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ATTORNEYS FOR
214 E HALLANDALE BEACH LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	**CASE NO. 25-80121-11 (MVL)**
	§	
HIGHER GROUND EDUCATION, INC., et al[1]	§	**Chapter 11**
	§	
	§	
	§	**(Jointly Administered)**
DEBTORS.	§	

WITNESS AND EXHIBIT LIST

214 E Hallandale Beach LLC (the "Landlord"), hereby files this Witness and Exhibit List and designates the following witnesses and exhibits in connection with the matters set before this Court on **August 29, 2025, at 2:00 p.m. (CT)** (the "Hearings").

WITNESSES[2]

[1] The "Debtors" in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education, Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St. Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); and AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

[2] Witness testimony may be presented by affidavit, declaration, transcript or other sworn statement.

2580121250827000000000001

1. A representative of the Debtors;

2. Johnathan McCarthy;

3. Any witness designated or called by any other party; and

4. Any impeachment or rebuttal witnesses.

EXHIBITS

Exhibit	Description	Off.	Obj.	Adm.
1.	Proof of Claim for 214 E Hallandale Beach LLC - Claim 8;			
2.	Proof of Claim for 214 E Hallandale Beach LLC - Claim 9;			
3.	*Debtors' Motion for Entry of an Order (I) Authorizing and Approving Assumption of the Restructuring Support Agreement, and (II) Granting Related Relief* [Docket No. 93];			
4.	*Declaration of Johnathan McCarthy in Support of First Day Motions* [Docket No. 15];			
5.	*Joint Plan of Reorganization of Higher Ground Education, Inc. and its Affiliated Debtors* [Docket No. 94];			
6.	*Disclosure Statement for the Joint Plan of Reorganization of Higher Ground Education, Inc. and its Affiliated Debtors* [Docket No. 97];			
7.	Any pleadings, reports, or other documents filed in the above-referenced bankruptcy cases No., and any adversary or appeal related to the foregoing bankruptcy cases, and any transcripts in such cases;			
8.	Any impeachment or rebuttal exhibits or any exhibits designated by any other party;			
9.	All exhibits identified by or offered by any other party at the hearing.			

The Landlord reserves the right to amend or supplement this Witness and Exhibit List at any time prior to the Hearing and/or in compliance with the Local Bankruptcy Rules and the orders of this Court. The Landlord further reserves the right to provide any documents amended or supplemented in this Witness and Exhibit List to opposing counsel and to this Court as they become available.

DATED: August 27, 2025.

Respectfully submitted,

By: */s/ Annmarie Chiarello*

Annmarie Chiarello
Texas Bar No. 24097496
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ATTORNEYS FOR 214 E HALLANDALE BEACH LLC

CERTIFICATE OF SERVICE

I hereby certify that on August 27, 2025, notice of this document was electronically mailed to the parties registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello
Annmarie Chiarello

 Claim #8 Date Filed: 7/10/2025

Fill in this information to identify the case:

Debtor 1 HGE FIC I LLC

Debtor 2 (Spouse, if filing)

United States Bankruptcy Court for the: Northern District of Texas, Dallas Division

Case number 25-80145

☑ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

Official Form 410

Proof of Claim

11/23

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents**; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.
Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**
   214 E Hallandale Beach LLC
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor See attached addendum

2. **Has this claim been acquired from someone else?**
   ☐ No
   ☒ Yes. From whom? See attached addendum

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

   RECEIVED
   JUL 10 2025
   VERITA GLOBAL

   Where should notices to the creditor be sent?
   214 E Hallandale Beach LLC
   c/o Winstead PC Attn: Annmarie Chiarello
   Name
   500 Winstead Building, 2728 N. Harwood Street
   Number Street
   Dallas TX 75201
   City State ZIP Code
   Contact phone (214) 745-5410
   Contact email achiarello@winstead.com

   Where should payments to the creditor be sent? (if different)
   214 E Hallandale Beach LLC
   Attn: Martin Saidon
   Name
   1395 Brickell Avenue, Suite 760
   Number Street
   Miami FL 33131
   City State ZIP Code
   Contact phone 305.692.0334
   Contact email martin@fortecnow.com

   Uniform claim identifier for electronic payments in chapter 13 (if you use one _____

4. **Does this claim amend one already filed?**
   ☒ No
   ☐ Yes. Claim number on court claims registry _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ☒ No
   ☐ Yes. Who made the earlier filing? _____

25801452507100000000000001

 Claim #9 Date Filed: 7/10/2025

Fill in this information to identify the case:

Debtor 1 Higher Ground Education Inc.

Debtor 2 (Spouse, if filing) _____

United States Bankruptcy Court for the: Northern District of Texas, Dallas Division

Case number 25-80121

Official Form 410

☑ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

Proof of Claim

11/23

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents**; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.
Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

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   214 E Hallandale Beach LLC
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor See attached addendum

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   ☐ No
   ☒ Yes. From whom? See attached addendum

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
214 E Hallandale Beach LLC c/o Winstead PC Attn: Annmarie Chiarello Name	214 E Hallandale Beach LLC Attn: Martin Saidon Name
500 Winstead Building, 2728 N. Harwood Street Number Street	1395 Brickell Avenue, Suite 760 Number Street
Dallas TX 75201 City State ZIP Code	Miami FL 33131 City State ZIP Code
Contact phone (214) 745-5410	Contact phone 305.692.0334
Contact email achiarello@winstead.com	Contact email martin@fortecnow.com

Uniform claim identifier for electronic payments in chapter 13 (if you use one ____

RECEIVED
JUL 10 2025
VERITA GLOBAL

4. **Does this claim amend one already filed?**
   ☒ No
   ☐ Yes. Claim number on court claims registry _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ☒ No
   ☐ Yes. Who made the earlier filing? _____

2580121250710000000000002

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Facsimile: (713) 276-5555
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PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtor.	§	(Jointly Administered)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING AND APPROVING ASSUMPTION OF THE RESTRUCTURING SUPPORT AGREEMENT, AND (II) GRANTING RELATED RELIEF

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at https://ecf.txnb.uscourts.gov/ no more than twenty-four (24) days after the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk and filed on the docket no more than twenty-four (24) days after the

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on July 21, 2025, at 9:30 am (prevailing Central Time) before the Honorable Michelle V. Larson, United States Bankruptcy Judge for the Northern District of Texas, U.S. Bankruptcy Court, 1100 Commerce Street, 14th Floor, Courtroom No. 2, Dallas, TX 75242.

You may participate in the hearing either in person or via WebEx (by video or telephone via the Court's WebEx platform). Video communication will be by use of the Cisco WebEx platform. Connect via the Cisco WebEx application or click the link on Judge Larson's home page. Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of electronic hearings. To make your appearance, click the "Electronic Appearance" link on Judge Larson's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

Higher Ground Education, Inc. ("**HGE**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**") hereby file *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Assumption of the Restructuring Support Agreement, and (II) Granting Related Relief* (this "**Motion**")[2] for entry of an order (the "**Order**"), substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105(a), 362, and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), authorizing the Debtors to assume the Restructuring Support Agreement by and among the Debtors and 2HR Learning, Inc. ("**2HR**"); YYYYY, Inc. ("**Five Y**"); Guidepost Global Education, Inc. ("**GG**"); Learn Capital Venture Partners IV, L.P.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the First Day Declaration or the Restructuring Support Agreement (each as defined below).

("**Learn Capital**"), Cosmic Education Americas Limited ("**CEA**"), Venn Growth GP Limited LP ("**Venn**"); Venture Lending & Leasing IX, Inc. and WTI Fund X (together, "**WTI**"); Yu Capital LLC, YuATI LLC, YuFICB LLC, YuHGE A LLC, NTRC Equity Partners LP (collectively, "**Yu Capital**"); Ramandeep (Ray) Girn and Rebecca Girn (together, the "**Girns**," and with the Debtors, 2HR, Five Y, CEA, Venn, WTI, and Yu Capital, the "**RSA Parties**"), dated as of June 17, 2025 and attached hereto as **Exhibit B** (including all exhibits and schedules attached thereto and joinders related thereto and as may be amended or supplemented from time to time, the "**Restructuring Support Agreement**") and to perform their obligations thereunder. In support of this Motion, the Debtors respectfully state as follows:

I.
RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an order, pursuant to sections 362 and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006, authorizing the Debtors to assume the Restructuring Support Agreement and perform their obligations thereunder.

II.
JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction to consider the Motion pursuant to 28 U.S.C. §1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The legal predicates for the relief requested herein are Bankruptcy Code sections 362 and 365(a); Bankruptcy Rules 6004 and 6006; and Rule 2002-1 of the Bankruptcy Local Rules for the Northern District of Texas (the "**Local Rules**").

4. The Debtors confirm their consent to the entry of a final Order by the Court in connection with the Motion in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

III.
BACKGROUND

4. From their inception in 2016 through the beginning of 2025, the Debtors grew to over 150 schools (the "Schools"), becoming the largest owner and operator of Montessori schools in the world. The Debtors' mission was to modernize and mainstream the Montessori education movement. In addition to owning and operating the Schools, the Debtors provided training and consulting services to Montessori schools around the world. The Debtors sought to offer an end-to-end experience that covers the entire lifecycle of a family at school, virtually, and at home, from birth through secondary education—enabled by next-gen, accredited Montessori instruction. Information on the Debtors, their businesses, and a summary of the relief requested in this Motion can be found in the *Declaration of Jonathan McCarthy in Support of First Day Motions* [Docket No. 15] (the "**First Day Declaration**"), incorporated herein by reference.

5. On June 17, 2025 and June 18, 2025 (the "**Petition Date**"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors remain in possession of their property and are managing their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. The court has not appointed a trustee, and no official committee has been established.

IV.
OVERVIEW OF THE RESTRUCTURING SUPPORT AGREEMENT

A. Negotiation of and Entry into the Restructuring Support Agreement

6. The Restructuring Support Agreement is the lynchpin of the Debtors' prearranged restructuring, providing a clear path towards a value-maximizing reorganization and emergence from chapter 11. The Debtors' restructuring became necessary after years of rapid, debt-fueled expansion left them with unsustainable lease obligations, mounting secured debt, and persistent operating losses. By early 2025, defaults on key secured loans, including the WTI and Yu Capital facilities, resulted in the foreclosure and sale of vast majority of the Debtors' assets, including intellectual property, and schools. Unable to secure refinancing or new capital, the Debtors determined that a chapter 11 process was the only viable path to maximize value and continue the Debtors' educational-focused goals.

7. The Restructuring Support Agreement is the culmination of the Debtors' vigorous restructuring negotiations with the RSA Parties, including the Debtors' proposed plan of reorganization (the "**Plan**"). For approximately two (2) months prior to the Petition Date, the Debtors began negotiating the Restructuring Support Agreement with 2HR and GG. Once the framework of the Restructuring Support Agreement was negotiated by the Debtors, 2HR, and GG, the Debtors communicated with the other RSA Parties to request their support and negotiate any additional changes to the Restructuring Support Agreement and Plan requested by these other RSA Parties. Ultimately, the Debtors' proposed filing date was continued to the Petition Date to ensure that negotiations were finalized and the Debtors could obtain as broad support as possible in support of these Chapter 11 Cases.

8. Importantly, the Restructuring Support Agreement will continue to bind the RSA Parties only if the Restructuring Support Agreement is assumed by order of the Court by

July 28, 2025, the date that is forty (40) after the Petition Date. Assumption of the Restructuring Support Agreement is critical to the Debtors' success in obtaining approval of the Plan and expeditiously emerging from chapter 11 to the benefit of the Debtors' creditors and their estates.

9. The RSA Parties support these Chapter 11 Cases based on the belief that a reorganization of the Debtors' remaining business will continue the Debtors' mission of providing the best early childhood education to students and families throughout the United States, whether utilizing the Debtors' current platform or modifying or supplementing that platform with new educational programing. The Debtors believe that the Restructuring Support Agreement provides the most value to parties in interest under the circumstances. Importantly, however, in the event that a better alternative to the proposed Restructuring Transaction was to present itself, the Restructuring Support Agreement provides that the Debtors may terminate the Restructuring Support Agreement in the exercise of their fiduciary duties relating to such event.

B. Material Terms of the Restructuring Support Agreement and Plan[3]

10. The Restructuring Support Agreement contemplates that the RSA Parties will support these Chapter 11 Cases and confirmation of the Plan, substantially in the form attached as Exhibit A to the Restructuring Support Agreement. At a high level, the Plan generally provides, among other things, for (a) the funding of $8 million dollars in new money to fund these Chapter 11 Cases and to fund plan recoveries to the Debtors' prepetition creditors; (b) the contribution by GG of Curriculum Assets and the Guidepost Global IP License (each as defined in the Plan); (c) the transfer of the Designated EB-5 Entities (as defined in the Plan) by the Debtors to GG; (d) the assignment of certain executory contracts and unexpired leases to GG; (e) the treatment of holders

[3] This summary of the Plan contains only a brief and simplified description of the classification and treatment of Claims and Interests under the Plan. It does not describe every provision of the Plan. Accordingly, reference should be made to the Disclosure Statement (including exhibits) and the Plan for a complete description of the classification and treatment of Claims and Interests.

of allowed claims in accordance with the Plan and the priority scheme established by the Bankruptcy Code; (e) the mutual release of all claims and causes of action by and among each of the RSA Parties; and (f) the reorganization of the Debtors by retiring, cancelling, extinguishing and/or discharging the Debtors' prepetition equity interests and issuing new equity interests in the reorganized debtor(s) to 2HR.

