

12.2 Company Termination Events. This Agreement may be terminated by the Company by delivery to the Agent and Consenting Lenders of a written notice in accordance with Section 15.11 of this Agreement upon the occurrence of the following events:

(a) the failure of the RSA Parties to consummate the Restructuring Transactions on or before July 4, 2021;

(b) the breach in any material respect by one or more of the Consenting Lenders of any provision set forth in this Agreement (i) that is materially adverse to the Company and (ii) that remains uncured for a period of ten (10) Business Days after the Company delivers to the other RSA Parties a written notice detailing each breach in accordance with Section 15.11 of this Agreement;

(c) the board of directors, board of managers, restructuring committee of the board of managers or any similar governing body of the Company determines in good faith, upon the advice of outside counsel, (i) that proceeding with any of the Restructuring would be inconsistent with

the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal; *provided, however*, that in the event the Company desires to exercise its Fiduciary Out pursuant to this Section 12.2(c), the Company shall provide written notice to counsel to the other RSA Parties in accordance with Section 15.11 of this Agreement prior to the expiration of the Fiduciary Out Period advising such counsel that the Company intends to terminate this Agreement pursuant to the Fiduciary Out and specifying, in reasonable detail, the reasons therefor, and during the Fiduciary Out Period the Company shall, and shall cause their respective directors, managers and representatives to, negotiate with the other RSA Parties in good faith (to the extent the other RSA Parties wish to negotiate) to enable the other RSA Parties to determine whether to propose revisions to the terms of the Restructuring Transactions such that it would obviate the need for the Company to exercise its right to terminate this Agreement pursuant to the Fiduciary Out; or

(d) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for five (5) Business Days after the Company delivers a written notice to the other RSA Parties in accordance with Section 15.11 of this Agreement detailing any such issuance; *provided* that this termination right shall not apply to or be exercised by the Company if it sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement.

12.3 Mutual Termination. This Agreement, and the obligations of all the RSA Parties hereunder, may be terminated by mutual written agreement among all of the RSA Parties.

12.4 Automatic Termination. This Agreement shall terminate automatically without any further required action or notice (a) immediately upon termination of the Consenting Lender RSA, (b) immediately upon the Effective Date, or (c) if the Company enters into a definitive agreement or seeks approval of an Alternative Restructuring Proposal from the Bankruptcy Court; *provided, however*, the commencement of a marketing process in connection with an In-Court Restructuring shall not cause the automatic termination of this Agreement.

12.5 Effect of Termination. After the occurrence of a Termination Event, if the RSA Party seeking to enforce this Agreement has failed to request an order within five (5) Business Days of the purported occurrence of a Termination Event from a court of competent jurisdiction finding that a Termination Event did not occur, this Agreement shall be of no further force or effect, and each RSA Party shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Causes of Action. Nothing in this Agreement shall be construed as prohibiting any of the RSA Parties from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Event. Nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any RSA Party, including termination rights or claims arising under Section 12, or the ability of any RSA Party, to protect

and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any RSA Party (including the Company).

**Section 13. Amendments and Waivers.**

(a) This Agreement may not be modified, amended, or supplemented, and no condition or requirement hereof may be waived, in any manner except in accordance with this Section 13.

(b) This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, in a writing signed by the Company and the Required Consenting Lenders unless otherwise specified in this Agreement.

(c) The waiver by any RSA Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any RSA Party to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of any such right, power or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power or remedy by such RSA Party preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

**Section 14. Release.**

14.1 On the Effective Date, each Releasing Party shall be deemed to expressly and generally release, acquit, and discharge each Released Party as set forth below:

**TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EACH OF THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A RELEASED PARTY) SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER, RELEASED AND DISCHARGED EACH OTHER RELEASED PARTY FROM ANY AND ALL CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, DIRECT OR INDIRECT, CONTINGENT OR FIXED, EXISTING OR HEREINAFTER ARISING, IN LAW, AT EQUITY, OR OTHERWISE, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF ANY OF THE COMPANY, THE REORGANIZED COMPANY, EACH OTHER RELEASING PARTY OR THEIR ESTATES, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE COMPANY, THE BUSINESS OPERATIONS OF THE COMPANY, ACTIONS TAKEN BY THE COMPANY'S BOARD OF DIRECTORS, THE PURCHASE, SALE, OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE COMPANY OR THE REORGANIZED COMPANY, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY**



**INTEREST THAT IS TREATED IN THE RESTRUCTURING TRANSACTIONS, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY RELEASING PARTY AND ANY RELEASED PARTY, THE COMPANY'S IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, ENTRY INTO THE CHAPTER 11 CASES (IF APPLICABLE), THE FORMULATION, PREPARATION, DISSEMINATION, OR NEGOTIATION OF THIS AGREEMENT, THE SALE (IF APPLICABLE), THE DIP FACILITY (IF APPLICABLE) OR OTHER DOCUMENTS, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE. ANY CONTRARY PROVISION HEREOF NOTWITHSTANDING, THE RELEASE(S) CONTAINED IN THIS SECTION 14, ANY OUT-OF-COURT RESTRUCTURING DOCUMENT OR ANY IN-COURT RESTRUCTURING DOCUMENT SHALL NOT RELEASE ANY RELEASED PARTY OF OR FROM ANY CLAIMS OR LIABILITIES ARISING FROM WILLFUL MISCONDUCT OR FRAUD.**

14.2 Each of the Releasing Parties shall be deemed to have granted this Release pursuant to and in accordance with this Agreement knowingly, notwithstanding that each Releasing Party may hereafter discover facts in addition to, or different from, those which either such Releasing Party now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and each Releasing Party pursuant to and in accordance with this Agreement shall expressly waive any and all rights that such Releasing Party may have under any statute or common law principle which would limit the effect of the Release to those claims actually known or suspected to exist as of before the Effective Date.

14.3 In connection with their agreement to the foregoing Release pursuant to and in accordance with this Agreement, the Releasing Parties shall knowingly and voluntarily waive and relinquish any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of unknown claims, comparable or equivalent to California Civil Code § 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE COMPANY.**

**Each of the Releasing Parties hereby represents and warrants that it has access to adequate information regarding the terms of this Agreement, the scope and effect of the Release, and all other matters encompassed by this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement. Each of the Releasing Parties further represents and warrants that it has not relied upon any other RSA Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement.**

**Section 15. Miscellaneous.**

15.1 Acknowledgement. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation shall be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, or other applicable Law.

15.2 Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached hereto is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules. In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules hereto) and the exhibits, annexes, and schedules hereto, this Agreement (without reference to the exhibits, annexes, and schedules thereto) shall govern.

15.3 Confidentiality. Absent agreement of the RSA Parties, the nature, terms, and any information provided by the RSA Parties in connection with the contemplated Restructuring Transactions is strictly confidential and shall not be shared by the RSA Parties with any other party until the earlier of (a) the Effective Date of the Out-of-Court Restructuring and (b) the commencement of the Chapter 11 Cases.

15.4 Further Assurances. Subject to the other terms of this Agreement, the RSA Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transactions, as applicable.

15.5 Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the RSA Parties with respect to the subject matter of this Agreement and supersedes all prior negotiations, understandings, and agreements, oral or written, among the RSA Parties with respect thereto, other than any Confidentiality Agreement.

15.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES OF THIS AGREEMENT. Each party to this Agreement agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in the Chosen Court, and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of such court; (b) waives any objection to laying venue in any such action or proceeding in such applicable court; and (c) waives any objection that such court is an inconvenient forum or does not have jurisdiction over any party to this Agreement.

15.7 TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

15.8 Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of an RSA Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said RSA Party.

15.9 Rules of Construction. This Agreement is the product of negotiations among the RSA Parties, and in the enforcement or interpretation of this Agreement is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any RSA Party by reason of that party having drafted or caused to be drafted this Agreement, or any portion of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The parties hereto were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

15.10 Successors and Assigns; Third Parties. This Agreement is only intended to bind and inure to the benefit of the RSA Parties and their respective successors and permitted assigns, as applicable, and except as set forth in Section 9.5, no third party is intended to be a beneficiary of this Agreement. The rights or obligations of any party under this Agreement may not be assigned, delegated, or transferred to any other person or entity, except in accordance with Section 9 of this Agreement.