11. Importantly, with the exception of a $500,000 payment being made to Ray Girn on account of his Bridge CN-3 claims, the Plan provides that of the RSA Parties are waiving their rights to Plan distributions in an effort to ensure some recoveries for the Debtors' unsecured creditors. Notably, absent these concessions, unsecured creditors would receive no recovery under the Plan.

12. As 2HR is serving as the Plan Sponsor and providing the Debtors with the ability to effectuate their value-maximizing Plan, the Debtors have agreed to provide 2HR with (a) an expense reimbursement of up to $150,000 (the "**2HR Expense Reimbursement**") and (b) a termination/break-up fee in the amount of 3% of the Purpose Price (the "**Break-up Fee**," and with the 2HR Expense Reimbursement, the "**Plan Sponsor Protections**") (as defined in the Restructuring Support Agreement) in the event the Debtors invoke their fiduciary out or the Court approves an Alternative Transaction. *See* Restructuring Support Agreement, § 10.

13. Through the Restructuring Support Agreement, the Debtors have agreed to take or forego certain actions, including, but not limited to the following:

i. Support and take all commercially reasonable actions necessary, or requested by 2HR, Five Y, or GG, to obtain entry of the Order and implement and consummate the Restructuring Support Agreement in a timely manner (including, but not limited to, obtaining and/or supporting, as the case may be, the Bankruptcy Court's approval of the Definitive Documents, Solicitation of votes on and confirmation of the Plan and the consummation of the Restructuring Support Agreement pursuant to the Plan) consistent with the terms of the Restructuring Support Agreement and in accordance with the

Milestones (attached as Exhibit B to the Senior DIP Note in the Interim DIP Order[4]);

ii. File Schedules of Assets and Liabilities and Statement of Financial Affairs no later than twenty-one (21) days after the Petition Date;

iii. Use commercially reasonable efforts to obtain an order from the Bankruptcy Court that establishes a deadline no later than three (3) days prior to the Confirmation Hearing to file proofs of claim;

iv. Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order (A) directing the appointment of an examiner with expanded powers or a trustee, (B) converting the Chapter 11 Case to case under chapter 7 of the Bankruptcy Code or (C) dismissing the Chapter 11 Case;

v. Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order modifying or terminating the Debtors' exclusive right to file and/or solicit acceptances of a plan of reorganization;

vi. Use commercially reasonable efforts to obtain any and all governmental, regulatory, licensing or other approvals (if any) necessary to the implementation or consummation of the Restructuring Transaction or the approval by the Bankruptcy Court of the Definitive Documents;

vii. Not seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction (as defined in the Restructuring Support Agreement);

viii. Oppose, delay, impede, or take any other action that is materially inconsistent with the Restructuring Support Agreement, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Support Agreement (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

ix. Not enter into any commitment or agreement with respect to debtor-in-possession financing, cash collateral usage, exit financing and/or other

[4] The "Interim DIP Order" means the *Interim Order Authorizing the Debtors to (A) Obtain Postpetition Senior Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Junior Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Certain Related Relief* [Docket No. 63].

financing arrangements, other than the DIP Financing or otherwise, without the consent of 2HR, Five Y, and GG;

x. In the future, not take any action, or as to insiders, permit any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code; and

xi. Not take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Consenting Party Termination Event.

14. In exchange for the Debtors' promises under the Restructuring Support Agreement, among other things, the Parties have agreed:

i. To support and take all actions reasonably requested by the Debtors, 2HR, Five Y, or GG to obtain entry of the Order and facilitate the implementation and consummation of the Restructuring Transaction in a timely manner, including without limitation supporting approval of the DIP Financing, the filing of the Plan, an accompanying Disclosure Statement and other documents and consents reasonably required to be filed in connection with the Solicitation of votes on, and confirmation of, the Plan;

ii. (A) To the extent permitted by sections 1125 and 1126 of the Bankruptcy Code, (I) timely vote, or cause to be voted, all of the Claims and any other claims and interests held by such Consenting Party, which are in classes entitled to vote, by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation and (II) not "opt out" of, or object to, any releases or exculpations provided under the Plan, including without limitation any third-party releases (and, to the extent required by the ballot, affirmatively "opt in" to such releases and exculpations), and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); and

iii. To timely vote or cause to be voted its Claims against any Alternative Transaction.

iv. To seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction;

v. Not to seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding;

vi. To Oppose, delay, impede, or take any other action that is materially inconsistent with the Restructuring Support Agreement or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent,

interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

vii. Not to sell, assign or transfer any portion of its Claim, or cause or permit to occur the sale, assignment or transfer of any claims or interests in the Debtors held directly or indirectly by it, unless to 2HR, Five Y, or to an affiliate of such Consenting Party; or

viii. Not to take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Company Termination Event.

15. Importantly, the Restructuring Support Agreement provides that the Debtors may terminate the Restructuring Support Agreement under the following circumstances:

i. Termination of the Restructuring Support Agreement by 2HR, Five Y, or GG;

ii. 2HR's, Five Y's, or GG's material breach of any agreements, covenants, representations, or warranties in this Restructuring Support Agreement;

iii. HGE's board of directors determines in good faith that continued performance under Restructuring Support Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;

iv. Five Y or GG fails to provide or terminates its commitment to provide the DIP Financing

v. the Bankruptcy Court grants relief that is materially inconsistent with the Restructuring Support Agreement or would reasonably be expected to materially frustrate the purpose of the Restructuring Support Agreement;

vi. 2HR or Five Y files for approval of or otherwise supports any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Support Agreement;

vii. any of the orders approving the DIP Financing, the Plan, or the Disclosure Statement are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Debtors; or

viii. the Bankruptcy Court's approval of any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Support Agreement.

V.
BASIS FOR RELIEF

A. Assumption of the Restructuring Support Agreement

16. The Debtors' assumption of the Restructuring Support Agreement constitutes a sound exercise of business judgment, is in the best interests of the Debtors, and should be approved. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). When determining whether to approve a debtor's decision to assume or reject an executory contract or unexpired lease, courts apply the "business judgment" rule. *See, e.g., NLRB v. Bildisco & Bildisco (In re Bildisco),* 682 F.2d 72, 79 (3d Cir. 1982) *aff'd* 465 U.S. 513 (1984) ("The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, [under] the 'business judgment' test."); *In re Caribbean Petroleum Corp.,* 444 B.R. 263, 268 (Bankr. D. Del. 2010) (applying the business judgment standard in evaluating the rejection of an executory contract, and holding that the debtor's reliance on advisors' expert advice was sufficient to discharge that burden); *In re Armstrong World Indus., Inc.,* 348 B.R. 136, 162 (Bankr. D. Del. 2006) ("Under section 365 of the Bankruptcy Code, a debtor may assume an executory contract . . . if the debtor's decision to assume such executory contract . . . is supported by valid business justifications.").

17. Under the business judgment rule, debtors are given significant discretion when requesting to assume or reject an executory contract or unexpired lease. *See In re Chipwich, Inc.,* 54 B.R. 427, 430-31 (Bankr. S.D.N.Y. 1985) (finding that a court should not interfere with a debtor's decision to assume or reject "absent a showing of bad faith or abuse of business discretion"). Here, the Debtors have exercised their sound business judgment in determining that assumption of the Restructuring Support Agreement is in the best interests of the Debtors and their

estates, and accordingly the Court should approve the proposed assumption under section 365(a) of the Bankruptcy Code. *See, e.g.*, *In re Tex. Health Enters. Inc.*, 72 F. App'x 122, 127 (5th Cir. 2003) ("[T]he bankruptcy code makes it clear that it is the choice of the debtor-in-possession, and not the bankruptcy court, to assume or reject an executory contract"); *In re Philadelphia Newspapers, LLC*, 424 B.R. 178, 182-83 (Bankr. E.D. Pa. 2010) (stating that if a debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an executory contract or unexpired lease); *Westbury Real Estate Ventures, Inc. v. Bradlees, Inc. (In re Bradlees Stores, Inc.)*, 194 B.R. 555, 558 n.1 (Bankr. S.D.N.Y. 1996); *Summit Land Co. v. Allen (In re Summit Land Co.)*, 13 B.R. 310, 315 (Bankr. D. Utah 1981) (holding that, absent extraordinary circumstances, court approval of a debtor's decision to assume or reject an executory contract "should be granted as a matter of course").

18. The Debtors' decision to assume the Restructuring Support Agreement is an exercise of their sound business judgment. First, the Restructuring Support Agreement is the product of extensive, arms-length negotiations among the Debtors and the RSA Parties, each of whom had separate, sophisticated legal counsel and advisors. Second, the Debtors believe that the Plan will maximize recoveries for their estates, while also preserving jobs and day care access for families and preserving the value of their brand, and the Restructuring Support Agreement is the lynchpin of the Debtors' restructuring strategy. It ensures the support of their major stakeholders, many of whom have invested already significant time and resources in attempting to facilitate a successful restructuring, and who require the assurance that the Debtors are other RSA Parties will support the terms of the restructuring transaction, including the Plan. The Debtors' failure to obtain entry of an order permitting assumption of the Restructuring Support Agreement within 40 days of the Petition Date would result in a default under the DIP Order. Compliance with the DIP Order

and its Chapter 11 Milestones is also a condition precedent to the confirmation of the Plan. Accordingly, the Debtors' failure to assume the RSA and thereafter, to perform under it, would be expected to cause cascading defaults that would almost certainly jeopardize their overall restructuring efforts. Third, assumption of the Restructuring Support Agreement is necessary in order to ensure the support of the Debtors' largest secured creditors and other material stakeholders throughout the plan process and, thus, will help expedite and facilitate the Debtors' restructuring efforts during these Chapter 11 Cases. Finally, the Restructuring Support Agreement allows the Debtors to terminate the Restructuring Support Agreement in the exercise of their fiduciary duties. While the Debtors believe that the Restructuring Transaction contemplated by the Restructuring Support Agreement is the best available alternative, the Restructuring Support Agreement explicitly allows the Debtors to terminate their obligations thereunder if the Debtors' fiduciary duties require pursuing an Alternative Transaction. Thus, the Restructuring Support Agreement allows the Debtors to comply with their fiduciary duty to maximize the value of their estates.

19. Based on the foregoing, the Debtors respectfully submit that they have exercised reasonable business judgment in their decision to assume the Restructuring Support Agreement and that such assumption is in the best interest all of parties in interest. Accordingly, the Debtors respectfully request that the Court enter the Order approving assumption of the Restructuring Support Agreement.

B. The Plan Sponsor Protections for 2HR Are Necessary to the Debtors' Restructuring

20. The Plan Sponsor Protections are an essential inducement to 2HR to participate in these Chapter 11 Cases and are thereby allowable under section 503(b) of the Bankruptcy Code as a necessary element to the Debtors' restructuring as contemplated by the Plan. *Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 535 (3d Cir. 1999). "In other words, the allowability of break-up fees, like other administrative expenses, depends

upon the requesting party's ability to show that the fees were actually necessary to preserve the value of the estate." *Id.* If a potential purchaser will not submit a bid without the assurance of certain fees, such as the Plan Sponsor Protections, the *O'Brien* standard is satisfied. *See, e.g., O'Brien*, 181 F.3d at 535 ("[T]he assurance of a break-up fee may serve to induce an initial bid (a permissible purpose)"); *In re WorldSpace, Inc.*, Case No. 08-12412 (PJW), 2010 WL 4739929, at *4 (Bankr. D. Del. June 2, 2010) (approving break-up fee because, among other reasons, the "break-up fee is an essential inducement and condition of Buyer's entry into, and continuing obligations, under the APA); *In re Broadvision*, No. 20-10701 (CSS) Bankr. D. Del April 28, 2020 (authorizing assumption of Restructuring Support Agreement containing break-up fee).

21. Throughout arms'-length negotiations of the Restructuring Support Agreement and the Plan, 2HR has insisted upon the Plan Sponsor Protections as an essential inducement to 2HR's entry into the Restructuring Support Agreement, Five Y's provisions of the Senior DIP Facility, and 2HR's support of the Plan. 2HR has not agreed to proceed with the Restructuring Support Agreement in the absence of the Plan Sponsor Protections. Indeed, the Restructuring Support Agreement provides that 2HR can terminate the Restructuring Support Agreement if the Court does not enter the Order within the milestones required by the DIP Order, and thereby assume the Restructuring Support Agreement, including the Plan Sponsor Provisions, demonstrating that approval of these protections is essential to 2HR's participation as plan sponsor. Finally, the Plan Sponsor Protections will not burden the Debtor's estate, since they are only payable from the proceeds of a closing of an Alternative Transaction or the exercise of the Debtors' fiduciary out – meaning that the Debtors would have invoked their fiduciary duty in favor of a higher and/or better alternative. The Plan Sponsor Protections should be approved as they are modest but essential requirements for the Debtor's Restructuring as contemplated by the Plan

C. This Motion Does Not Request Approval of the Terms of the Plan Itself

22. The sole question before the Court is whether assumption of the Restructuring Support Agreement pursuant to section 365 of the Bankruptcy Code is a valid exercise of the Debtors' business judgment. Assumption of the Restructuring Support Agreement is ***not*** equivalent to confirmation of a plan. *See In re Dendreon Corp*, No. 14-12515 (PJW) (Bankr. D. Del. Dec. 23, 2014). Confirmation issues can and will be reserved for the confirmation hearing. Parties in interest may object to the Plan on any number of grounds, irrespective of the Debtors' assumption of the Restructuring Support Agreement. *Id.*

D. Cause Exists to Modify the Automatic Stay to Effectuate the Relief Requested

23. Section 362(a) of the Bankruptcy Code operates to stay "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3). Section 362, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for "cause." *Id.* at § 362(d)(1).