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

(a) If to the Company:

Alamo Drafthouse Cinemas, LLC  
3908 Avenue B  
Austin, TX 78751  
Attention: Shelli Taylor  
Email: shelli.taylor@drafthouse.com

with copies to:

Young Conaway Stargatt & Taylor, LLP  
Rodney Square, 1000 North King Street  
Wilmington, DE 19801  
Attention: Matthew B. Lunn  
Email: mlunn@ycst.com

(b) if to Altamont, to:

ACP Alamo Finance, Inc.  
c/o Altamont Capital Management, LP  
400 Hamilton Avenue, Suite 230  
Palo Alto, CA 94301  
Attention: Randall Eason and Kevin Mason  
Email: reason@altamontcapital.com,  
kmason@altamontcapital.com, and  
legalnotices@altamontcapital.com

with copies to:

Ropes & Gray LLP  
1211 Avenue of the Americas  
New York, NY 10153  
Attention: Howard S. Glazer, Gregg M.  
Galardi and  
Cristine Pirro Schwarzman  
Email: howard.glazer@ropesgray.com;  
gregg.galardi@ropesgray.com and  
cristine.schwarzman@ropesgray.com

(c) if to Fortress, to:

CF ALMO UB LLC  
c/o Fortress Credit Corp.  
1345 Avenue of the Americas,  
46th Floor  
New York, NY 10105  
Attention: David N. Brooks, General  
Counsel  
Attention: David Sharpe, Credit Operations  
Email: gccredit@fortress.com  
Email: creditoperations@fortress.com

And

CF ALMO UB LLC  
c/o Fortress Credit Corporation  
1345 Avenue of the Americas  
46th Floor  
New York, NY 10105  
Attn: Brian Stewart and Michael Polidoro, Esquire  
Email: Bstewart@fortress.com,

Mpolidoro@fortress.com

with copies to:

Proskauer Rose LLP  
One International Place  
Boston, MA 02110  
Attention: Charles A. Dale  
Email: cdale@proskauer.com

(d) if to the Minority Lenders to:

League Holdings, LLC.  
3908 Avenue B  
Austin, TX 78751  
Attention: Timothy League  
Email: tim.league@drafthouse.com

-and-

Thunderbird Brothers LLC  
1014 Mapleton  
Boulder, CO 80304  
Attention: David Kennedy  
Email: dave.kennedy@drafthouse.com

With copies to:

Locke Lord LLP  
2200 Ross Avenue, Suite 2800  
Dallas, TX 75201  
Attention: Jack E. Jacobsen  
Email: jjacobsen@lockelord.com

-and-

McGinnis Lochridge  
600 Congress Avenue, Suite 2100  
Austin, TX 78701  
Attention: Ed McHorse  
Email: EMcHorse@mcginnislaw.com

Any notice given by delivery, mail, or courier shall be effective when received.

15.12 Independent Due Diligence and Decision Making. Each RSA Party hereby confirms that its decision to execute this Agreement has been based upon its independent

investigation of the operations, businesses, financial and other conditions, and prospects of the Company and it has been represented by counsel or other advisors (or has had ample opportunity to seek representation or advice from counsel or other advisors) in connection with this Agreement and the Restructuring Transactions.

15.13 Enforceability of Agreement. Each of the RSA Parties waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

15.14 Publicity. The Company shall submit drafts to counsel to each Consenting Lenders of any press release and public documents that constitute disclosure of the existence of the terms of this Agreement or any amendment to the terms of this Agreement at least three (3) Business Days prior to making any such disclosure and shall afford them a reasonable opportunity under the circumstances to comment on such documents and disclosures, final versions of which shall be reasonably satisfactory to the Required Consenting Lenders.

15.15 Expenses. The Company shall pay the reasonable and documented fees and expenses of each of the Consenting Lenders and their respective counsels, including Ropes & Gray LLP, as counsel to Altamont, Proskauer Rose LLP, as counsel to Fortress, and Locke Lord LLP and McGinnis Lochridge, as counsel to the Minority Lenders.

15.16 Waiver. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, the RSA Parties fully reserve any and all of their rights. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

15.17 Specific Performance. It is understood and agreed by the RSA Parties that money damages would be an insufficient remedy for any breach of this Agreement by any RSA Party, and each non-breaching RSA Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy for any such breach from a court of competent jurisdiction requiring any RSA Party to comply promptly with any and all of its obligations hereunder.

15.18 Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the parties under this Agreement are, in all respects, several and not joint.

15.19 Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

15.20 Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect of this Agreement at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy of this Agreement by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

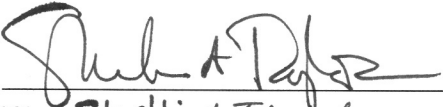
15.21 Capacities. Each Consenting Lender has entered into this agreement on account of all Loan Claims that it holds (directly or through discretionary accounts that it manages or advises).

15.22 Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, including a written approval by the RSA Parties, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the party submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

IN WITNESS OF THIS AGREEMENT, the parties hereto have executed this Agreement on the day and year first above written.

*[Remainder of page intentionally left blank.]*

**ALAMO DRAFTHOUSE CINEMAS HOLDINGS, LLC ON BEHALF OF ITSELF AND  
EACH OF ITS WHOLLY OWNED DIRECT AND INDIRECT SUBSIDIARIES**

By:   
Name: Shelli A Taylor  
Title: CEO




**ACP ALAMO FINANCE, INC.**

By:  \_\_\_\_\_


Name: Randall Eason

Title: President and Secretary

**CF ALMO UB LLC**

By:  \_\_\_\_\_  
Name: William Covino  
Title: Chief Financial Officer

**CF ALMO UST LLC**

By:  \_\_\_\_\_  
Name: William Covino  
Title: Chief Financial Officer

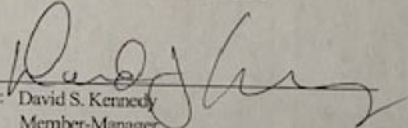
**LEAGUE HOLDINGS, LLC**

By: Timothy A. League

Name: Timothy Allen League

Title: Executive Chairman

THUNDERBIRD BROTHERS LLC

By:   
Name: David S. Kennedy  
Title: Member-Manager

**Exhibit A**

**Restructuring Term Sheet**

### Restructuring Term Sheet

**This summary of terms and conditions (this “*Restructuring Term Sheet*”) sets forth the principal terms of the Restructuring Transactions (defined and described herein). This Restructuring Term Sheet does not constitute an offer or a legally binding obligation of the Company or the Lenders (each as defined herein), or any other party in interest, and no legally binding obligation will exist unless and until definitive documents are executed by and among the appropriate parties. This Restructuring Term Sheet is entitled to protection from any use or disclosure pursuant to Federal Rule of Evidence 408 and any other rule of similar import.**

<b>Company</b>	Alamo Drafthouse Cinemas Holdings, LLC (“ <i>Holdco</i> ”) and its direct and indirect subsidiaries (the “ <i>Company</i> ”).
<b>Lenders</b>	CF ALMO UB LLC, CF ALMO UST LLC (together, “ <i>Fortress</i> ”), ACP Alamo Finance, Inc. (“ <i>Altamont</i> ”), Thunderbird Brothers LLC, and League Holdings, LLC (collectively, the “ <i>Lenders</i> ”).
<b>Loans</b>	Term Loans (including the new money financing provided by the Lenders as set forth in the Credit Agreement, the “ <i>Additional Loans</i> ”), Revolving Credit Loans, and Development Loans (the “ <i>Loans</i> ” and the claims arising under the Loans, the “ <i>Loan Claims</i> ”) under that certain Credit Agreement, dated as of June 13, 2018 (as previously amended, amended and restated, supplemented, or otherwise modified, and as may be further amended, modified or supplemented from time to time), by and among Alamo Drafthouse Cinemas Holdings, LLC, as parent, Alamo Drafthouse Cinemas, LLC, as the borrower, the guarantors named therein, Fortress Credit Corp., as administrative agent, and the lender parties thereto (the “ <i>Credit Agreement</i> ”).
<b>New Term Loan</b>	<p>Senior Secured Delayed Draw First Lien Term Loan (the “<i>DDTL Facility</i>”) in substantially the same form and substance as the Existing Credit Agreement, in the amount of \$30 million, <i>less</i> the aggregate original principal amount of (i) Additional Loans (the “<i>Additional Loans Amount</i>”) and (ii) DIP Loans (the “<i>DIP Loan Amount</i>”) (the result of the foregoing being referred to herein as the “<i>DDTL New Money Amount</i>”).</p> <p>For the avoidance of doubt, the DDTL Facility shall be deemed to include the Additional Loans Amount and the DIP Loan Amount (plus, in each case, interest or other amount paid or payable in-kind under the applicable facility, the “<i>Assumed Loans</i>”), to the extent that any such amounts have been credit bid, assumed, or otherwise have become part of the obligations of the Reorganized Company; <i>it being understood that only the DDTL New Money Amount shall be available to the Reorganized Company as new loans under the DDTL Facility.</i></p> <p><b><u>Maturity:</u></b> 3 years with 18 month draw period.</p> <p><b><u>Draw Schedule:</u></b> Initial draw at closing of the DDTL Facility in an amount necessary to be deemed to have repaid the Assumed Loans, plus an amount to be held on the balance sheet of the Reorganized Company (such amount to be reasonably acceptable to the Lenders).</p>