24. The Restructuring Support Agreement provides that the Debtors acknowledge and agree and shall not dispute that the giving of notice of termination by any Party pursuant to the Restructuring Support Agreement shall not be a violation of the automatic stay (and the Company hereby waives, to the greatest extent possible, the applicability of the automatic stay to the giving of such notice). Under the circumstances, the Debtors are willing to agree to this provision in order to maximize the probability of a successful outcome to these Chapter 11 Cases. Accordingly, the Debtors seek authorization, under section 362(d) of the Bankruptcy Code, to modify the automatic stay to the extent necessary to permit the relief requested in this Motion and, for the reasons described herein, believe this relief is appropriate in the context of assuming the Restructuring Support Agreement.

VI.
WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)

25. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

VII.
RESERVATION OF RIGHTS

26. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion or any order granting the relief requested by this motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the requested relief, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular

claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

VIII.
NOTICE

27. No trustee, examiner, or statutory creditors' committee has been appointed in these Chapter 11 Cases. This Motion has been provided to (a) the Office of the United States Trustee for the Northern District of Texas; (b) the United States Attorney's Officer for the Northern District of Texas; (c) the state attorney generals for all states in which the Debtors conduct or have recently conducted business; (d) the Internal Revenue Service, (e) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (f) Cozen O'Connor, as counsel to the Senior DIP Lender and Plan Sponsor; (g) Kane Russell Coleman Logan PC, as counsel to the Junior DIP Lender; and (h) all parties in interest who have formally appeared and requested notice pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice of this Motion is required.

28. The pleadings in these Chapter 11 Cases and supporting papers are available on the Debtors' website at www.veritaglobal.net/HigherGround or on the Bankruptcy Court's website at https://ecf.txnb.uscourts.gov/. You can request any pleading you need from (i) the proposed noticing agent at: HigherGroundInfo@veritaglobal.com, (888) 733-1431 (U.S./Canada) (toll-free), +1 (310) 751-2632 (International), or (ii) proposed counsel for the Debtors at: Foley & Lardner LLP, 1144 15th Street, Suite 2200, Denver, CO 80202, Attn: Tim Mohan (tmohan@foley.com) and Foley & Lardner LLP, 1000 Louisiana Street, Suite 2000, Houston, Texas 77002, Attn: Nora McGuffey (nora.mcguffey@foley.com) and Quynh-Nhu Truong (qtruong@foley.com).

WHEREFORE, the Debtors request that this Court enter the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as this Court may deem just and proper.

DATED: June 26, 2025

Respectfully submitted by:

/s/ Holland N. O'Neil

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PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

CERTIFICATE OF SERVICE

I hereby certify that on June 26, 2025, a true and correct copy of the foregoing document was served electronically by the Court's PACER system.

/s/ Nora J. McGuffey
Nora J. McGuffey

4924-3127-9172, v. 2

Exhibit A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtor.	§	(Jointly Administered)

ORDER AUTHORIZING THE DEBTORS TO ASSUME THE RESTRUCTURING SUPPORT AGREEMENT

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

Upon consideration of the motion (the "**Motion**")[2] of Higher Ground Education, Inc. ("**HGE**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**") for entry of an order, pursuant to sections 105(a), 362, and 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, authorizing the Debtors to assume the Restructuring Support Agreement and perform their obligations thereunder, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice of the Motion and opportunity for objection having been given under the circumstances; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein and that such relief is in the best interests of the Debtors, their estates, their creditors, and all parties in interest; and any objections to the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT**:

1. The Motion is granted as set forth herein.

2. The Debtors are authorized to assume the Restructuring Support Agreement in its entirety.

3. The Restructuring Support Agreement shall be binding and enforceable against the Parties in accordance with its terms.

4. The failure to describe specifically or include any particular provision of the Restructuring Support Agreement in the Motion or this Order shall not diminish or impair the

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

effectiveness of such provision, it being the intent of the Court that the Restructuring Support Agreement be assumed by the Debtors in their entirety.

5. The 2HR Expense Reimbursement and the Break-Up Fee are approved.

6. The Debtors are authorized to enter into amendments to the Restructuring Support Agreement from time to time subject to the terms and conditions set forth in the Restructuring Support Agreement, as necessary, and without further order of the Court. Within two (2) business days of the effective date of each such amendment, the Debtors shall file a notice attaching a copy of any such amendments with the Court.

7. To the extent that the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are modified to effectuate all of the terms and provisions of the Restructuring Support Agreement and this order, including permitting the Parties to exercise all rights and remedies under the Restructuring Support Agreement in accordance with its terms, and deliver any notice contemplated thereunder, in each case, without further order of the Court.

8. No default exists under the Restructuring Support Agreement, and, therefore, the Debtors are not required to satisfy the requirements of section 365(b)(1). Accordingly, the Debtors are not required to: (a) cure, or provide adequate assurance that the Debtors will promptly cure, any defaults under the Restructuring Support Agreement; (b) compensate, or provide adequate assurance that the Debtors will promptly compensate, the Parties for any actual pecuniary loss resulting from any default; or (c) provide adequate assurance of future performance of the Restructuring Support Agreement.

9. Notwithstanding any applicability of Bankruptcy Rule 6006(d), the terms and conditions of this order shall be immediately effective and enforceable upon entry of this order.

10. The requirements of Bankruptcy Rule 6004(a) and 6004(h) are hereby waived with respect to this order.

11. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this order, and such action shall not constitute a solicitation of acceptances or rejections of a plan pursuant to section 1125 of the Bankruptcy Code.

12. Nothing herein shall act as an approval of any disclosure statement, plan or a finding of fact or conclusion of law in connection therewith.

13. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this order.

###END OF ORDER###

Submitted by:

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**PROPOSED COUNSEL TO DEBTORS
AND DEBTORS IN POSSESSION**

Exhibit B

Restructuring Support Agreement

RESTRUCTURING SUPPORT AGREEMENT

This Restructuring Support Agreement, dated as of June 17, 2025 (as the same may be amended, modified or extended, and including the exhibits hereto, the "**Agreement**") is entered into by and among (i) Higher Ground Education, Inc. ("**HGE**") and its subsidiaries identified on Exhibit A hereto (collectively, with HGE, the "**Company**" or the "**Debtors**"), (ii) 2HR Learning, Inc., ("**2HR**"), in its capacities as the proposed plan sponsor of the Plan (as defined below), (iii) YYYYY, LLC ("**Five Y**") as the senior secured, priming lender of pre-petition bridge financing and post-petition financing (the "**Senior DIP Financing**") to the Debtors, (iv) Guidepost Global Education, Inc. ("**GG**"), in its capacity as the junior secured, priming lender of pre-petition bridge financing and post-petition financing (the "**Junior DIP Financing**") to the Debtors and otherwise as a Consenting Party, and (iv) each Consenting Party; each of the foregoing, and each other Consenting Party executing this Agreement after the date hereof, individually, a "**Party**" and collectively, the "**Parties**"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Plan (as hereinafter defined).

RECITALS

WHEREAS, in light of the Company's financial condition, payment obligations, cash position and cash flow forecast, the Company has determined to commence voluntary reorganization cases (the "**Chapter 11 Cases**") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "**Bankruptcy Code**"), in the United States Bankruptcy Court for Northern District of Texas (the "**Bankruptcy Court**") to effectuate a chapter 11 restructuring (the "**Restructuring Transaction**"), which shall be implemented pursuant to the Plan (as defined herein);

WHEREAS, the Parties have agreed to implement the Restructuring Transaction in accordance with, and subject to, the terms and conditions set forth in, this Agreement, consistent in all respects with the form of *Joint Plan of Reorganization of Higher Ground Education, Inc. and Its Affiliated Debtors*, dated June [ ], 2025, a copy of which is attached hereto as Exhibit B (such plan, together with all exhibits, schedules and attachments thereto, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "**Plan**"), which generally provides, among other things, for (1) the funding of the Purchase Price; (2) the contribution by GG of the Curriculum Assets and the Guidepost Global IP License; (3) the transfer of the Designated EB-5 Entities by the Debtors to GG; (4) the assignment of the Transferred Executory Contracts / Unexpired Leases to GG; (5) the treatment of holders of Allowed Claims in accordance with the Plan and the priority scheme established by the Bankruptcy Code; (6) the mutual release of all Claims and Causes of Action by and among each of the Parties hereto; and (7) the reorganization of the Debtors by retiring, cancelling, extinguishing and/or discharging the Debtors' prepetition Equity Interests and issuing New Equity in the Reorganized Debtor(s) to 2HR and Five Y;

WHEREAS, in furtherance of the Restructuring Transaction, Five Y has agreed to provide Senior DIP Financing and GG has agreed to provide Junior DIP Financing on substantially the terms of the proposed DIP Order set forth on Exhibit C. The proposed DIP Financing will be used to fund the Chapter 11 Cases and the Debtors' working capital needs;

WHEREAS, this Agreement, including the Plan, (a) is the product of arms'-length, good faith negotiations among the Parties and their respective counsel, and (b) sets forth the material terms and conditions of the Restructuring Transaction; and

WHEREAS, the Parties desire to express to each other their mutual support and commitment in respect of the matters discussed herein;

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, agrees as follows:

1. The Plan.

The Plan is expressly incorporated herein by reference and made part of this agreement as if fully set forth herein. The Plan sets forth the material terms and conditions of the Restructuring Transaction. In the event of any inconsistency between the Plan and this Agreement, the Plan shall govern. The Plan shall not be amended, modified or supplemented without the prior written consent of 2HR and, as applicable, absent consultation with each Impacted Party.

2. Definitions.

In addition to the terms defined elsewhere herein, for purposes of this Agreement, the following terms shall have the meanings specified in this Section 2 when used herein:

"**2HR**" shall have the meaning ascribed to it in the preamble.

"**2HR/Five Y Termination Event**" shall have the meaning ascribed to it in Section 6(c) hereof.

"**Agreement**" shall have the meaning ascribed to it in the preamble.

"**Alternative Transaction**" shall mean any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor-in-possession financing other than the DIP Financing, or equity), recapitalization, workout, liquidation or restructuring of the Company (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of all or any material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction.

"**Bankruptcy Code**" shall have the meaning ascribed to it in the Recitals.

"**Bankruptcy Court**" shall have the meaning ascribed to it in the Recitals.

"**Bankruptcy Rules**" means (i) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code, (ii) the Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court, and (iii) any general or chamber rules, or standing orders governing practice and procedure

issued by the Bankruptcy Court, each as in effect on the Petition Date, and each of the foregoing together with all amendments and modifications thereto that are subsequently made and as applicable to the Chapter 11 Case or proceedings therein, as the case may be.

"**Bridge CN-3 Notes**" means the series CN-3 convertible promissory notes entered into on and after January 15, 2025. The Bridge CN-3 Notes are collateralized by a priming lien over the assets of Higher Ground Education, superior to the liens of WTI in a principal amount of up to $5,000,000, and are deemed to have an Allowed Secured Claim in the outstanding principal amount of at least $4,800,000.

"**Bridge CN-3 Secured Lenders**" means, individually and collectively, the lenders under the Bridge CN-3 Notes.

"**Challenge Proceeding**" shall have the meaning ascribed to it in the DIP Financing Orders.

"**Chapter 11 Cases**" shall have the meaning ascribed to it in the Recitals.

"**CN Notes**" means, collectively, the series CN-1, CN-2 and CN-3 convertible promissory notes made pursuant to the Note Purchase Agreement. The CN Notes are collateralized by a lien over the assets of Higher Ground Education, subordinate to the liens of WTI, and are deemed to have an Allowed Secured Claim in the outstanding amount of principal and interest of at least $135,484,037.

"**Company**" shall have the meaning ascribed to it in the preamble.

"**Company Termination Event**" shall have the meaning ascribed to it in Section 6(a) hereof.

"**Consenting Party**" shall mean, individually and collectively, the EB-5 Parties, WTI, Venn, Learn, Cosmic, GG, Girn and each other Consenting Party executing this Agreement after the date hereof.

"**Consenting Party Termination Event**" shall have the meaning ascribed to it in Section 6(b) hereof.

"**Cosmic**" means Cosmic Education Americas Limited.

"**Definitive Documents**" means the (a) Plan and the Disclosure Statement, (b) the Confirmation Order, (c) this Agreement (d) the RSA Motion and the RSA Order, (e) the DIP Financing Orders, the related motions and the documentation evidencing, or otherwise entered into in connection with, the DIP Financing, and (f) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (e), in each case in form and substance acceptable to the Company and 2HR (provided that the Consenting Parties shall have consultation rights solely to the extent that they are Impacted Parties but, for the avoidance of doubt, no consent rights).