	<p>Subsequent draws of the DDTL Facility to be subject to customary draw conditions, including maximum draws of \$3.0 million in any calendar month (subject to a one-time exception of up to an additional \$1.5 million in any one month during the term of the DDTL Facility).</p> <p><b><u>Interest Rate:</u></b> 15.0% per annum, compounded quarterly, paid-in-kind unless cash is available (availability determined based on a cash balance test).</p> <p><b><u>Upfront Fee:</u></b> 2.0%.</p> <p><b><u>Call Protection:</u></b> Anytime at par, subject to make-whole equal to 1.50x on drawn amounts.</p> <p><b><u>Excess Cash Flow Sweep:</u></b> As set forth in the Credit Agreement.</p> <p><b><u>Financial Covenant:</u></b> Minimum Liquidity (to include, among other things, undrawn commitments) to be \$1.5 million.</p>
<p><b>New Preferred Equity</b></p>	<p>Preferred Equity issued upon (i) a resolution and compromise of the Company's deferred rental obligations and accounts payable to a maximum of \$7.0 million, and (ii) agreements with lessors under any real property lease entered into by the Company (the "<b><i>Company Leases</i></b>") to amend or modify such leases upon terms that will reduce the Reorganized Company's lease related expenses by not less than a percentage to be agreed upon by Lenders that hold at least 85% of the outstanding principal amount of the Loans from the Company's lease expenses for 2019; <i>provided</i> that the determination of lease expense reductions shall exclude lease expenses for those Company Lease locations that have been closed or opened since January 1, 2019 or locations that will be closed in connection with the Restructuring Transactions.</p> <p><b><u>Amount:</u></b> \$27.37 million.</p> <p><b><u>Investors:</u></b> Fortress Credit Corp. (71.25%) and Altamont Capital Management, LP (the "<b><i>Equity Investors</i></b>"), certain other existing shareholders (23.75%) and Management (as part of management incentive plan) (5.0%).</p> <p><b><u>Preferred Return:</u></b> 20.0% per annum, compounded quarterly, on unreturned capital of new Preferred Equity from time to time, paid-in-kind unless cash is available.</p> <p><b><u>Liquidation Preference:</u></b> Equal to the greater of (i) unreturned capital of new Preferred Equity plus unpaid Preferred Return (either PIK or cash) and (ii) 2.0x original price of new Preferred Equity (taking into account all prior cash payments in respect of new Preferred Equity) (the "<b><i>Liquidation Preference</i></b>")</p>

	<p><b><u>Common Equity Ownership:</u></b> 33.33% of the fully diluted shares outstanding, divided <i>pro rata</i> based on the Preferred Equity investment amount, subject to dilution for up to 10% (fully diluted) shares issued as part of management incentive equity.</p>
<p><b>Governance</b></p>	<p>The governing board of reorganized Holdco (which may be an entity formed to acquire HoldCo or Alamo Drafthouse Cinemas LLC) (the “<b>Board</b>”) will initially consist of Tim League, Dave Kennedy and representatives of Fortress and Altamont, with the Altamont representatives holding a majority of the voting power.</p> <p>The Board will act by simple majority of the voting power at a meeting at which a quorum is present (and a quorum shall require attendance by at least one representative of each Equity Investor).</p> <p>Any committee of the Board (including audit and compensation committees) shall include at least one manager appointed by each Equity Investor.</p> <p><b><u>Equity Investor Approval Rights:</u></b> In addition to any necessary vote by the Board, the following actions by Holdco or its subsidiaries will require the approval of each of Altamont and Fortress in their capacities as Equity Investors:</p> <ul style="list-style-type: none"> <li>(a) any incurrence of debt outside of the DDTL Facility;</li> <li>(b) acquisitions, investments, and divestitures, in each case, in excess of \$1 million, or any joint venture, merger or other change of control transactions;</li> <li>(c) approval/modification of the annual budget or operating/business plan;</li> <li>(d) any liquidation, bankruptcy or similar election;</li> <li>(e) settlement of any material litigation or dispute;</li> <li>(f) related party transactions involving any other Equity Investor or its affiliates subject to such arrangements expressly agreed upon in the definitive equity agreement (including the Altamont Management Services Agreement);</li> <li>(g) authorization or issuance of any equity or equity-linked security;</li> <li>(h) hiring, firing or materially changing the compensation of the CEO;</li> <li>(i) establishment, amendment or modification of an equity incentive plan by Holdco or its subsidiaries (other than as contemplated in the Agreement); and</li> <li>(j) amendments to organizational documents of any of the group companies.</li> </ul>



The foregoing approval rights will fall away upon the occurrence of a transaction pursuant to which the Liquidation Preference of the Preferred Equity is paid in full in cash. For the avoidance of doubt, customary minority protections of Altamont and Board designation rights will not fall away.

**Drag-Along of Altamont Investors:** Altamont shall have the right to initiate a Drag-Along Sale or an IPO pursuant to which the Liquidation Preference of the Preferred Equity is paid in full in cash, without the consent of any other equityholder who shall reasonably cooperate in any such process

**Transfers of Securities; Tag-Along Rights:** Except as set forth below, equity securities will be non-transferable (subject to customary permitted transfers); *provided, however*, that (without duplication of any transfer between the effective date of the Stakeholder RSA and the consummation of the restructuring) Altamont may transfer equity securities to direct or indirect equityholders of Holdco as of the date of the Stakeholder RSA in an amount reflecting such equityholders current *pro rata* interest in Holdco.

From and after such time as the DDTL Facility and the Liquidation Preference are paid in full in cash, Altamont will have the right to transfer its equity securities subject to other Equity Investors' right to transfer their respective *pro rata* share of the same securities at the same price and on the same terms as Altamont (subject to customary exceptions).

From and after such time as the Liquidation Preference is paid in full in cash Fortress shall have the right to transfer its equity securities subject to a right of first offer in favor of Holdco and Altamont.

**Preemptive Rights:** Prior to an IPO or Sale, each equityholder will have the right to acquire its *pro rata* share of any equity or equity-linked debt issued by Holdco or any of its subsidiaries (subject to customary exceptions).

**Information Rights; Confidentiality:** Prior to an IPO or a Sale, each Equity Investor, Tim League and Dave Kennedy (as long as they own equity) will have customary access and information rights. The Equity Investors and their affiliates and any other equityholder who receives confidential information will be subject to customary confidentiality restrictions, which shall include customary exceptions for distribution of customary confidential information to upstream equity owners of the Equity Investors and prospective investors so long as all such persons are subject to confidentiality obligations.

**Demand Registration Rights; Piggy-Back Rights; Holdback Agreement:** Following an IPO or direct listing, each Equity Investor will have an agreed upon number of long form and unlimited short-form demand registration rights and unlimited shelf-takedown rights, subject to

	<p><i>pro rata</i> priority and customary exceptions including minimum offering sizes.</p> <p>All equityholders shall have customary “piggy-back” registration rights (with <i>pro rata</i> priority) on demand registrations and underwritten shelf-takedowns and Holdco registrations, subject to <i>pro rata</i> underwriter cutbacks.</p> <p>In connection with any demand registration or underwritten shelf-takedown, each Equity Investor will agree to a customary lock-up as may be required by the underwriters managing the public offering.</p>
<p><b>Kennedy/League Loans</b></p>	<p>The following provisions shall relate to the personal guarantees of either Kennedy or League of Company Leases:</p> <p>(a) the Reorganized Company shall indemnify Kennedy and League for claims that arise from defaults under any Company Leases that occur after the Effective Date of any In-Court or Out-of-Court Restructuring (for the avoidance of doubt, the Reorganized Company will not indemnify Kennedy or League for lease guaranty-related claims arising on account of any In-Court or Out of Court Restructuring);</p> <p>(b) To the extent Kennedy or League are required to make any payments under their personal guarantees of Company Leases on account of matters occurring in connection with an Out-of-Court Restructuring, the Reorganized Company shall loan either Kennedy or League, as applicable, the amount of such payments (the “<u>Kennedy/League Loans</u>”): (A) up to \$1.0 million for each of the Company Lease locations at Mueller, Lakeline and Mission (up to \$3.0 million total) for which one or more guarantees were issued, and (B) up to an additional \$1.0 million total for payments made on personal guarantees of any Company Leases; <i>provided</i> that each of Kennedy and League shall waive and release any rights of subrogation they have against the Reorganized Company; and</p> <p>(c) The Kennedy/League Loans shall be evidenced by recourse promissory notes (the “<u>Promissory Notes</u>”) with a 5 year balloon maturity and at an interest rate equal to then applicable federal rate (AFR), which note(s) (together with accrued interest thereon) will be forgiven upon the earlier to occur of (a) the Reorganized Company generating \$20 million of trailing twelve month EBITDA during the term of the note(s), or (b) the Liquidation Preference of the preferred equity in the Reorganized Company having been paid in full. In addition, such recourse promissory notes will be mandatorily prepayable upon (a) a realization event with respect to the maker’s equity interests (preferred or common) in the Reorganized Company or (b) a breach of the maker’s material covenants to the Reorganized Company. The Reorganized Company will hold in reserve any distributions payable to Kennedy and League in respect of their</p>

	equity interests (other than tax distributions) to the extent of the amount payable under the promissory notes to be available to repay the loans. The amounts so withheld will be released to Kennedy and League if the forgiveness milestones as set forth in the Promissory Notes are met at or prior to the sale of their equity interests in the Reorganized Company.
<b>Tax Treatment</b>	The Restructuring Transactions shall be structured in a tax efficient manner.
<b>Out-of-Court Restructuring Documentation and In-Court Restructuring Documentation</b>	The identification of the Out-of-Court Restructuring Documentation and the In-Court Restructuring Documentation relating to the Restructuring Transactions shall be set forth in the Agreement.

**Exhibit B**

**DIP Term Sheet**

**Alamo Drafthouse Cinemas, LLC – Superpriority DIP Term Sheet****FOR DISCUSSION PURPOSES ONLY**

THIS TERM SHEET IS ONLY A PRELIMINARY INDICATIVE SUMMARY OF SELECTED TERMS AND IS NOT COMPLETE AND IS NOT A COMMITMENT, OFFER, OR AGREEMENT IN PRINCIPLE TO PROVIDE FINANCING. THIS TERM SHEET IS NOT BINDING ON ANY PARTY AND THE PARTIES DO NOT INTEND TO BE BOUND UNLESS AND UNTIL THEY ENTER INTO DEFINITIVE DOCUMENTATION REGARDING THE SUBJECT MATTER OF THIS TERM SHEET. EXCEPT AS REQUIRED BY LAW, NEITHER THIS PRELIMINARY INDICATIVE SUMMARY OF SELECTED TERMS NOR ITS CONTENTS SHALL BE DISCLOSED PUBLICLY OR PRIVATELY EXCEPT TO THOSE INDIVIDUALS WHO ARE OFFICERS, EMPLOYEES OR ADVISORS OF THE DEBTORS WHO HAVE A NEED TO KNOW AS A RESULT OF POTENTIALLY BEING INVOLVED IN A TRANSACTION AND THEN ONLY ON THE CONDITION THAT SUCH MATTERS MAY NOT BE FURTHER DISCLOSED.

<i>Borrower:</i>	Alamo Drafthouse Cinemas, LLC, a Texas limited liability company, as a debtor and debtor-in-possession (the “ <u>Borrower</u> ”) in a bankruptcy case (the “ <u>Borrower’s Case</u> ”) under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “ <u>Bankruptcy Code</u> ”) commenced in the U.S. Bankruptcy Court for the District of Delaware (the “ <u>Bankruptcy Court</u> ”). The date on which the Borrower’s Case is commenced is referred to as the “ <u>Petition Date</u> ”.
<i>Guarantors:</i>	Alamo Drafthouse Cinemas Holdings, LLC, a Delaware limited liability company (“ <u>Holdings</u> ”), each of the Subsidiary Guarantors party to the Prepetition Credit Agreement (as defined below), and any other subsidiary of Holdings that has any right, title or interest in any material assets (together with Holdings and the Borrower, the “ <u>Debtors</u> ”), each as a debtor and debtor-in-possession in a case filed under Chapter 11 of the Bankruptcy Code (together with the Borrower’s Case, the “ <u>Bankruptcy Cases</u> ”), commenced in the Bankruptcy Court.
<i>Prepetition Credit Agreement:</i>	Holdings and the Borrower are party to that certain Credit Agreement, dated as of June 13, 2018 (as previously amended, amended and restated, supplemented or otherwise modified, the “ <u>Prepetition Credit Agreement</u> ” and the loans thereunder, the “ <u>Prepetition Loans</u> ”), by and among, <i>inter alia</i> , Holdings, the Borrower, the lenders from time to time party thereto (the “ <u>Prepetition Lenders</u> ”) and Fortress Credit Corp., as administrative agent (the “ <u>Prepetition Agent</u> ”) and, together with the Prepetition Lenders, the “ <u>Prepetition Secured Parties</u> ”).
<i>DIP Facility:</i>	A \$[●] million superpriority debtor-in-possession term loan credit facility (the “ <u>DIP Facility</u> ” and the obligations thereunder, the “ <u>DIP Obligations</u> ”), consisting of (a) a multiple draw new money term loan in the aggregate principal amount of up to \$[●] (the “ <u>DIP Term Loan</u> ”), of which up to \$[●] of the DIP Term Loan shall be made available upon entry of the interim order approving the DIP Facility, which order shall be satisfactory to the Required DIP Lenders (as defined below) (the “ <u>Interim Order</u> ”), and the remainder of the DIP Term Loan being made available upon entry of the final order approving the DIP Facility, which order shall be satisfactory to the Required DIP Lenders (the “ <u>Final Order</u> ”) and (b) upon entry of the Final Order a deemed term loan “roll up” of up to \$26,000,000 of Prepetition Loans held by the DIP Lenders (or their affiliates) on a pro rata basis according to their term loan holdings under the DIP Facility, to be deemed incurred as of the date of entry of the Final Order (the “ <u>Roll-Up Loan</u> ”) and, together with the DIP Term Loan, the “ <u>DIP Loans</u> ”).

<i>DIP Lenders:</i>	Certain Prepetition Lenders who elect to provide DIP financing (the “ <u>DIP Lenders</u> ”). The Prepetition Lenders (or their affiliates) will be offered the right to participate in the DIP Facility <i>pro rata</i> with their holdings under the Prepetition Credit Agreement.
<i>DIP Agent:</i>	Fortress Credit Corp., a Delaware corporation (in such capacity, the “ <u>DIP Agent</u> ” and, together with the DIP Lenders, the “ <u>DIP Secured Parties</u> ”).
<i>Interest Rate:</i>	DIP Term Loan: 15.0% per annum, compounded quarterly, paid in kind  Roll-Up Loans: Same as Prepetition Loans as in effect on the Petition Date.
<i>Security and Priority:</i>	<ul style="list-style-type: none"> <li>• The DIP Secured Parties shall be granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, continuing, valid, binding, enforceable, non-avoidable, and automatically perfected, post-petition first priority security interests and liens (the “<u>DIP Liens</u>”) on all tangible and intangible real and personal property of the Debtors (including without limitation, all prepetition and post-petition property and assets of the Debtors and all equity interests owned by the Debtors), and all other property of the Debtors of whatever kind, nature or description, whether acquired or created prepetition or post-petition to secure the DIP Obligations, and the proceeds of each of the foregoing (the “<u>DIP Collateral</u>”). The DIP Liens shall be subject only to validly perfected and non-avoidable liens existing as of the Petition Date to which the liens securing the obligations under the Prepetition Credit Agreement were subject, except for liens securing the Prepetition Loans. For the avoidance of doubt, the DIP Liens shall prime and be senior to the lien of the Prepetition Agent, for the benefit of the Prepetition Secured Parties. Notwithstanding the foregoing, the DIP Liens shall not extend to, and the DIP Collateral shall not consist of, avoidance actions brought pursuant to Chapter 5 of the Bankruptcy Code or applicable state law equivalents, but (subject to entry of the Final Order) shall include the proceeds therefrom. Further, the DIP Liens shall include, and the DIP Collateral shall consist of (subject to entry of the Final Order), all proceeds from the disposition of non-residential real property leaseholds.</li> <li>• All DIP Obligations shall also constitute allowed superpriority administrative expense claims (the “<u>Superpriority Claims</u>”) in the Bankruptcy Cases and shall have priority over all other claims and administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code. The DIP Liens and the Superpriority Claims shall be subject to the Carve-Out (as defined below).</li> </ul>
<i>Carve-Out:</i>	The Carve-Out shall be, collectively, (a) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee (the “ <u>U.S. Trustee</u> ”) pursuant to 28 U.S.C. §1930(a), (b) reasonable fees and expenses incurred by a trustee and payable under section 726(b) of the Bankruptcy Code in an aggregate amount not to exceed \$50,000, (c) all fees and expenses of the professionals retained by the Debtors and any official committee of unsecured creditors appointed in the Bankruptcy Cases (the “ <u>UCC</u> ”) up to but not in excess of the amount included in the DIP Budget that are allowed or become allowed at any time, that (i) are incurred on or prior to the business day first succeeding the date of delivery of the Carve-Out Trigger Notice (as defined below) applicable through and including the date of the Carve-Out Trigger Notice, or (ii) are incurred after the business day first succeeding the date of delivery of a Carve-Out Trigger Notice, subject to an aggregate cap of \$300,000 for the Debtors’ professionals and \$50,000 for professionals of the UCC, and (d) all amounts