"**Designated EB-5 Entities**" means HGE FIC D LLC, HGE FIC E LLC, HGE FIC F LLC, HGE FIC G LLC, HGE FIC I LLC, HGE FIC J LLC, HGE FIC L LLC, HGE FIC M LLC, HGE FIC N LLC, HGE FIC O LLC, HGE FIC P LLC, HGE FIC Q LLC, Guidepost FIC B LLC, Guidepost FIC C LLC, Guidepost Birmingham LLC, Guidepost Goodyear LLC, Guidepost St Robert LLC, Guidepost Las Colinas LLC, Guidepost Carmel LLC, Guidepost Muirfield Village LLC, Guidepost The Woodlands LLC and Guidepost Richardson LLC

"**DIP Financing**" means, collectively, (i) that certain senior DIP Financing to be provided pre- and/or post-petition by Five Y to the Debtors in the aggregate maximum amount of $5,500,000 pursuant to the DIP Financing Order; and (ii) that certain junior DIP Financing to be provided pre- and/or post-petition by GG to the Debtors in the aggregate amount of at least $2,500,000 pursuant to the DIP Financing Order.

"**DIP Financing Orders**" means the Interim DIP Financing Order and the order of the Bankruptcy Court authorizing the Company to enter into the DIP Financing on a final basis.

"**EB-5 Parties**" means Yu Capital.

"**Five Y**" shall have the meaning ascribed to it in the preamble.

"**GG**" shall have the meaning ascribed to it in the preamble.

"**GG Termination Event**" shall have the meaning ascribed to it in Section 6(d) hereof.

"**Girn**" means, individually and collectively, Ramandeep Girn and Rebecca Girn.

"**Learn**" means Learn Capital Venture Partners IV, L.P., in its capacity as collateral agent on behalf of the Secured Parties that hold series CN-1, CN-2 and CN-3 convertible promissory notes under the Security Agreement dated as of May 31, 2024.

"**Impacted Party**" means, as the case may be, (i) the EB-5 Parties, only with respect to (x) the removal of an entity from the Designated EB-5 Entities, or (y) any material change to the direct economic treatment of any Impacted Party to this Agreement; (ii) GG, only with respect to any material adverse changes to the Junior DIP Financing and the contemplated assignment of the Transferred Executory Contracts / Unexpired Leases; provided that the Debtors, 2HR and GG shall work in good faith to resolve any dispute among them regarding the characterization of a particular asset as a Transferred Executory Contract / Unexpired Leases; and (iii) each Consenting Party, only with respect to any material adverse change to the scope or provision of the Mutual Releases.

"**Milestones**" shall have the meaning ascribed to it in Section 6(c) hereof.

"**Outside Date**" shall mean December 31, 2025.

"**Parties**" shall have the meaning ascribed to it in the preamble.

"**Petition Date**" shall mean the date of commencement of the Chapter 11 Cases.

"**Plan**" shall have the meaning ascribed to it in the Recitals.

"**Restructuring Support Period**" means the period commencing on the date of execution of this Agreement and ending on the earlier of (i) the Effective Date of the Plan and (ii) the date on which the Agreement is terminated according to its terms.

"**Restructuring Transaction**" shall have the meaning ascribed to it in the Recitals.

"**RSA Motion**" means a motion of the Debtor seeking authorization from the Bankruptcy Court to assume this Agreement.

"**RSA Order**" means a Final Order of the Bankruptcy Court authorizing the Company to assume this Agreement.

"**Solicitation**" means any solicitation of votes for the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code, whether such Solicitation occurs prior to or after the Petition Date.

"**support**" or "**support, and not object**" shall mean to affirmatively support and to use commercially reasonable efforts and take all reasonable, necessary and appropriate actions or commercially reasonable actions requested by the Company or 2HR, as applicable, in furtherance of, and to not take any action to hinder, delay or impede the action to be taken, or the relief sought; provided, however, there shall be no obligation to incur (or suffer) any costs or expenses with respect to the same unless specifically agreed to in writing by the party that would incur such costs and expenses.

"**Termination Event**" means the occurrence of a Company Termination Event, a 2HR/Five Y Termination Event, a Consenting Party Termination Event or a GG Termination Event.

"**Venn**" means, collectively, Venn Growth GP Limited, Venn Growth HGE LP and Venn Growth HGE II LP.

"**WTI**" means, collectively, Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.

"**Yu Capital**" mans, collectively, Yu Capital LLC, YuATI LLC, YuFICB LLC, YuHGE A LLC, and NTRC Equity Partners, LP.

3. Agreements of the Company.

a) Support of the Restructuring Transaction. Upon the terms and subject to the conditions hereof, the Company agrees that, for the duration of the Restructuring Support Period, it shall at its sole cost and expense (other than as set forth below):

i) Support and take all commercially reasonable actions necessary, or requested by 2HR, Five Y, or GG, to obtain entry of the RSA Order and implement and consummate the Restructuring Transaction in a timely manner (including, but

not limited to, obtaining and/or supporting, as the case may be, the Bankruptcy Court's approval of the Definitive Documents, Solicitation of votes on and confirmation of the Plan and the consummation of the Restructuring Transaction pursuant to the Plan) consistent with the terms of this Agreement and in accordance with the Milestones;

ii) File the RSA Motion no later than five (5) business days after the Petition Date;

iii) File Schedules of Assets and Liabilities and Statement of Financial Affairs no later than twenty-one (21) days after the Petition Date;

iv) File a motion seeking to establish bar dates no later than five (5) business days after the Petition Date;

v) Use commercially reasonable efforts to obtain an order from the Bankruptcy Court that establishes a deadline no later than three (3) days prior to the Confirmation Hearing for creditors to file proofs of claim;

vi) Provide draft copies of all motions, orders, procedures, agreements and other documents the Company intends to file with the Bankruptcy Court related to the Restructuring Transaction to 2HR, Five Y, GG, Yu Capital and Girn as soon as reasonably practicable in advance of (and, except in the case of an emergency filing, at least two (2) calendar days prior to) the Company's intended filing any substantive motion, order, procedure, agreement or other document and consult in advance in good faith with 2HR, Five Y, GG, Yu Capital and Girn regarding the form and substance of any such proposed substantive filings with the Bankruptcy Court; provided that in the event that it is not possible to provide two (2) calendar days' notice, the Company shall endeavor to provide 2HR, Five Y, and GG with at least one (1) calendar day's notice;

vii) Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order (A) directing the appointment of an examiner with expanded powers or a trustee, (B) converting the Chapter 11 Case to case under chapter 7 of the Bankruptcy Code or (C) dismissing the Chapter 11 Case;

viii) Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization;

ix) Provide to 2HR, Five Y, and GG, (A) full access to the advisors and employees of the Debtors with respect to the Restructuring Transaction, (B) all information with respect to all material executory contracts and unexpired leases of the Company, and (C) full access to any other information reasonably requested by 2HR, Five Y, or GG;

x) Use commercially reasonable efforts to obtain any and all governmental, regulatory, licensing or other approvals (if any) necessary to the implementation or consummation of the Restructuring Transaction or the approval by the Bankruptcy Court of the Definitive Documents; and

xi) Promptly notify 2HR, Five Y, GG, Yu Capital and Girn with respect to items B and C, (and in any event within two (2) Business Days after obtaining actual knowledge thereof) of (A) any pending, existing, instituted or threatened lawsuit that is material to the Company; (B) any breach by the Company in any respect of any of its obligations, representations, warranties or covenants set forth in this Agreement or the other Definitive Documents; (C) the happening or existence of any event that the Company's board of directors or similar governing body of the Company determines, in good faith and based upon advice of legal counsel, is likely to make any of the conditions precedent set forth in (or to be set forth in) any of the Definitive Documents incapable of being satisfied prior to the Outside Date; and (D) the occurrence of any Termination Event;

b) Upon the terms and subject to the conditions hereof, the Company agrees that, for the duration of the Restructuring Support Period, it shall not, directly or indirectly, do or permit to occur any of the following without the consent of 2HR, Five Y, and GG:[1]

i) Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction; subject to Section 10 hereof;

ii) Seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding.

iii) Oppose, delay, impede, or take any other action that is materially inconsistent with this Agreement the Restructuring Transaction or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

iv) Execute, deliver and/or file any Definitive Document (including any amendment, supplement or modification of, or any waiver to, any Definitive Document) that, in whole or in part, is not consistent in all material respects with this Agreement or is not otherwise reasonably acceptable to 2HR, Five Y, and GG, or file any pleading seeking authorization to accomplish or effect any of the foregoing;

[1] Company will provide notice to Girns of any events or actions described in this Section 3(a) within three business days after such event or action has occurred.

v) Enter into any commitment or agreement with respect to debtor-in-possession financing, cash collateral usage, exit financing and/or other financing arrangements, other than the DIP Financing or otherwise;

vi) Abandon, sell, assign, or grant a security interest in any assets owned by Company or its estates and material to the operation of its business;

vii) Grant to any Person an exclusive license with respect to any intellectual property owned by the Company and material to the operation of its business;

viii) In the future, take any action, or as to insiders, permit any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

ix) Issue, sell, pledge, dispose of or encumber any additional shares of, or any options, warrants, conversion privileges or rights of any kind to acquire any shares of, any of its equity interests, including, without limitation, capital stock or limited liability company interests;

x) Split, combine or reclassify any outstanding shares of its capital stock or other equity interests, or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of its equity interests;

xi) Redeem, purchase or acquire or offer to acquire any of its equity interests, including, without limitation, capital stock or limited liability company interests;

xii) Acquire or divest (by merger, exchange, consolidation, acquisition of stock or assets or otherwise) (A) any corporation, partnership, limited liability company, joint venture or other business organization or division or (B) assets of the Company;

xiii) File any motion, without the consent of 2HR and Five Y, which consent shall not be unreasonably withheld or delayed, authorizing or directing the assumption or rejection of an executory contract or unexpired lease;

xiv) File any motion, without the consent of both 2HR, Five Y and GG, which consent shall not be unreasonably withheld or delayed, authorizing or directing the abandonment of any of estate assets;

xv) File any motion, without the consent of 2HR and Five Y, which consent shall not be unreasonably withheld or delayed, which would reduce the value of the Company or the reorganized Company in the reasonable opinion of 2HR and Five Y;

xvi) File any motion, without the consent of each affected Consenting Party, which consent shall not be unreasonably withheld or delayed, authorizing the settlement of any claim or controversy that would be inconsistent with the Plan;

xvii) Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Consenting Party Termination Event.

c) Automatic Stay. The Company acknowledges and agrees and shall not dispute that the giving of notice of termination by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the greatest extent possible, the applicability of the automatic stay to the giving of such notice).

d) Certain Conditions. The obligations of the Company set forth in Section 3(a), (b) and (c) above are subject to the following conditions:

i) this Agreement shall have become effective in accordance with the provisions of Section 12 hereof; and

ii) this Agreement shall not have been terminated in accordance with the terms of Section 6 hereof.

4. Agreement of Consenting Parties.

a) Support of Restructuring Transaction. Upon the terms and subject to the conditions hereof, each the Consenting Party agrees to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall:

i) Support and take all actions reasonably requested by the Company, 2HR, Five Y, or GG to obtain entry of the RSA Order and facilitate the implementation and consummation of the Restructuring Transaction in a timely manner, including without limitation supporting approval of the DIP Financing, the filing of the Plan, an accompanying Disclosure Statement and other documents and consents reasonably required to be filed in connection with the Solicitation of votes on, and confirmation of, the Plan;

ii) (A) To the extent permitted by sections 1125 and 1126 of the Bankruptcy Code, (I) timely vote, or cause to be voted, all of the Claims and any other claims and interests held by such Consenting Party, which are in classes entitled to vote, by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation and (II) not "opt out" of, or object to, any releases or exculpations provided under the Plan, including without limitation any third-party releases (and, to the extent required by the ballot, affirmatively "opt in" to such releases and exculpations), and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); and

iii) Timely vote or cause to be voted its Claims against any Alternative Transaction.

b) Upon the terms and subject to the conditions hereof, each Consenting Party agrees to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall not, directly or indirectly:

i) Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction;

ii) Seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding;

iii) Oppose, delay, impede, or take any other action that is materially inconsistent with this Agreement or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

iv) Sell, assign or transfer any portion of its Claim, or cause or permit to occur the sale, assignment or transfer of any claims or interests in the Company held directly or indirectly by it, unless to 2HR, Five Y, or to an affiliate of such Consenting Party; or

v) Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Company Termination Event.

c) Certain Conditions. The obligations of each Consenting Party set forth in Section 4(a) and (b) above are subject to the following conditions:

i) this Agreement shall have become effective in accordance with the provisions of Section 12 hereof; and

ii) this Agreement shall not have been terminated in accordance with the terms of Section 6 hereof.

5. Agreement of 2HR and Five Y.

a) Support of Restructuring Transaction. Upon the terms and subject to the conditions hereof, 2HR and Five Y agree to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall:

i) Support and take all actions necessary or reasonably requested by the Company to facilitate the implementation and consummation of the Restructuring Transaction in a timely manner, including without limitation supporting approval of the DIP Financing, the filing of the Plan, an accompanying Disclosure Statement and all other Definitive Documents required to be filed in connection with the Solicitation of votes on, and confirmation of, the Plan; provided that nothing herein shall impose on 2HR and Five Y any requirement to agree to (A) extend the Termination Date, or (B) increase the Purchase Price or the Senior DIP Financing, or (C) waive or modify any material condition or provision of this Agreement, or any Definitive Document;

ii) (A) To the extent permitted by sections 1125 and 1126 of the Bankruptcy Code, (I) timely vote, or cause to be voted, all of the Claims held by 2HR and Five Y which are in classes entitled to vote by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation and (II) not "opt out" of, or object to, any releases or exculpations provided under the Plan, including without limitation any third party releases (and, to the extent required by the ballot, affirmatively "opt in" to such releases and exculpations), and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); and

iii) Timely vote or cause to be voted its Claims against any Alternative Transaction.

b) Upon the terms and subject to the conditions hereof, 2HR and Five Y agrees to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall not, directly or indirectly:

i) Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction;

ii) Seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding;

iii) Oppose, delay, impede, or take any other action that is materially inconsistent with this Agreement or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

iv) Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a Consenting Party Termination Event or a Company Termination Event.

c) Certain Conditions. The obligations of 2HR and Five Y set forth in Section 5(a) and (b) above are subject to the following conditions:

i) this Agreement shall have become effective in accordance with the provisions of Section 12 hereof; and

ii) this Agreement shall not have been terminated in accordance with the terms of Section 6 hereof.

6. Agreement of GG.

a) Support of Restructuring Transaction. Upon the terms and subject to the conditions hereof, GG agrees to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall:

i) Support and take all actions necessary or reasonably requested by the Company to facilitate the implementation and consummation of the Restructuring Transaction in a timely manner, including without limitation supporting approval of the DIP Financing, the filing of the Plan, an accompanying Disclosure Statement and all other Definitive Documents required to be filed in connection with the Solicitation of votes on, and confirmation of, the Plan; provided that nothing herein shall impose on GG any requirement to agree to (A) extend the Termination Date, or (B) increase the Junior DIP Financing, or (C) waive or modify any material condition or provision of this Agreement, or any Definitive Document;

ii) (A) To the extent permitted by sections 1125 and 1126 of the Bankruptcy Code, (I) timely vote, or cause to be voted, all of the Claims held by GG which are in classes entitled to vote by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation and (II) not "opt out" of, or object to, any releases or exculpations provided under the Plan, including without limitation any third party releases (and, to the extent required by the ballot, affirmatively "opt in" to such releases and exculpations), and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); and

iii) Timely vote or cause to be voted its Claims against any Alternative Transaction.

b) Upon the terms and subject to the conditions hereof, GG agrees to comply with the following covenants and that, for the duration of the Restructuring Support Period, it shall not, directly or indirectly:

i) Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction;

ii) Seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding;

iii) Oppose, delay, impede, or take any other action that is materially inconsistent with this Agreement or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

iv) Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a Consenting Party Termination Event or a Company Termination Event.

c) Certain Conditions. The obligations of GG set forth in Section 6(a) and (b) above are subject to the following conditions:

i) this Agreement shall have become effective in accordance with the provisions of Section 12 hereof; and

ii) this Agreement shall not have been terminated in accordance with the terms of Section 6 hereof.

7. Termination of Agreement.

a) Company Termination Events. The Company may terminate this Agreement only upon the occurrence, and during the continuation of, any of the following events (the "**Company Termination Events**"):

i) Termination of this Agreement by 2HR, Five Y or GG;

ii) 2HR's, Five Y's or GG's material breach of any agreements, covenants, representations, or warranties in this Agreement;

iii) Pursuant to Section 10, the Company's board of directors determines in good faith that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;

iv) Five Y or GG fails to provide or terminate its commitment to provide the DIP Financing;

v) the Bankruptcy Court grants relief that is materially inconsistent with the RSA or would reasonably be expected to materially frustrate the purpose of the RSA;

vi) 2HR or Five Y files for approval of or otherwise supports any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Transaction;

vii) any of the orders approving the DIP Financing, the Plan, or the Disclosure Statement are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Company;

viii) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, appointment of a chapter 11 trustee, a responsible officer, or an examiner with enlarged powers (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) relating to the operation of Company, or dismissal of the Chapter 11 Cases; or

ix) the Bankruptcy Court's approval of any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Transaction.

b) Consenting Party Termination Events. Each Consenting Party may terminate this Agreement, with respect to such Consenting Party, at any time after the occurrence, and during the continuation of, any of the following events (the "**Consenting Party Termination Events**") which have a material and adverse impact on (i) the economic treatment of such Consenting Party under the Plan or (ii) the non-economic treatment of the Consenting Party, solely to the extent such Consenting Party is an Impacted Party with respect thereto:

i) Termination of this Agreement by the Company or 2HR;

ii) the Company's, GG's, 2HR's, or Five Y's material breach of any of their obligations under this Agreement;

iii) any of the Definitive Documents filed in the Chapter 11 Case contain terms and conditions materially inconsistent with this Agreement or the Restructuring Transaction and such inconsistency directly or indirectly impacts such Consenting Parties' rights or obligations under the Plan;

iv) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, appointment of a chapter 11 trustee, a responsible officer, or an examiner with enlarged powers (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) relating to the operation of Company, or dismissal of the Chapter 11 Case;

v) the Bankruptcy Court's approval of an Alternative Transaction or other transaction, or motion regarding same, that is inconsistent with the terms of the Restructuring Transaction; or

vi) if a Consenting Party is an Impacted Party, the voluntary removal by the Debtors of an entity from the list of Designated EB-5 Entities absent prior consultation with such Consenting Party; provided it shall not be a

Consenting Party Termination Event if the Designated EB5 Entity cannot be transferred pursuant to applicable law or the Designated EB-5 Entity is not property of the Debtors' estates.

c) 2HR/Five Y Termination Events. 2HR and Five Y may terminate this Agreement and its commitments to act as Plan Sponsor and DIP Lender, as applicable, at any time after the occurrence, and during the continuation of, any of the following events (the "**2HR Termination Events**"):

i) Termination of this Agreement by the Company, GG or any of the Consenting Parties.

ii) The Company's, GG's or a Consenting Party's material breach of any of their obligations under this Agreement;

iii) The Company takes any action, or as to insiders, permits any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code; provided, however, that nothing herein shall constitute or be deemed to be a representation or warranty that an ownership change has not occurred as of the date hereof;

iv) The Company fails to obtain entry of the DIP Financing Order, including the roll-up of the pre-petition bridge loans made to the Company by Five Y and GG in preparation for the Bankruptcy Cases, on an interim basis no later than five (5) business days after the Petition Date, and on a final basis no later than thirty (30) days after the Petition Date;

v) The Company fails to comply with, satisfy, or achieve any of the case milestones, attached as Exhibit B to the DIP Financing Order (the "**Milestones**");

vi) the occurrence of an event of termination under the DIP Financing Order;

vii) The Company fails to provide 2HR, Five Y, GG, and their respective agents with reasonable access to the Company' books, records, and management through the Effective Date;

viii) The Company files any pleading to secure postpetition financing from any party other than 2HR or GG, including financing that provides for super-priority claims or priming liens on any collateral of 2HR or GG (as applicable) without such party's consent in writing in its sole and absolute discretion;

ix) any of the Definitive Documents filed in the Chapter 11 Case contain terms and conditions materially inconsistent with this Agreement or the Restructuring Transaction;

x) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, appointment of a chapter 11 trustee, a responsible officer, or an examiner with enlarged powers (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) relating to the operation of Company, or dismissal of the Chapter 11 Case;

xi) the Bankruptcy Court grants relief that is materially inconsistent with this Agreement, or would reasonably be expected to materially frustrate the purpose of this Agreement;

xii) The Company or a Consenting Party files for approval of or otherwise supports any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Transaction;

xiii) any of the orders approving the DIP Financing, the Plan, or the Disclosure Statement are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of 2HR and, with respect to the DIP Financing, Five Y and GG; or

xiv) the Bankruptcy Court's approval of an Alternative Transaction or other transaction that is inconsistent with the terms of the Restructuring Transaction.

d) GG Termination Events. GG may terminate this Agreement, with respect to GG, at any time after the occurrence, and during the continuation of, any of the following events (the "**GG Termination Events**"):

i) Termination of this Agreement by the Company or 2HR;

ii) 2HR fails to provide or terminates its commitment to provide the Purchase Price; or

iii) Five Y fails to provide or terminates its commitment to provide the Senior DIP Financing.

e) Mutual Termination. This Agreement may be terminated by mutual written agreement among all of the Parties hereto.

f) Termination Upon Effective Date. This Agreement shall automatically terminate on the Effective Date of the Plan.

g) Effect of Termination. Upon termination of this Agreement in accordance with this Section 7, subject to Sections 10 and 17 below, each of the Parties shall be immediately released from their respective obligations, commitments, undertakings and agreements under or related to this Agreement and shall have all the rights and remedies available to it under applicable law and equity; provided, however, in no event shall any termination relieve any of the Parties from liability for their respective breach or non-performance of their respective obligations hereunder prior to the date of such termination; provided, further, nothing in this Agreement shall

be deemed to limit or restrict any action by any of the Parties to enforce any right, remedy, condition, consent, or approval requirement under any Definitive Document. In the event of a termination of this Agreement in accordance with this Section 7, the Parties agree to consent to the withdrawal and termination of the Plan.

8. Good Faith Cooperation; Further Assurances; Acknowledgment; No Solicitation.

During the Restructuring Support Period, the Parties shall cooperate with each other in good faith and shall coordinate their activities (to the extent practicable and subject to the terms hereof) in respect of (a) all matters relating to their rights hereunder in respect of the Company or otherwise in connection with their relationship with the Company, (b) all matters concerning the implementation of this Agreement, and (c) the pursuit and support of the Restructuring Transaction (including confirmation of the Plan). Furthermore, subject to the terms hereof, each of the Parties shall take such action as may be reasonably necessary to carry out the purposes and intent of this Agreement, including making and filing any required governmental, regulatory, or licensing filings, and shall refrain from taking any action that would frustrate the purposes and intent of this Agreement. This Agreement is not, and shall not be deemed, a Solicitation for consents to the Plan. Except as otherwise permitted in accordance with sections 1125 and 1126 of the Bankruptcy Code, acceptances of the Plan, if any, will not be solicited until the Disclosure Statement and related ballot(s), if any, have been approved, including on a conditional basis, by the Bankruptcy Court.

9. Definitive Documents.

During the Restructuring Support Period, the Parties hereby covenant and agree (a) to negotiate in good faith the Definitive Documents and (b) to execute (to the extent such Party is a party thereto) and otherwise support the Definitive Documents. For the avoidance of doubt, during the Restructuring Support Period, each Party agrees to (i) act in good faith and use commercially reasonable efforts to support and complete successfully the implementation of the Definitive Documents and the Restructuring Transaction in accordance with the terms of this Agreement, and (ii) do all things reasonably necessary and appropriate in furtherance of consummating the Restructuring Transaction in accordance with, and within the time frames contemplated by, this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the Parties acknowledge and agree that the Consenting Parties shall have no consent rights with respect to the Definitive Documents so long as any modifications do not have a material and adverse impact on (i) the economic treatment of such Consenting Party under the Plan or (ii) the non-economic treatment of the Consenting Party, solely to the extent such Consenting Party is an Impacted Party with respect thereto.

10. Fiduciary Duty; Alternative Transaction.

Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company or any directors or officers of the Company (in such person's capacity as a director or officer of the Company) to take any action, or to refrain from taking any action, to the extent required, in the opinion of counsel in writing, to comply with its or their fiduciary obligations under applicable law; provided, (a) the Company and its advisors may not, directly or indirectly,

solicit, initiate or knowingly encourage, or take any other action designed to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal for an Alternative Transaction; provided, further, the Company may respond to and participate in discussions with any third party that has made (and not withdrawn) a bona fide, unsolicited proposal or inquiry that the Company's board of directors or similar governing body reasonably determines, in good faith and based upon written advice of legal counsel, that the failure to participate in such discussions would be inconsistent with such board's or governing body's fiduciary duties under applicable law; provided, further, nothing in this Section 10 shall prevent the Company complying with any order of the Bankruptcy Court; (b) the Company must provide notice to 2HR, Five Y, GG, Yu Capital, and Girn of the Company's material communications, no later than forty-eight (48) hours of the Company's first such communication (or continuation of such communication), with any other party which expresses interest in an Alternative Transaction; and (c) prior to the Company terminating this Agreement to move forward with an Alternative Transaction, the Company shall provide 2HR, Five Y, GG, Yu Capital and Girn with at least seventy-two (72) hours' notice of the material terms and conditions of the proposed Alternative Transaction and its intent to terminate this Agreement, during which time 2HR shall have a right of first refusal to match such proposal or otherwise to seek relief from the Bankruptcy Court. In the event 2HR does not exercise its right of first refusal as described above, the Company otherwise seeks to invoke its fiduciary out or the Bankruptcy Court approves an Alternative Transaction, then 2HR shall be entitled to the immediate payment and/or repayment from the proceeds of the closing of the Alternative Transaction of (x) all of its reasonable out-of-pocket legal, accounting, and professional fees and expenses related to the Restructuring Transaction (including the Chapter 11 Cases), up to $150,000; provided that the foregoing shall not be deemed to limit any of the DIP Lender's rights to repayment of their reasonable out-of-pocket legal, accounting, and professional fees and expenses related to the Restructuring Transaction; and (y) a termination/break-up fee in the amount of 3% of the Purchase Price, and pending receipt of such payments, 2HR shall have an Allowed Claim pursuant to sections 503(b) and 507(a)(2), (b) of the Bankruptcy Code. For the avoidance of doubt, the Debtors' termination of the RSA pursuant to this Section 10 shall constitute a Termination Event under the RSA.