	<p>required to be paid to Houlihan Lokey as a Transaction Fee (as defined in the engagement letter by and between Houlihan Lokey and the Debtors, dated August 22, 2020) payable under sections 328, 330 or 331 of the Bankruptcy Code to the extent not paid and due as of the delivery of the Carve-Out Trigger Notice and allowed by order of the court as of such date (the “<u>Carve-Out</u>”); <i>provided</i>, that such Transaction Fee shall not exceed \$1,500,000.</p> <p>On a weekly basis, budgeted fees, costs and expenses of professionals retained by the Debtors and the Committee shall be funded into an escrow account with Young Conway Stargatt &amp; Taylor, LLP (the “<u>Professional Fee Reserve</u>”). Amounts funded into the Professional Fee Reserve shall be considered used by the Debtors at such time as they are deposited into the Professional Fee Reserve for distribution to professionals in accordance with orders of the Bankruptcy Court. Any amounts remaining in the Professional Fee Reserve on the effective date of a chapter 11 plan of the Debtors’ shall be applied and funded to any professional fee reserves established as a part of such chapter 11 plan.</p> <p>The Debtors and DIP Agent will negotiate in good faith a reasonable wind-down budget in an amount not to exceed \$250,000 (the “<u>Wind-Down Budget</u>”) to pay all allowed (i) post-petition claims; (ii) administrative expense and priority claims and (iii) professional fees and expenses necessary to wind-down the Debtors’ estates in a reasonable and appropriate timeline. Any credit bid shall be subject to the Debtors having sufficient cash at the consummation of such sale to satisfy the Wind-Down Budget.</p> <p>“<u>Carve-Out Trigger Notice</u>” shall mean a written notice delivered by the DIP Agent to the Debtors’ lead counsel, the U.S. Trustee, and lead counsel to the UCC, which notice may only be delivered following the occurrence and during the continuation of an event of default under the DIP Facility.</p>
<i>Maturity Date:</i>	The earliest to occur of (a) the 120th day following the Petition Date, (b) the effective date of a plan of reorganization, (c) the date a sale of all or substantially all of the assets of the Debtors is consummated and (d) the date the DIP Obligations are accelerated pursuant to the terms of the DIP Facility.
<i>Fees and Expenses:</i>	<p>(i) An agent fee of \$50,000 (the “<u>Agent Fee</u>”); and (ii) an upfront fee of 2.00% on the principal amount of DIP Loans (the “<u>Upfront Fee</u>”). The Agent Fee shall be fully earned upon entry of the Interim Order and netted against the initial draw on the effective date of the DIP Facility. The Upfront Fee shall be approved upon entry of the Interim Order and the percentage equal to the percentage of the DIP Facility made available pursuant to the Interim Order shall be netted against the initial draw. Upon entry of the Final Order the remainder of the Upfront Fee shall be paid in cash.</p> <p>The Debtors shall reimburse the DIP Agent and the DIP Lenders for all reasonable and documented costs and expenses, including legal fees, financial advisor fees, and other similar fees, costs and expenses incurred in connection with the DIP Facility and the Bankruptcy Cases.</p>
<i>Closing Date:</i>	Closing to occur upon satisfaction (or waiver by the Required DIP Lenders in their sole discretion) of the “Closing Conditions” (the date on which such conditions have been satisfied or waived, the “ <u>Closing Date</u> ”).

<i>Closing Conditions:</i>	The DIP Facility (and the making of each DIP Loan) shall be conditioned upon the satisfaction of conditions precedent usual for facilities and transactions of this type and appropriate in these circumstances.
<i>Budget:</i>	The Debtors shall prepare and deliver to the DIP Agent a 13-week cash flow forecast beginning with the week which includes the Petition Date through the thirteenth week thereafter showing anticipated receipts and disbursements in form and substance acceptable to the Required DIP Lenders (the " <u>Initial Budget</u> "). The Debtors shall provide updates thereto every four weeks (as updated, the " <u>Updated Budget</u> ") and report weekly on actual performance versus the Initial Budget or Updated Budget then applicable; <u>provided</u> that for purposes of compliance with the negative covenants, cumulative disbursements (excluding professional fees) and receipts (in each case, subject to a 10% permitted variance) shall be tested. Unused amounts as set forth in the Initial Budget and Updated Budget may be carried over to the next reporting period.
<i>Milestones:</i>	<p>The Debtors shall run a sale process under Section 363 of the Bankruptcy Code with the following milestones:</p> <ul style="list-style-type: none"> <li>• no later than March 13, 2021, the Company shall have executed a stalking horse purchase agreement pursuant to which a newly formed entity controlled by the DIP Lenders (or affiliates or designees thereof) will purchase by credit bid substantially all assets of the Loan Parties free and clear of all liens, claims, interests and encumbrances, subject only to higher or otherwise better offers (the "Stalking Horse Purchase Agreement");</li> <li>• no later than March 14, 2021, the Company shall have commenced the Chapter 11 Cases;</li> <li>• no later than one (1) Business Day after the Petition Date, the Debtors shall file with the Bankruptcy Court one or more motions, each in form and substance reasonably satisfactory to the Required DIP Lenders, seeking approval of (i) the Stalking Horse Purchase Agreement (the "<u>Sale Motion</u>") and, the transaction in respect thereof, the "<u>Sale Transaction</u>") and (ii) bidding procedures in connection with approval of the Sale Transaction (the "<u>Bid Procedures Motion</u>");</li> <li>• no later than two (2) Business Days after the Petition Date, the Interim Order approving the DIP Facility shall be entered by the Bankruptcy Court;</li> <li>• no later than 23 days after the Petition Date, the Bankruptcy Court shall have entered an order establishing bidding procedures consistent with the Bidding Procedures Motion (such order, the "<u>Bidding Procedures Order</u>"), which order shall be reasonably satisfactory to the Required DIP Lenders;</li> <li>• no later than 23 days after the Petition Date, the Final Order approving the DIP Facility shall be entered by the Bankruptcy Court;</li> <li>• no later than 60 days after the Petition Date, the Borrower shall have held an auction in connection with the Sale Transaction;</li> <li>• no later than 63 days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Sale Transaction (the "<u>Sale Order</u>"), which order shall be satisfactory to the Required DIP Lenders; and</li> </ul>



	<ul style="list-style-type: none"> <li>no later than 75 days after the Petition Date, the Borrower shall have consummated the Sale Transaction in accordance with the Sale Order and that results in net proceeds allocated to the DIP Collateral sufficient to repay the DIP Obligations in full in cash (the “<u>Approved Sale</u>”).</li> </ul>
<i>363 Credit Bid:</i>	The Interim Order shall provide that the DIP Lenders shall be permitted to credit bid, pursuant and subject to section 363(k) of the Bankruptcy Code or applicable law, the DIP Term Loan in connection with any sale or disposition of assets in the Chapter 11 Cases. The Final Order shall provide that the DIP Lenders shall be permitted to credit bid (pursuant to section 363(k) of the Bankruptcy Code or applicable law) the DIP Loans (including the Roll-Up Loans) and any Prepetition Loans held by the DIP Lenders in connection with any sale or disposition of assets in the Chapter 11 Cases and shall not be prohibited from making such credit bid “for cause” under section 363(k) of the Bankruptcy Code.
<i>Use of Proceeds:</i>	<p>Proceeds of the DIP Facility will be used in compliance with the terms of the Initial Budget and Updated Budget, as applicable, (a) to pay transaction costs, fees and expenses which are incurred in connection with the DIP Facility, (b) to pay professional fees of the Debtors and their estates and the UCC, and (c) for working capital and other general corporate purposes, all subject to certain restrictions to be set forth in the Interim Order or Final Order, as applicable, and the documents governing the DIP Facility.</p> <p>The deemed proceeds of the Roll-Up Loans shall be used to refinance an equal amount of the Prepetition Loans held by the DIP Lenders (or their affiliates) reducing the amount of the “Obligations” (as defined under the Prepetition Credit Agreement) by such amount.</p>
<i>Adequate Protection:</i>	<p>As adequate protection for any diminution in the value of the interests of the Prepetition Secured Parties in their prepetition collateral resulting from the use of cash collateral or otherwise, the Debtors shall grant to the Prepetition Secured Parties:</p> <ul style="list-style-type: none"> <li>replacement liens on the DIP Collateral that shall be junior to the DIP Liens;</li> <li>superpriority administrative expense claims that shall be junior to the Superpriority Claims of the DIP Secured Parties and the Carve-Out; and</li> <li>payment of reasonable fees, costs and expenses of the Prepetition Secured Parties.</li> </ul>
<i>Documentation:</i>	<p>The DIP credit agreement shall contain representations and warranties, conditions precedent, affirmative and negative covenants, indemnities, events of default, and remedies in form and substance substantially similar to the Prepetition Credit Agreement (with such modifications as are (i) set forth herein, and (ii) usual and customary for DIP financings of this type) (it being agreed that the DIP Facility documents shall not include any financial covenants other than as expressly set forth herein). Other DIP Facility documents, such as transaction documents, subordination agreements, intercreditor agreements, and other material agreements, shall be, in each case, usual and customary for DIP financings of this type and in form and substance substantially similar to the “Loan Documents” (as defined under the Prepetition Credit Agreement).</p> <p>The definition of “Required DIP Lenders”, “required lenders” or any equivalent terms in the DIP Facility shall refer to lenders holding at least 85% of the DIP Loans and commitments at all times while that certain Restructuring Support</p>

	Agreement dated as January 5, 2021 by and among, <i>inter alia</i> , ACP Alamo Finance, Inc., CF ALMO UB LLC, Major Kong Industries, Ltd. and Catalina Brothers, Ltd. (the " <u>RSA</u> ") is in effect. At all times while the RSA is not in effect "Required DIP Lenders", "required lenders" or any equivalent term in the DIP Facility shall refer to lenders holding at least 50.01% of the DIP Loans and commitments.
<i>Governing Law:</i>	State of New York, except as governed by the Bankruptcy Code.