11. Representations and Warranties.

a) As applicable, each Party, severally (and not jointly), represents and warrants to the other Parties that the following statements are true, correct and complete as of the date hereof:

i) such Party is validly existing and in good standing under the laws of the jurisdiction of incorporation of its organization, and, subject to entry of the RSA Order in the case of the Company, has all requisite corporate, limited liability company, partnership or similar authority to (A) enter into this Agreement, (B) carry out the transactions contemplated under this Agreement and the Plan and (B) perform its obligations contemplated under this Agreement and the Plan; and the execution and delivery of this Agreement and the performance of such Party's obligations under this Agreement and the Plan have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part;

ii) subject to entry of the RSA Order in the case of the Company, the execution, delivery and performance by such Party of this Agreement do not and will not (A) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries, (B) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party or (C) violate any order, writ, injunction, decree, statute, rule or regulation;

iii) subject to entry of the RSA Order in the case of the Company, the execution, delivery and performance by such Party of this Agreement do not and will not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority, except such filings as may be necessary and/or required for disclosure by the Securities and Exchange Commission and in connection with the Chapter 11 Cases, the Plan and the Disclosure Statement; and

iv) subject to entry of the RSA Order in the case of the Company, this Agreement is the legally valid and binding obligation of such Party, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of the Bankruptcy Court.

b) 2HR represents and warrants that, as of the date hereof, it has the financial wherewithal, ability and/or any necessary commitments to consummate the Restructuring Transaction in accordance with the timeframes and deadlines set forth in this Agreement, including, but not limited to, the timely fulfillment of its obligations.

c) Five Y represents and warrants that, as of the date hereof, it has the financial wherewithal, ability and/or any necessary commitments to consummate the Restructuring Transaction in accordance with the timeframes and deadlines set forth in this Agreement, including, but not limited to, the timely fulfillment of its obligations.

d) GG represents and warrants that, as of the date hereof, it has the financial wherewithal, ability and/or any necessary commitments to consummate the Restructuring Transaction in accordance with the timeframes and deadlines set forth in this Agreement, including, but not limited to, the timely fulfillment of its obligations.

c) The Company represents and warrants that, as of the date hereof, based on the facts and circumstances actually known by the Company, the Company's entry into this Agreement is consistent with the fiduciary duties of the Company and any directors or officers of the Company under applicable law.

12. Effectiveness.

This Agreement shall become effective upon the release and delivery of signature pages to counsel to the Parties hereto, duly executed by each of the Parties. Delivery by telecopier or

electronic mail of an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart hereof.

13. Independent Due Diligence and Decision Making.

Each Party 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. To the extent any materials or information have been furnished to it by another Party, each Party acknowledges that it has been provided for informational purposes only, without any representation or warranty.

14. Notices.

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

(a) If to the Company, at:

Higher Ground Education, Inc.
1321 Upland Dr. PMB 20442
Houston, Texas 77043
Attn: Jon McCarthy
Email: board@tohigherground.com

and

FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Attention: Holland N. O'Neil, Esq.
Email: honeil@foley.com

and

1144 15th Street, Ste. 2200
Denver, CO 80202
Attention: Tim Mohan, Esq.
Email: tmohan@foley.com

(b) If to 2HR, at:

2HR Learning, Inc.
2028 E Ben White Blvd, Ste 240-2650
Austin, TX 78741
Attention: Andrew S. Price, Chief Financial Officer
Email: andy.price@trilogy.com

and

COZEN O'CONNOR PC
3 WTC, 175 Greenwich Street, 56th Floor
New York, New York 10007
Attention: Trevor R. Hoffmann, Esq.
Email: thoffmann@cozen.com

(c) If to Five Y, at:

YYYYY, LLC.
2028 E Ben White Blvd, Ste 240-2650
Austin, TX 78741
Attention: Andrew S. Price, Chief Financial Officer
Email: andy.price@trilogy.com

and

COZEN O'CONNOR PC
3 WTC, 175 Greenwich Street, 56th Floor
New York, New York 10007
Attention: Trevor R. Hoffmann, Esq.
Email: thoffmann@cozen.com

(d) If to GG, at:

Guidepost Global Education, Inc.
1205 BMC Dr.
Cedar Park, TX 78613
Attn: General Counsel
Email: legal@guideposteducation.com

and

KANE RUSSELL COLEMAN LOGAN PC
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Attention: Jason B. Binford, Esq.
Email: jbindford@krcl.com

(e) If to Learn, at:

Learn Capital Venture Partners IV, L.P.
1809 Pearl St.
Austin, TX 78701

Attn: Greg Mauro
Email: greg@learn.vc

and

KANE RUSSELL COLEMAN LOGAN PC
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Attention: Jason B. Binford, Esq.
Email: jbindford@krcl.com

(f) If to Cosmic, at:

Cosmic Education Americas Limited
United 206, 2/F., OfficePlus@Sheung Wan
93-103 Wing Lok Street, Hong Kong
Attn: Sheng Xu
Email: sxu@cosmicedugroup.com

and

WHITE & CASE LLP
Southeast Financial Center
200 South Biscayne Boulevard, Suite 4900
Miami, FL 33131
Attn: Sam Kava
Email: sam.kava@whitecase.com

(g) If to Venn, at:

Venn Growth HGE LP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, BC V7X 1L3
Attn: John Crean
Email: crean@venngp.com

(h) If to WTI, at:

Venture Lending & Leasing IX, Inc.
WTI Fund X, Inc.
104 La Mesa Dr. Suite 102
Portola Valley, CA 94028
Attn: Maurice Werdegar
Email: mauricew@westerntech.com

and

FOX ROTHSCHILD LLP
2501 N. Harwood Street, Suite 1800
Dallas, Texas 75201
Attention: Trey Monsour, Esq.
Email: tmonsour@foxrothschild.com

and

345 California Street, Suite 2200
San Francisco, California 94104
Attention: Jeffrey T. Klugman, Esq.
Email: jklugman@foxrothschild.com

(i) If to Yu Capital, at:

Yu Capital, LLC
644 Broadway 3W
New York, NY 10012
Attention: Zheng Yu Huang
Email: zhuang@yucapital.co

and

NIXON PEABODY LLP
55 West 46th Street
New York, New York 10036
Attention: Christopher Desiderio, Esq.
Email: cdesiderio@nixonpeabody.com

(j) If to Girn, at:

Rebecca and Ray Girn
c/o DENTONS US LLP
100 Crescent Ct #900
Dallas, Texas 75201
Attention: Clay Taylor, Esq.
Email: clay.taylor@dentons.com

and

1221 6th Avenue
New York, New York 10020
Attention: John D. Beck, Esq.
Email: john.beck@dentons.com

15. GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION, SUIT, DISPUTE OR PROCEEDING ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATE OF TEXAS OR IN THE BANKRUPTCY COURT (FOR SO LONG AS THE COMPANY IS SUBJECT TO THE JURISDICTION OF THE BANKRUPTCY COURT) AND THE PARTIES HERETO IRREVOCABLY CONSENT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTIONS AS TO VENUE OR INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Specific Performance.

It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (including attorneys' fees and costs) as a remedy for any such breach, without the necessity of proving the inadequacy of money damages as a remedy, including an order of the Bankruptcy Court requiring any Party to comply promptly with any of its obligations hereunder. The rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity. Except as expressly provided herein, nothing herein will be considered an election of remedies.

17. Survival.

Notwithstanding the termination of this Agreement pursuant to Section 7 hereof, the agreements and obligations of the Parties in this Section 17 and in Sections 10, 14, 15 and 19-27 hereof shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

18. Headings.

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

19. Successors and Assigns; Severability; Several Obligations.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives; provided, however, that nothing contained in this Section 19 shall be deemed to permit sales, assignments or

transfers of any Consenting Party's claims against or interests in the Company other than as otherwise provided in this Agreement. If any provision of this Agreement, or the application of any such provision to any person or circumstance, shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision shall continue in full force and effect so long as the economic or legal substance of the Restructuring Transaction contemplated hereby are not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the Restructuring Transaction contemplated hereby are consummated as originally contemplated to the greatest extent possible.

20. No Third-Party Beneficiaries.

Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives, and no other Person shall be a third-party beneficiary hereof.

21. Prior Negotiations; Entire Agreement.

This Agreement (including the exhibits hereto and made a part hereof) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, written and oral, between the Parties with respect to the transactions contemplated hereby.

22. Amendments.

a) Except as otherwise provided herein, this Agreement may be amended only upon the prior written approval of each Party hereto; provided that the Agreement may be amended without the consent of any Consenting Party which is not materially and adversely affected by such amendment.

b) No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver be deemed a continuing waiver. No modification or change to this Agreement or the applicable Definitive Documents shall release any Party from obligations under this Agreement if such Definitive Documents remain substantially similar in all economic and other respects to this Agreement and are not inconsistent with this Agreement, and if such modification or change does not, or cannot reasonably be expected to, negatively impact the material economic recovery or other rights in any respect that such Party will receive under such Definitive Documents.

23. Reservation of Rights; No Admission.

Nothing herein shall be deemed an admission of any kind with respect to any other proceeding. If the transactions contemplated herein are not consummated, or this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be

admissible into evidence in any proceeding other than a proceeding to enforce its terms or in the Chapter 11 Cases.

24. Relationship Among Parties.

It is understood and agreed that with respect to the matters set forth herein, except as expressly provided in this Agreement, none of the Parties: (a) have any duty of trust or confidence of any kind or form with each other; (b) have or owe any other duties (fiduciary or otherwise (except for the Company's fiduciary duties under applicable law)) whatsoever to each other; and (c) have commitments among or between them. No prior history, pattern or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement.

25. Representation by Counsel.

Each Party acknowledges that it has been represented by, or provided a reasonable period of time to obtain access to and advice by, counsel with this Agreement and the Restructuring Transaction contemplated herein. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

26. Costs and Expenses.

Except as otherwise set forth herein, each Party shall bear its own costs and expenses of negotiating and preparing this Agreement and the Definitive Documents.

27. Counterparts.

This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts and by facsimile or other electronic transmission, with the same effect as if all Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Company:

Higher Ground Education, Inc.

By: DocuSigned by: 40FE1F89F41148F...

Name: Jonathan McCarthy
Title: Interim President & Secretary

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

2HR:

2HR Learning, Inc.

By: Signed by: Andrew S. Price B596D5D924C2446...
Name: Andrew S. Price
Title: Chief Financial Officer

Five Y:

YYYYY, LLC

By: Signed by: Andrew S. Price B596D5D924C2446...
Name: Andrew S. Price
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GG:

Guidepost Global Education, Inc.

By: Signed by: _____
286BC53F3A4C4B5...
Name: Greg Mauro
Title: President

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

Learn Capital Venture Partners IV, L.P.

By: Signed by: _____
286BC53F3A4C4B5...
Name: Greg Mauro
Title: Managing Partner

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

Cosmic Education Americas Limited

By: Signed by: Sheng Xu
32C66188A61A4DB...
Name: Sheng Xu
Title: President

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

Venn Growth GP Limited LP

By: Signed by: Chris Reynolds F99018055AE9459...

Name: Chris Reynolds
Title: Partner

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

Venture Lending & Leasing IX, Inc.

By: DocuSigned by: Maurice Werdegar 2D14686D85C64CE...
Name: Maurice Werdegar
Title: Chairman of the Board

WTI Fund X, Inc.

By: DocuSigned by: Maurice Werdegar 2D14686D85C64CE...
Name: Maurice Werdegar
Title: Chairman of the Board

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

Yu Capital LLC

By: Signed by: _____
518EBEB7328645B...
Name: Zheng Yu Huang
Title: Authorized Representative

YuATI LLC

By: Signed by: _____
518EBEB7328645B...
Name: Zheng Yu Huang
Title: Authorized Representative

YuFICB LLC

By: Signed by: _____
518EBEB7328645B...
Name: Zheng Yu Huang
Title: Authorized Representative

YuHGE A LLC

By: Signed by: _____
518EBEB7328645B...
Name: Zheng Yu Huang
Title: Authorized Representative

NTRC Equity Partners LP

By: Signed by: _____
518EBEB7328645B...
Name: Zheng Yu Huang
Title: Authorized Representative

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Consenting Parties:

DocuSigned by:
Ramandeep Girn
47297152615C4B0...

Signed by:
Rebecca Girn
37C078B6D74D401...