**Exhibit C**

**Staking Horse Term Sheet**

### Stalking Horse Term Sheet

This non-binding summary of terms and conditions (this “*Stalking Horse Term Sheet*”) sets forth the principal terms of a proposed sale transaction (the “*Sale*”) between the parties described herein. This Stalking Horse Term Sheet does not constitute an offer or a legally binding obligation of the Company, the Lenders, or the DIP Lenders, or any other party in interest, and no legally binding obligation will exist unless and until definitive documents are executed by and among the appropriate parties. This Stalking Horse Term Sheet is entitled to protection from any use or disclosure pursuant to Federal Rule of Evidence 408 and any other rule of similar import. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them later in this Stalking Horse Term Sheet.

<b>Sellers</b>	Alamo Drafthouse Cinemas Holdings, LLC and its direct and indirect subsidiaries (the “ <i>Company</i> ”) that are (i) debtors in bankruptcy cases (the “ <i>Chapter 11 Cases</i> ”) commenced by the Company under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “ <i>Bankruptcy Code</i> ”) in the United States Bankruptcy Court for the District of Delaware (the “ <i>Bankruptcy Court</i> ”) or (ii) borrowers or guarantors under (a) that certain Credit Agreement, dated as of June 13, 2018 (as previously amended, amended and restated, supplemented, or otherwise modified, the “ <i>Credit Agreement</i> ,” and the loans thereunder, the “ <i>Loans</i> ”), by and among Alamo Drafthouse Cinemas Holdings, LLC, as parent, Alamo Drafthouse Cinemas, LLC, as the borrower, the guarantors named therein, Fortress Credit Corp., as administrative agent, and the lender parties thereto (the “ <i>Lenders</i> ”) and (b) the superpriority debtor-in-possession term loan credit facility (the “ <i>DIP Facility</i> ”) consisting of (1) a multiple draw new money term loan in the aggregate amount of up to \$[●] (the “ <i>DIP Term Loans</i> ”) and (2) a deemed term loan “roll up” of up to \$[●] of Loans (together with the DIP Term Loans, the “ <i>DIP Loans</i> ”) held by the lenders under the DIP Facility (the “ <i>DIP Lenders</i> ”) on a <i>pro rata</i> basis according to their term loan holdings under the DIP Facility (collectively, the “ <i>Sellers</i> ”).
<b>Purchaser</b>	A newly formed entity organized and controlled by the DIP Lenders (the “ <i>Purchaser</i> ”).
<b>Purchase Price</b>	The aggregate consideration for the Purchased Assets (the “ <i>Purchase Price</i> ”) shall consist of: (i) a credit bid of the DIP Loans (including the deemed term “roll up” of up to \$26,000,000 of Loans under the Credit Agreement (the “ <i>Roll-Up</i> ”) pursuant to section 363(k) of the Bankruptcy Code (the “ <i>Credit Bid Amount</i> ”); (ii) assumption of the Assumed Liabilities; (iii) the value of any liens or claims granted by the Sellers to the DIP Lenders as adequate protection for any diminution in value of the interests of the DIP Lenders in their collateral resulting from the use of cash collateral or otherwise; and (iv) Excluded Cash.
<b>Purchased Assets</b>	The “ <i>Purchased Assets</i> ” shall include substantially all of the assets of the Sellers, free and clear of all liens, claims, interests and encumbrances, other than the Excluded Assets, as shall be more fully set forth in the APA, including: <ul style="list-style-type: none"> <li>(i) all cash, cash equivalents, prepayments (including all prepayments</li> </ul>

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made to third party vendors), deferred assets, refunds, credits or overpayments, except for the Excluded Cash;

- (ii) all accounts receivables of the Sellers, except for any receivable related to an Excluded Asset;
  - (iii) all inventory of the Sellers;
  - (iv) any directors' and officers' (or similar) insurance policies, any insurance policies of Sellers that covers directors and officers, and any rights thereunder;
  - (v) all insurance policies of Sellers and any claims thereunder to the extent such policies relate to the operation of the Sellers' business or to any Assumed Liabilities; except for coverage and proceeds for any claims relating to or arising prior to the Closing Date;
  - (vi) those unexpired leases designated by Purchaser (the "**Assigned Leases**") with respect to all real property leased, licensed or otherwise granted to the Sellers;
  - (vii) those executory contracts designated by the Purchaser ("**Assigned Contracts**");
  - (viii) any security deposits held by counterparties to Assigned Leases and Assigned Contracts;
  - (ix) all furniture, fixtures, equipment, marketing materials and other personal property used in the operations of the Sellers;
  - (x) all merchandise and other personal property used in the operation of the Sellers;
  - (xi) to the extent transferable pursuant to applicable law, all permits required for Sellers to conduct business as currently conducted or for the ownership, operation, use, maintenance, or repair of any of the Purchased Assets;
  - (xii) all books and records of the Sellers;
  - (xiii) all intellectual property of the Sellers;
  - (xiv) all general intangibles associated with the Sellers' business;
  - (xv) all guarantees, representations, warranties, and indemnities associated with the operation of the business, including in respect of any Assumed Liabilities;
  - (xvi) all claims, causes of action, choses in action, rights of recovery, rights of set off and rights of recoupment (including any such item relating to the payment of taxes) other than counterclaims and
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	<p>defenses related to Excluded Assets, including all claims and causes of action arising under Sections 544 through 553 of the Bankruptcy Code or any analogous state law (the “<i>Avoidance Actions</i>”) and proceeds thereof;</p> <p>(xvii) all prepayments, deposits, deferred assets, rights to refunds (including pre and post-bankruptcy rights to tax refunds), credits, rights to recover overpayments or other receivables, other than those related to Excluded Assets; and</p> <p>(xviii) all rights with respect to proofs of claim filed by or on behalf of any of the Sellers in any bankruptcy case other than the Chapter 11 Cases.</p>
<b>Excluded Assets</b>	<p>The Purchased Assets shall not include:</p> <p>(i) each Seller’s stock and minute books and organizational documents;</p> <p>(ii) equity securities in any Seller;</p> <p>(iii) executory contracts and unexpired leases of the Sellers that are not Assigned Leases or Assigned Contracts;</p> <p>(iv) any liability (whether arising before, on or after the Closing Date) with respect to any employee or former employee of the Sellers who is not a Transferred Employee, and any confidential personnel or other records pertaining to any such employee;<sup>1</sup></p> <p>(v) all rights to any software used in any computer equipment included in the Purchased Assets, to the extent not freely transferable to Purchaser;</p> <p>(vi) all equipment and other assets and items that are (a) owned by third parties or (b) leased to any Seller or an Affiliate thereof, or are not freely assignable, saleable, and transferable to the Purchaser, in each case, pursuant to a contract or agreement that is not an Assigned Contract;</p> <p>(vii) rights that accrue or will accrue to the company under any of the documents with respect to the sale;</p> <p>(viii) any documents protected by any applicable privilege, including attorney-client or attorney work product privilege; and</p> <p>(ix) all cash on hand and cash drawn under the DIP Facility</p>

<sup>1</sup> Subject to ongoing diligence with respect to liabilities or other obligations of current and former employees of Sellers and beneficiaries thereof, including with respect to (a) employee benefits or compensation arrangements; (b) employee benefit plans, policies, programs, agreements or arrangements at any time maintained, sponsored, or contributed to, (c) defined benefit pension plans, if any, and (d) collective bargaining agreements or arrangements, severance, retention or termination agreements, if any.

	<p>(collectively, the “<i>Excluded Cash</i>”) sufficient to (a) satisfy the reasonable and documented fees and expenses accrued and unpaid by the Sellers’ and Purchaser’s professionals as of the Closing Date, (b) pay all administrative expenses or other postpetition expenses of the Sellers that are accrued and unpaid as of the Closing Date in the Chapter 11 Cases, and (c) an amount that shall not exceed \$250,000 to conduct an orderly wind-down of the Company after the Closing Date.</p>
<p><b>Assumed Liabilities/Excluded Liabilities</b></p>	<p>“<i>Assumed Liabilities</i>” shall include the following:</p> <ul style="list-style-type: none"> <li>(i) all liabilities of the Sellers under any Assigned Leases and Assigned Contracts (collectively, the “<i>Purchased Contracts</i>”), including amounts necessary to cure any defaults in connection with the assumption of any Purchased Contracts;</li> <li>(ii) all liabilities of the Sellers (other than in respect of taxes) relating to, or arising in respect of, the Purchased Assets accruing, arising out of or relating to (a) events, occurrences, acts or omissions occurring or existing after the Closing Date or (b) the operation of the Sellers’ business or the Purchased Assets after the Closing Date;</li> <li>(iii) all liabilities of the Sellers relating to Transferred Employees accruing from and after the Closing Date, to the extent arising out of or relating to their employment by Purchaser or any of its affiliates;</li> <li>(iv) all liabilities for gift cards or gift certificates issued by any Seller in the ordinary course of business prior to the Closing Date;</li> <li>(v) to the extent lawfully transferable, all obligations, commitments and liabilities under any permits assigned to Purchaser pursuant to the Sale; and</li> <li>(vi) those liabilities to be mutually agreed and set forth on a schedule to the APA.</li> </ul> <p>All prepetition and postpetition liabilities of the Sellers, other than the Assumed Liabilities, shall be “<i>Excluded Liabilities</i>,” including, without limitation:</p> <ul style="list-style-type: none"> <li>(i) any liability of any Seller relating to any Excluded Asset;</li> <li>(ii) all liabilities under indebtedness for borrowed money of the Sellers (including any indebtedness or accounts payable owing from any Sellers to any affiliate of the Sellers);</li> <li>(iii) except for any liabilities for taxes that are Assumed Liabilities, all tax liabilities of the Sellers arising prior to or on the Closing Date, and any tax liabilities of the Sellers arising from the transactions contemplated by the APA;</li> </ul>