Exhibit A

List of Subsidiaries

1. Guidepost A LLC (Delaware)
2. Prepared Montessorian LLC (Delaware)
3. Terra Firma Services LLC (Delaware)
4. Guidepost Birmingham LLC (Delaware)
5. Guidepost Bradley Hills LLC (Delaware)
6. Guidepost Branchburg LLC (Delaware)
7. Guidepost Carmel LLC (Delaware)
8. Guidepost FIC B LLC (Delaware)
9. Guidepost FIC C LLC (Delaware)
10. Guidepost Goodyear LLC (Delaware)
11. Guidepost Las Colinas LLC (Delaware)
12. Guidepost Leawood LLC (Delaware)
13. Guidepost Muirfield Village LLC (Delaware)
14. Guidepost Richardson LLC (Delaware)
15. Guidepost South Riding LLC (Delaware)
16. Guidepost St Robert LLC (Delaware)
17. Guidepost The Woodlands LLC (Delaware)
18. Guidepost Walled Lake LLC (Delaware)
19. HGE FIC D LLC (Delaware)
20. HGE FIC E LLC (Delaware)
21. HGE FIC F LLC (Delaware)
22. HGE FIC G LLC (Delaware)
23. HGE FIC H LLC (Delaware)
24. HGE FIC I LLC (Delaware)
25. HGE FIC K LLC (Delaware)
26. HGE FIC L LLC (Delaware)
27. HGE FIC M LLC (Delaware)
28. HGE FIC N LLC (Delaware)
29. HGE FIC O LLC (Delaware)
30. HGE FIC P LLC (Delaware)
31. HGE FIC Q LLC (Delaware)
32. HGE FIC R LLC (Delaware)
33. LePort Emeryville LLC (Delaware)
34. AltSchool II LLC (Delaware)

Exhibit B

Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtors.	§	(Jointly Administered)

JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC. AND ITS AFFILIATED DEBTORS

Dated: June 26, 2025

Holland N. O'Neil (TX 14864700)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Telephone: (214) 999-3000
Facsimile: (214) 999-4667
honeil@foley.com

Timothy C. Mohan
(admitted *pro hac vice*)
FOLEY & LARDNER LLP
1144 15th Street, Suite 2200
Denver, CO 80202
Telephone: (720) 437-2000
Facsimile: (720) 437-2200
tmohan@foley.com

Nora J. McGuffey (TX 24121000)
Quynh-Nhu Truong (TX 24137253)
FOLEY & LARDNER LLP
1000 Louisiana Street, Suite 2000
Houston, TX 77002
Telephone: (713) 276-5500
Facsimile: (713) 276-5555
nora.mcguffey@foley.com
qtruong@foley.com

PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

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Higher Ground Education, Inc. together with its affiliated Debtors, as debtors and debtors in possession, propose this joint pre-negotiated plan of reorganization for the resolution of outstanding Claims against and Interests in the Debtors pursuant to Chapter 11 of the Bankruptcy Code. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in Article I. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, projections of future operations, a liquidation analysis, as well as a summary and description of the Plan and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. NO MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND ANY EXHIBITS AND SCHEDULES ATTACHED THERETO OR REFERENCED THEREIN, HAVE BEEN APPROVED BY THE PROPONENTS FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

FOR AVOIDANCE OF DOUBT, THE PLAN APPLIES AND PRESERVES THE MAXIMUM GLOBAL JURISDICTION POSSIBLE UNDER APPLICABLE U.S. LAW, INCLUDING, WITHOUT LIMITATION, OVER THE ASSETS OF THE DEBTORS WHEREVER LOCATED.

ARTICLE 1

DEFINITIONS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

1.1 Definitions. As used in the Plan, the following terms shall have the following meanings:

1.1.1 "1125(e) Exculpation Parties" means, collectively, and in each case in its capacity as such: (a) each of the Exculpated Parties; (b) the directors and officers of any of the Debtors; (c) each of the Reorganized Debtors; (d) the Professional Persons retained in these Chapter 11 Cases; and (d) with respect to the foregoing parties, the Related Parties thereof to the extent permitted under section 1125(e) of the Bankruptcy Code.

1.1.2 "Accounts Receivable" means all accounts receivable of the Debtors as of the Effective Date.

1.1.3 "Administrative Expense Claim" means a Claim for costs and expenses of administration of the Estates pursuant to sections 328, 330, 331, 503(b), 507(a)(2), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including without limitation: (a) any actual and necessary expenses of preserving the Debtors' Estates, including wages, salaries or commissions for services rendered after the commencement of the Chapter 11 Cases, certain taxes, fines and penalties, any actual and necessary post-petition expenses of operating the business of the Debtors, including post-petition indebtedness or

obligations, including the Senior DIP Lender Claim and the Junior DIP Lender Claim, incurred by or assessed against the Debtors in connection with the normal, usual or customary conduct of their business, or for the acquisition or payment of goods or lease of property, or for providing of services to the Debtors; (b) expenses pursuant to section 503(b)(9) of the Bankruptcy Code; (c) all Statutory Fees; and (d) Professional Fee Claims. The Disbursing Agent shall timely pay all post-confirmation quarterly fees as they accrue until the date of the closing of the Chapter 11 Cases. For the avoidance of doubt, subject to Article 3.2.2, Ordinary Course Liabilities incurred by the Debtors under the DIP Loans shall be Allowed Administrative Expense Claim.

1.1.4 "Administrative Claims Bar Date" means the first business day that is thirty (30) days following the Effective Date, except as specifically set forth in the Plan or a Final Order.

1.1.5 "Affiliate" has the meaning set forth in section 101(2) of the Bankruptcy Code when used in reference to a Debtor, and when used in reference to an Entity other than a Debtor, means any other Entity that directly or indirectly wholly owns or controls such Entity or any other Entity that is directly or indirectly wholly-owned or controlled by such Entity.

1.1.6 "Allowed" means, with respect to any Claim or Interest, except as otherwise specified herein, any of the following: (a) a Claim or Interest that has been scheduled by the Debtors in their Schedules as other than disputed, contingent or unliquidated and as to which (i) the Debtors or any other party in interest have not filed an objection, and (ii) no contrary Proof of Claim has been filed; (b) a Claim or Interest that is not a Disputed Claim or Disputed Interest, except to the extent that any such Disputed Claim or Disputed Interest has been allowed by a Final Order; or (c) a Claim or Interest that is expressly allowed (i) by a Final Order, (ii) by an agreement between the Holder of such Claim or Interest and the Debtors or the Reorganized Debtors, or (iii) pursuant to the terms of the Plan; provided, however, that unless expressly waived by the Plan, the Allowed amount of a Claim shall be subject to and shall not exceed the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable.

1.1.7 "Approved Budget" means the budget agreed to by the Debtors and the DIP Lenders and attached as Exhibit A to the DIP Order (as may be amended or otherwise modified from time to time pursuant to the terms of the DIP Order).

1.1.8 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, now in effect and as amended by the Bankruptcy Abuse Prevention and Consumer Prevention Act of 2005 or hereafter amended (to the extent any such amendments are applicable to the Chapter 11 Cases).

1.1.9 "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, or any other court having jurisdiction over these Chapter 11 Cases.

1.1.10 "Bankruptcy Rules" means, collectively, the (a) Federal Rules of Bankruptcy Procedure and (b) Local Rules of the Bankruptcy Court, all as now in effect or hereafter amended (to the extent any such amendments are applicable to the Chapter 11 Cases).

1.1.11 "Bridge CN-3 Distribution Agreement" means, so long as the Girns have not materially breached the RSA, the agreement of the Bridge CN-3 Secured Lenders hereunder other than Ramandeep Girn to waive their rights to a distribution under the Plan on the Effective Date in favor of Mr. Girn, such that Mr. Girn shall receive the entirety of the Bridge CN-3 Secured Lender Recovery on account of his Bridge CN-3 Note.

1.1.12 "Bridge CN-3 Notes" means the series CN-3 convertible promissory notes entered into on and after January 15, 2025. The Bridge CN-3 Notes are collateralized by a priming lien over the assets of Higher Ground Education, superior to the liens of WTI in a principal amount of up to $5,000,000, and are deemed to have an Allowed Secured Claim in the outstanding principal amount of at least $4,800,000.

1.1.13 "Bridge CN-3 Secured Lenders" means, individually and collectively, the lenders under the Bridge CN-3 Notes.

1.1.14 "Bridge CN-3 Secured Lender Recovery" means an aggregate recovery of $500,000 by all Holders of Bridge CN-3 Notes.

1.1.15 "Business Day" means any day, excluding Saturdays, Sundays or "legal holidays" as defined in Bankruptcy Rule 9006(a), or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

1.1.16 "Cash" means legal tender of the United States of America including, but not limited to, bank deposits, checks and other similar items.

1.1.17 "Cash-on-Hand" means all Cash reflected on the Debtors' balance sheet as of the Effective Date, including without limitation all drawn and unutilized advances from the DIP Loans, and all Cash in their bank accounts.

1.1.18 "Causes of Action" means any: (a) Claims, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, and franchises; (b) all rights of setoff, counterclaim, or recoupment and Claims on contracts or for breaches of duties imposed by law; (c) rights to object to Claims or Interests; (d) Claims pursuant to sections 362, 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, or 553 of the Bankruptcy Code; and (e) Claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, whether arising before, on, or after the Petition Date including through the Effective Date, in contract, in tort, in law, or in equity, or pursuant to any other theory of law, and whether asserted or assertable directly or derivatively.

1.1.19 "Chapter 11 Cases" means the jointly administered bankruptcy cases of the Debtors commenced under Chapter 11 of the Bankruptcy Code, and jointly administered under *In re Higher Ground Education, Inc., et al.* (Case 25-80121-11 (MVL).

1.1.20 "Claim" means a "claim," as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

1.1.21 "Claims Bar Date" means the date or dates fixed by order of the Bankruptcy Court by which Persons or Entities asserting a Claim against the Debtors, arising prior to the Petition Date, and who are required to file a Proof of Claim on account of such Claim, must file a Proof of Claim or be forever barred from asserting a Claim against the Debtors or their Property and from voting on the Plan and/or sharing in distributions under the Plan.

1.1.22 "Claims Objection Deadline" means the deadline for objecting to Proofs of Claim, which date shall be the date which is 60 days following the Effective Date, provided that the Debtors and the Reorganized Debtors, as applicable, may seek additional extensions of this date from the Bankruptcy Court.

1.1.23 "Class" means a class of Claims or Interests as listed in Article II of the Plan pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code.

1.1.24 "Closing" means the closing of the transactions contemplated under Article IV of the Plan.

1.1.25 "Combined Hearing" means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code and final approval of the Disclosure Statement.

1.1.26 "CN Notes" means, collectively, the series CN-1, CN-2 and CN-3 convertible promissory notes made pursuant to the Note Purchase Agreement. The CN Notes are collateralized by a lien over the assets of Higher Ground Education, subordinate to the liens of WTI, and are deemed to have an Allowed Secured Claim in the outstanding principal amount of at least $117,434,915.

1.1.27 "CN Note Claim" means the Allowed Claims of holders of CN Notes, other than Bridge CN-3 Notes.

1.1.28 "CN Note Recovery" means the funds (if any) contributed to Class 3 on account of the Class 2 distribution pursuant to the Junior Class Distribution Formula.

1.1.29 "Confirmation" means the Bankruptcy Court's confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, following the Debtors' satisfaction of the elements of section 1129.

1.1.30 "Confirmation Date" means the day on which the Confirmation Order is entered by the Bankruptcy Court on its docket.

1.1.31 "Confirmation Order" means the order of the Bankruptcy Court approving Confirmation of the Plan, which shall be in form and substance acceptable to the Debtors, the Plan Sponsor, the DIP Lender, and the Secured Lender.

1.1.32 "Consummation" means the closing of transactions and delivery of payments to be made on or as soon as reasonably practicable after the Effective Date.

1.1.33 "Corporate Documents" means, as applicable, the certificate of incorporation and by-laws (or any other applicable organizational documents) of the Debtors in effect as of the Petition Date, as may be amended.

1.1.34 "D&O Liability Insurance Policies" means any insurance policy to which one or more of the Debtors is a party that provides liability coverage for any of the Debtors' directors and officers.

1.1.35 "Debtor Release" means the release given by the Debtors to the Released Parties as set forth in Article 10.2 of the Plan.

1.1.36 "Debtors" means, collectively, Higher Ground Education, Inc.; Guidepost A LLC; Prepared Montessorian LLC; Terra Firma Services LLC; Guidepost at Home LLC and each of the other Debtors and Debtors in Possession identified on **Schedule 1.1.36** to the Plan.

1.1.37 "Debtors In Possession" means the Debtors when acting in the capacity of representative of each of their Estates in the Chapter 11 Cases.

1.1.38 "Definitive Documents" means, without limitation, (a) the DIP Financing Documents, (b) the Plan (and all exhibits thereto), (c) the Disclosure Statement, (d) the order approving the Disclosure Statement, (e) the Confirmation Order, (f) the RSA; (g) any other substantive motion or request for relief filed with the Bankruptcy Court, and (h) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (g), in each case in form and substance consistent with the Plan, the RSA and, except as otherwise set forth herein or in the RSA, reasonably acceptable to the Debtors and Plan Sponsor.

1.1.39 "Designated EB-5 Entities" means those certain Debtor entities (but not their assets, except as otherwise designated on in the Plan Supplement) designated in the Plan Supplement to be transferred to Guidepost Global on the Effective Date.

1.1.40 "DIP Financing Order" means, together, the interim and final orders approving the Debtors' entry into the Senior DIP Loan and the Junior DIP Loan.

1.1.41 "DIP Financing Documents" means, together, the DIP Financing Order, the Senior DIP Promissory Note and the Junior DIP Promissory Note.

1.1.42 "DIP Lender" means, individually and collectively, Junior Lender and Senior Lender.

1.1.43 "DIP Lender Claim" means, individually and collectively, the Senior DIP Lender Claim and the Junior DIP Lender Claim pursuant to the DIP Financing Documents.