- (iv) all liabilities of the Sellers relating to employees of the Sellers that are not Transferred Employees;
- (v) all liabilities of the Sellers arising out of, relating to or with respect to (a) the employment or performance of services, termination of employment or services by any Seller of any employee, or independent contractor on or before the close of business on the Closing Date, (b) employment or labor actions accruing either directly or indirectly against the Sellers that relate to the period on or after the close of business on the Closing Date, irrespective of whether such claims are made prior to or after the Closing Date, and (c) all liabilities (including, without limitation, to the IRS or United States Department of Labor) with respect to any employee benefits plan;
- (vi) all liabilities relating to claims arising from or related to the rejection of a contract or lease pursuant to section 365 of the Bankruptcy Code, including any administrative expense claims arising from the rejection of contracts or leases previously assumed, unless such contract is a Purchased Contract;
- (vii) any tort liabilities of any Seller;
- (viii) all environmental liabilities relating to, resulting from, caused by or arising out of ownership, operation or control of the Sellers' business, to the extent accruing, arising out of or relating to event, occurrences, acts or omissions occurring or existing prior to the Closing Date;
- (ix) all actions against each Seller, any of their respective assets, their businesses and any of their past or present operations or activities; and
- (x) all liabilities relating to claims for indemnification of any present or former officer, director, employee, partner or member of any Seller whether arising under bylaws, certificates of formation or other formation documents, or contract arising prior to the Closing Date.

#### **Bid Procedures**

The Sellers shall file a motion (the "***Sale Motion***") seeking an order of the Bankruptcy Court approving procedures (the "***Bid Procedures***") governing the solicitation of bids for the Purchased Assets (the "***Sale Procedures Order***") and approving the Sale (the "***Sale Order***") consistent with the following:

- (i) Bidder Requirements: A party must submit the following documents to be considered a "***Qualified Bidder***" and be allowed to participate in the bidding process and receive access to conduct due diligence:
  - a. An executed confidentiality agreement on terms



reasonably acceptable to the Sellers and Purchaser; and

- b. Proof by the bidder of its financial capacity to close a proposed transaction.
- (ii) **Bid Deadline**: A Qualified Bidder must, **no later than 50 days after the Petition Date**, deliver a written and executed copy of the APA and related Definitive Documents by which the Qualified Bidder offers to purchase the Purchased Assets at a purchase price and upon the terms and conditions set forth therein and which provides, or otherwise complies with, the following items (such offer, a “*Qualified Bid*”):
- a. Constitutes a binding proposal to acquire the Purchased Assets and the consideration to be paid;
  - b. Proposes a cash Purchase Price (except with respect to Assumed Liabilities that need not be paid in cash) greater than the sum of (i) the Purchase Price proposed by the Purchaser, (ii) the Reimbursable Expenses, (iii) the Break-Up Fee, and (iv) \$250,000;
  - c. Remains irrevocable until 48 hours after the hearing for the Bankruptcy Court to consider approving the Sale (the “*Sale Hearing*”);
  - d. Is not subject to any break-up fee, transaction fee, termination fee, or any similar type of payment or reimbursement unless subject to court approval; and
  - e. Is accompanied by a good faith deposit in the amount of 10% of the proposed purchase price (a “*Good Faith Deposit*”).
- (iii) **Credit Bidding**: The Purchaser shall be considered a Qualified Bidder and shall not be required to provide a Good Faith Deposit. The Purchaser may participate in the Auction and, to the extent set forth the interim and final Financing Orders, as applicable, may, pursuant to section 363(k) of the Bankruptcy Code, credit bid the Loans and the DIP Loans to acquire the Purchased Assets, which credit bid shall be deemed a Qualified Bid. Purchaser shall not be prohibited from making such credit bid “for cause” under section 363(k) of the Bankruptcy Code.
- (iv) **Due Diligence**: The Bid Procedures shall permit all Qualified Bidders to participate in the diligence process.
- (v) **Sale Objections Deadline**: The deadline for filing an objection to the Sale shall be **no later than 7 days before the Sale Hearing**. Objections, if any, shall be in writing, filed with the Bankruptcy Court and served upon the relevant parties in interest in the

	<p>Chapter 11 Cases, including the Sellers, the Purchaser, and the DIP Lenders. If no written objections are filed, the Sellers are authorized to immediately consummate the Sale. If a timely objection is filed and not withdrawn or resolved, then such objection will be considered at the Sale Hearing. If such objection is overruled or withdrawn, or if the Sale is specifically approved by further order of the Bankruptcy Court, the Sellers are authorized to immediately consummate the Sale.</p> <p><u>Auction</u>: If more than one Qualified Bid is received by the Bid Deadline, then the Sellers shall conduct the Auction <b><u>no later than 60 days after the Petition Date</u></b>.</p> <p>(vi) <u>Sale Order</u>: the Bankruptcy Court shall have entered the Sale Order <b><u>no later than 63 days after the Petition Date</u></b>.</p>
<p><b>Milestones</b></p>	<p>The Sellers shall run a sale process under section 363 of the Bankruptcy Code in accordance with the following milestones:</p> <ul style="list-style-type: none"> <li>(i) no later than March 13, 2021, the Company shall have executed the APA;</li> <li>(ii) no later than March 14, 2021, the Company shall have commenced the Chapter 11 Cases;</li> <li>(iii) no later than one (1) Business Day after the date on which the Sellers file voluntary petitions for relief commencing the Chapter 11 Cases (the "<b><i>Petition Date</i></b>"), the Sellers shall file with the Bankruptcy Court the Sale Motion, in form and substance satisfactory to the Purchaser, seeking approval of the APA and the Bid Procedures;</li> <li>(iv) no later than two (2) Business Days after the Petition Date, the Interim Order approving the DIP Facility shall be entered by the Bankruptcy Court;</li> <li>(v) no later than 23 days after the Petition Date, the Final Order approving the DIP Facility shall be entered by the Bankruptcy Court;</li> <li>(vi) no later than 23 days after the Petition Date, the Bankruptcy Court shall have entered the Sale Procedures Order;</li> <li>(vii) no later than 60 days after the Petition Date, the Sellers shall have held an auction on the Sale;</li> <li>(viii) no later than 63 days after the Petition Date, the Bankruptcy Court shall have entered the Sale Order; and</li> <li>(ix) no later than 75 days after the Petition Date, the Sale transaction shall have been consummated in accordance with the Sale Order (the "<b><i>Closing Date</i></b>").</li> </ul>

<p><b>Bid Protections</b></p>	<p>The Sale Procedures Order shall provide that the Sellers shall reimburse the reasonable, documented out-of-court fees and expenses (the “<i>Reimbursable Expenses</i>”) incurred by the Purchaser and its affiliates prior to termination of the APA in connection with this Stalking Horse Term Sheet, the APA, the Sale, the Sale Motion, the Sale Procedures Order, the Sale Order and the transactions contemplated hereby and thereby, including reasonable fees and expenses of legal counsel, financial advisors, consultants and any other advisors that Purchaser engages in its reasonable discretion, subject to a cap of \$500,000. The full amount of the anticipated Expense Reimbursement shall be afforded superpriority administrative expense protection pursuant to sections 503(b) and 507 of the Bankruptcy Code.</p> <p>In the event the APA is terminated prior to the Closing Date and the Sale is not consummated, the Sellers shall pay Purchaser a break-up fee in the amount of 2.0% (the “<i>Break-Up Fee</i>”); provided, however, that no break-up fee shall be payable to Purchaser as a result of the termination of the APA by the Sellers due to a breach of the APA by the Purchaser or an agreement by Purchaser and Sellers to terminate the APA.</p>
<p><b>Closing Conditions</b></p>	<p>The respective obligations of the Sellers and Purchaser to consummate the Sale shall be subject to the satisfaction at or prior to the Closing Date of customary termination provisions, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) no temporary restraining order, preliminary or permanent injunction or other order issued by an governmental authority preventing consummation of the Sale shall be in effect;</li> <li>(ii) no law shall be in effect which prohibits the transactions contemplated by the Sale;</li> <li>(iii) no default shall have occurred under the DIP Credit Agreement;</li> <li>(iv) no default shall have occurred and be continuing under that certain restructuring support agreement to be entered into between the Company, ACP Alamo Finance, Inc., CF ALMO UST LLC, CF ALMO UB LLC, League Holdings, LLC and Thunderbird Brothers LLC (the “<i>Company RSA</i>”);</li> <li>(v) no breach of Sellers’ or Purchasers’ covenants and accuracy of Sellers’ and Purchasers’ representations and warranties as of the Closing Date;</li> <li>(vi) no material adverse change (as customarily defined) shall have occurred;</li> <li>(vii) the APA and related Definitive Documents shall continue to remain in full force and effect; and</li> <li>(viii) the Bankruptcy Court shall have entered the Sale Procedures Order and the Sale Order, and each shall be a final order acceptable to the Required Consenting DIP Lenders on behalf of</li> </ul>

	the Purchaser.
<b>Termination</b>	<p>The APA will contain customary termination provisions, including but not limited to termination:</p> <ul style="list-style-type: none"> <li>(i) by the mutual written consent of the Sellers and the Purchaser;</li> <li>(ii) by the Sellers or the Purchaser if the Closing Date has not occurred by July 4, 2021; <i>provided</i>, that the Purchaser can extend such date in its sole discretion;</li> <li>(iii) by the Sellers or the Purchaser, if there shall be any law that makes consummation of the Sale illegal or otherwise prohibited or if any governmental authority, including any regulatory authority or court of competent jurisdiction, issues any final, non-appealable ruling or order that (a) enjoins the consummation of the Sale and (b) remains in effect for five (5) business days after notice of such law or order has been received by the Sellers and the Purchaser;</li> <li>(iv) by the Sellers or the Purchaser, if the Company approves or enters into a definitive agreement, or seeks approval from the Bankruptcy Court, with respect to a transaction that is inconsistent with or represents an alternative to the transactions contemplated herein;</li> <li>(v) by the Purchaser, if any Seller has breached the APA or Sale Order;</li> <li>(vi) by the Sellers, if the Purchaser has breached the APA or Sale Order;</li> <li>(vii) by the Purchaser, upon a termination event under the DIP Facility or upon a modification of the Financing Order;</li> <li>(viii) by Purchaser, upon a termination event in the Company RSA; and</li> <li>(ix) by the Purchaser, if for any reason the Purchaser is unable, pursuant to Bankruptcy Code section 363(k), to credit bid in payment of all or any portion of the Credit Bid Amount.</li> </ul>
<b>Releases</b>	The APA shall contain a full mutual release between and among the Company, the Purchasers, the Lenders and each of their respective affiliates.
<b>Confidentiality</b>	This Stalking Horse Term Sheet and all communications and information regarding the Sale contemplated herein, including the identity of the Purchaser, the existence, structure, terms, conditions and provisions proposed or discussed are provided for the sole and exclusive benefit of the Sellers, and, except as expressly consented to by the Purchaser in writing or as may be order by a court of competent jurisdiction, may be not be disclosed to or shared with any person or entity other than the Sellers' board of directors and those of the Sellers' officers, directors, employees

	and advisors that are involved in the Chapter 11 Cases or the Sale on a “need to know” basis and who maintain the confidentiality hereof.
<b>Representations and Warranties</b>	The Sellers and the Purchaser shall make customary representations and warranties in the context of section 363 credit bid transactions, it being understood that such representations and warranties shall not survive the Closing Date.
<b>Covenants</b>	The Company will make customary and other negative and operating covenants in the context of section 363 credit bid transactions, including, without limitation, covenants concerning: (i) conduct of the Sellers’ business; (ii) provision of financial and operating data, and access to the personnel, facilities, books, contracts and records of the Sellers and its affiliates throughout the course of the pre-Sale due diligence process and post-closing separation process; (iii) best efforts to obtain approval of the Bid Procedures and the Sale Motion and other case management undertakings; (iv) best efforts to obtain the necessary consents and authorizations to consummate the Sale transactions; (v) notice of certain events; (vi) sending WARN notices to employees of the Sellers as and if required; and (vii) such other covenants as Purchaser may request.
<b>Tax Treatment</b>	The Sellers shall agree to cooperate in good faith to structure the APA and related transactions in a tax efficient manner for the Purchaser as determined in the Purchaser’s sole discretion.
<b>Regulatory Approvals</b>	The Sellers and Purchaser agree to cooperate regarding all consents and other authorizations required to be obtained from, or any filings required to be made with, any governmental authority that are necessary to consummate the transactions contemplated herein.
<b>Employee Matters</b>	By no later than [●], Purchaser shall deliver a list of all of Sellers’ employees to whom the Purchaser agrees to offer employment effective as of the Closing Date in its sole and absolute discretion, which employees shall become employees of the Purchaser to the extent such employees accept Purchaser’s employment offer (the “ <i>Transferred Employees</i> ”). Purchaser shall have no liability for any pay, benefits or similar claims of any Transferred Employees earned or accrued prior to the Closing Date, which liabilities shall remain the sole responsibility of the Sellers and their affiliates, as applicable. Purchaser shall have no obligation to provide any severance, payments, or benefits to any employees of the Sellers and their affiliates. Sellers acknowledge that Sellers and their affiliates, as applicable, are alone responsible for (i) issuing, serving, and delivering all orders and notices required, if any, pursuant to applicable laws, in connection with the termination of employees or contractors, and (ii) any financial obligations and liabilities in connection therewith or otherwise required in connection with the termination of such employees or contractors. From and after the Closing Date, Sellers shall, except to the extent otherwise expressly provided in the APA, retain and be solely responsible for all obligations and liabilities with respect to the employment of all employees of the Sellers prior to the Closing Date. The Sellers shall be responsible for providing any notice required pursuant to the WARN Act with respect to a layoff relating to Sellers’ business operations that occurs prior to the Closing Date, and Purchaser shall be responsible for providing any notice required pursuant to the WARN Act with respect to a layoff that occurs on or after the Closing Date.

<b>Collective Bargaining Agreements</b>	Sellers shall obtain the consent of Purchaser before extending or renewing (or permitting to be extended or renewed), the term of any Seller's collective bargaining agreement (" <b>CBA</b> ") absent any Seller's ability to terminate such CBA prior to the Closing Date. Purchaser does not accept or assume any CBAs between any Seller and its Employees, and expressly declines to be bound by or accept the terms of any such CBAs. Purchaser is not obligated and does not accept or adopt any wage rates, employee benefits, employees policies or any other terms and conditions of employment.
<b>Definitive Documents and Due Diligence</b>	An asset purchase agreement (" <b>APA</b> ") and such other definitive documents for the acquisition of the Purchased Assets as the Sellers and Purchaser mutually agree upon (collectively, the " <b>Definitive Documents</b> ") shall memorialize this Stalking Horse Term Sheet and contain such representations, warranties, covenants, and indemnities as set forth herein or as otherwise may be acceptable to the Sellers and Purchaser. The signing of the Definitive Documents will be subject to, among other things, the negotiation by the Sellers and Purchaser of acceptable terms and conditions for the Definitive Documents as well as additional legal, accounting, financial, tax, business and regulatory due diligence. In the event of any inconsistency between this Stalking Horse Term Sheet and any Definitive Documents, the Definitive Documents shall govern.

**Exhibit D**

**Restructuring Support Agreement Joinder**

**Restructuring Support Agreement Joinder**

This joinder (the “Restructuring Support Agreement Joinder”) to the Restructuring Support Agreement dated as of February 15, 2021 (the “Agreement”) is executed and delivered by [JOINING PARTY] (the “Joining Party”) as of [DATE]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Restructuring Support Agreement Joinder as Annex A (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be an RSA Party for all purposes under the Agreement.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other RSA Party that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the debt or equity interest identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 11 of the Agreement.

3. Governing Law. This Restructuring Support Agreement Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]

[ADDRESS]

Attention:

Email:



IN WITNESS WHEREOF, the Joining Party has caused this Restructuring Support Agreement Joinder to be executed as of the date first written above.

[JOINING PARTY]

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By:  
Name:  
Title:

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Loans	[\$●]
New Term Loans	[\$●]
Shares of Existing Equity	[●]

**Exhibit E**

**Provision for Transfer Agreement Joinder**

**Provision for Transfer Agreement Joinder**

The undersigned (“Transferee”) hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of February 15, 2021 (the “Agreement”),<sup>1</sup> by and among the RSA Parties and, among other parties, the transferor of Loan Claims (each such transferor, a “Transferor”), and agrees to be bound by the terms and conditions of the Agreement to the extent the Transferor was thereby bound, and shall be deemed a “RSA Party” under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of (or other actions taken in support of the Restructuring Transactions by) the Transferor if such vote was cast (or other action taken) before the effectiveness of the Transfer discussed herein.

Date Executed:

\_\_\_\_\_  
Name:

Title:

Address:

Email address(es):

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Loan Claims	[\$●]

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.