1.1.44 "DIP Loans" means, individually and collectively, (i) the Senior DIP Loan in the aggregate amount of up to five million five hundred thousand dollars ($5,500,000) and (ii) the Junior DIP Loan in the amount of at least two million five hundred thousand dollars ($2,500,000), to be provided by the DIP Lenders to the Debtors on the terms and conditions set forth in the DIP Financing Order, the Senior DIP Promissory Note and the Junior DIP Promissory Note. For the avoidance of doubt, subject to the terms thereof, the purpose of the DIP Loans is to fund the Ordinary Course Liabilities of the Debtors, including (a) working capital and general corporate purposes and (b) bankruptcy-related fees, costs and expenses, in each case with respect to clauses (a) and (b), all in accordance with the Approved Budget.

1.1.45 "Disbursing Agent" means one or more Persons or Entities designated by the Debtors prior to the Combined Hearing to serve as a disbursing agent under the Plan.

1.1.46 "Disbursing Agent Restricted Accounts" means the separate accounts established on or as soon as reasonably practicable after the Effective Date to hold adequate funding from the Plan Consideration to pay (i) all Allowed Administrative Expense Claims, (ii) the Bridge CN-3 Secured Lender Claim, (iii) the WTI Secured Lender Claim, (iv) all Allowed Other Secured Claims, (v) all Allowed Priority Tax Claims, Secured Tax Claims and Non-Tax Priority Claims, (vi) the CN Note Recovery (if any) and (vii) the GUC Recovery (if any).

1.1.47 "Disclosure Statement" means the *Disclosure Statement for the Joint Plan of Reorganization of Higher Ground Education, Inc. and Its Affiliated Debtors*, dated June [•], 2025 and filed by the Debtors with the Bankruptcy Court, including all exhibits and schedules thereto, as may be amended or supplemented.

1.1.48 "Disputed Claim or Interest" means a Claim or Interest, or any portion thereof, as to which any one of the following applies: (a) that is listed on the Schedules as unliquidated, disputed, contingent or unknown; (b) that is the subject of a timely objection or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules, any applicable order of the Bankruptcy Court, the Plan or applicable non-bankruptcy law, which objection or request for estimation has not been withdrawn, resolved or overruled by a Final Order; (c) that is otherwise disputed by the Debtors or any other party in interest in accordance with applicable law, which dispute has not been withdrawn, resolved, or overruled by a Final Order; or (d) that is otherwise treated as a 'Disputed Claim' pursuant to the Plan.

1.1.49 "Distribution Record Date" means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date prior to the Effective Date as may be designated in the Confirmation Order.

1.1.50 "EB5AN" means, collectively, EB5AN Investment Management, LLC and EB5AN, LLC.

1.1.51 "Effective Date" means the date selected by the Debtors that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article 11 hereof and (b) no stay of the Confirmation Order is in effect.

1.1.52 "Entity" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

1.1.53 "Estate" or "Estates" means, individually, the estate of each Debtor in the Chapter 11 Cases, or, collectively, the estates of all of the Debtors in the Chapter 11 Cases, created pursuant to section 541 of the Bankruptcy Code.

1.1.54 "Equity" means any interest in Higher Ground Education, Inc. represented by ownership of common or preferred stock, including, to the extent provided by applicable law, any purchase right, warrant, stock option or other equity or debt security (convertible or otherwise) evidencing or creating any right or obligation to acquire or issue any of the foregoing the common stock of Higher Ground Education, including all unissued and/or authorized shares of such common or preferred stock; provided that Subsidiary Equity Interests shall be excluded from the definition of Equity, and shall not be treated as Equity or Equity Interests under the Plan.

1.1.55 "Exculpated Claim" means any Claim related to any postpetition act (*i.e.*, on and after the Petition Date), taken or omitted to be taken in connection with, relating to, or arising out of the Debtors' post-petition business operations, the Debtors' out-of-court restructuring efforts, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement or the Plan, the RSA or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the preparation or filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, and the administration and implementation of the Plan, including, without limitation, the issuance of the Reorganized HGE Common Stock, or the distribution of Property under the Plan or any other agreement.

1.1.56 "Exculpated Parties" means collectively, and in each case in its capacity as such: (a) the Debtors; (b) the independent directors of the Debtors; and (c) any other statutory committee appointed in the Chapter 11 Cases and each of their respective members, solely in their respective capacities as such.

1.1.57 "Final Order" means, as applicable, an order or judgment entered by the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or motion or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which

any right to appeal, petition for certiorari, move for a new trial, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtors or, in the event that an appeal, writ of certiorari, new trial or reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court or other applicable court shall have been affirmed by the highest court to which such order or judgment was appealed, or certiorari has been denied, or from which a new trial, reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under section 502(j) of the Bankruptcy Code, Rules 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules may be but has not then been filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.1.58 "General Unsecured Claim" means any prepetition Claim against the Debtors that is not an Administrative Expense Claim, Priority Tax Claim, Secured Tax Claim, Bridge CN-3 Secured Lender Claim, WTI Secured Lender Claim, CN Note Claim, Other Secured Claim, Non-Tax Priority Claim, Intercompany Claim, Equity Interest, or Subsidiary Equity Interest.

1.1.59 "Girn" means, individually and collectively, Ramandeep Girn and Rebecca Girn.

1.1.60 "Governing Body" means, in each case in its capacity as such, the board of directors, board of managers, manager, managing member, general partner, investment committee, special committee, or such similar governing body of any of the Debtors or the Reorganized Debtors, as applicable.

1.1.61 "GUC Recovery" means the funds (if any) contributed to Class 6 on account of the Class 2 distribution pursuant to the Junior Class Distribution Formula.

1.1.62 "Guidepost Global" means Guidepost Global Education, Inc.

1.1.63 "Guidepost Global Assets" means Guidepost Global's (a) entire rights and interests in its current elementary, middle and high school curriculum assets, including associated instructional videos (the "Curriculum Assets") and the Montessorium brand and trademarks and (b) an "as is" fully paid up, perpetual "right to use" license to its intellectual property, including the Altitude learning management system (the "Guidepost Global IP License").

1.1.64 "Higher Ground Education" means Higher Ground Education, Inc.

1.1.65 "Holder" means the beneficial holder of any Claim or Interest.

1.1.66 "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.1.67 "Insider" has the meaning set forth in section 101(31) of the Bankruptcy Code.

1.1.68 "Instrument" means any share of stock, security, promissory note, bond, or any other 'Instrument,' as that term is defined in section 9-102(47) of the Uniform Commercial Code in effect on the Petition Date.

1.1.69 "Intercompany Claim" means any Claim held by a Debtor against another Debtor.

1.1.70 "Interest" means the interest of any holder of an "equity security" (as defined in section 101(16) of the Bankruptcy Code) represented by any issued and outstanding shares of Equity, Subsidiary Equity Interests, or other Instrument evidencing a present ownership interest in any of the Debtors, whether or not transferable, or any option, warrant or right, contractual or otherwise, to acquire any such interest and any redemption, conversion, exchange, voting, participation and dividend rights and liquidation preferences relating to any such equity securities.

1.1.71 "Judicial Code" means title 28 of the United States Code, 28 U.S.C §§1-4001.

1.1.72 "Junior Class Distribution Formula" means, (a) if both Class 3 and Class 6 vote to accept the Plan, then following distributions on account of all Allowed Class 5 Claims, the Class 2 distribution shall be contributed to Class 3 and Class 6 on a *pari passu* basis in proportion to their Allowed Claims, excluding Allowed Claims held by the Released Parties (except as otherwise expressly set forth in this Plan); and (b) if only one of Class 3 and Class 6 vote to accept the Plan, then the Class 2 distribution shall be contributed exclusively to such accepting Class. For the avoidance of doubt, if Class 3 or Class 6 does not vote to accept the Plan, then such Class is not entitled to the Class 2 distribution.

1.1.73 "Junior DIP Financing Documents" means, together, the DIP Financing Order and the Junior DIP Promissory Note.

1.1.74 "Junior DIP Lender" means Guidepost Global, in its capacity as lender under the Junior DIP Financing Documents, upon Bankruptcy Court approval of the DIP Financing Order.

1.1.75 "Junior DIP Lender Claim" means any and all Claims arising from, under or in connection with the Junior DIP Financing Documents.

1.1.76 "Junior DIP Loan" means the loans made by Junior DIP Lender pursuant to the Junior DIP Financing Documents.

1.1.77 "Junior DIP Promissory Note" means the Junior Debtor In Possession Promissory Note, in form and substance attached to the DIP Financing Order, as executed by the Debtors following the approval of the DIP Financing Order by the Bankruptcy Court.

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

1.1.79 "Mutual Release" means the release provision set forth in Article 10.4 of the Plan.

1.1.80 "Non-Tax Priority Claim" means a Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.1.81 "Note Purchase Agreement" means the Note Purchase Agreement (together with the related exhibits, schedules and transaction documents) by and between Higher Ground Education, as borrower, and each lender on the Schedule of Lenders thereto, dated May 31, 2024, as amended by the Amendment to Note Purchase Agreement, effective as of June 10, 2024 , as amended by the Second Amendment to Note Purchase Agreement, effective as of September 30, 2024, as amended by the Third Amendment to Note Purchase Agreement, effective as of December 31, 2024 (as amended, supplemented or otherwise modified).

1.1.82 "Ordinary Course Liability" means indebtedness arising in the ordinary course of the Debtors' business operations, solely to the extent provided for in the Approved Budget, and the post-petition financing incurred to fund such business operations following Bankruptcy Court approval.

1.1.83 "Other Secured Claim" means any Secured Claim other than the DIP Lender Claims, Bridge CN-3 Lender Claim, WTI Secured Lender Claims and Secured Tax Claims.

1.1.84 "Pass-Through Assets" shall have the meaning set forth in Article 9.4 of the Plan.

1.1.85 "Person" has the meaning set forth in section 101(41) of the Bankruptcy Code.

1.1.86 "Petition Date" means June 17, 2025, the date on which each of the Debtors filed their voluntary petitions under Chapter 11 of the Bankruptcy Code commencing these Chapter 11 Cases.

1.1.87 "Plan" means this joint pre-negotiated plan of reorganization and any schedules, exhibits, and other attachments hereto, as it may be amended, modified, or supplemented from time to time.

1.1.88 "Plan Consideration" means $4.5 million *minus* the Senior DIP Lender Claim.

1.1.89 "Plan Sponsor" means 2HR Learning, Inc.

1.1.90 "Plan Supplement" means the compilation of documents, including any exhibits to this Plan not included herewith, that the Debtors shall file with the Bankruptcy Court.

1.1.91 "Plan Supplement Deadline" means such date that is seven (7) days prior to the deadline to object to confirmation of the Plan (or such later date as may be authorized by the Bankruptcy Court) or if such date is not a Business Day, the first date proceeding that date that is a Business Day.

1.1.92 "Priority Tax Claim" means a Claim that is entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

1.1.93 "Professional Fee Claims" means the Claims of (a) Professional Persons and (b) any Person making a Claim for compensation or expense reimbursement under section 503(b) of the Bankruptcy Code, in each case for reasonable compensation or reimbursement of reasonable costs and expenses relating to services performed during the period commencing on the Petition Date and ending on (and including) the Confirmation Date.

1.1.94 "Professional Fee Order" means *the Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief entered by the Bankruptcy Court in these Chapter 11 Cases* at Docket No. [•].

1.1.95 "Professional Holdback Amount" means the aggregate holdback of those fees of Professional Persons billed to the Debtors during the Chapter 11 Cases that are held back pursuant to the Professional Fee Order or any other order of the Bankruptcy Court, which amount is to be deposited in the Professional Holdback Escrow Account as of the Effective Date. The Professional Holdback Amount shall not be considered Property of the Debtors or the Reorganized Debtors. When all Professional Fee Claims have been paid, amounts remaining in the Professional Holdback Escrow Account, if any, shall be remitted to the Disbursing Agent for distribution in accordance with the Plan.

1.1.96 "Professional Holdback Escrow Account" means the escrow account established by the Disbursing Agent into which Cash equal to the Professional Holdback Amount shall be deposited on the Effective Date for the payment of Allowed Professional Fee Claims to the extent not previously paid or disallowed.

1.1.97 "Professional Person" means a Person or Entity who is employed pursuant to a Final Order in accordance with sections 327, 328, 363 or 1103 of the Bankruptcy Code and is to be compensated for services rendered prior to the Confirmation Date pursuant to sections 327, 328, 329, 330, 331 or 363 of the Bankruptcy Code.

1.1.98 "Proof of Claim" means any proof of claim that is filed by a Holder of a Claim filed in these Chapter 11 Cases.

1.1.99 "Property" means any and all right, title and interest in and to all property of any kind or nature whatsoever owned by the any of the Debtors or their Estates on the

Effective Date as defined by 11 U.S.C. § 541, whether real, personal, or mixed, and whether tangible or intangible.

1.1.100 "Reinstated" means either (a) leaving unaltered the legal, equitable, and contractual right to which a Claim entitles the Holder of such Claim so as to leave such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than the Debtors or an Insider) for any actual pecuniary loss incurred by such holder as a result of such failure; or (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim.

1.1.101 "Related Parties" means, with respect to any Entity, in each case in its capacity as such with respect to such Entity, (a) such Entity's current and former Affiliates and (b) such Entity's and such Entity's current and former Affiliates' directors, managers, officers, members of any Governing Body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, successors, assigns (whether by operation of Law or otherwise), direct or indirect parent entities and/or subsidiaries, current, former, and future associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, fiduciaries, employees, agents (including any disbursing agent), financial advisors, attorneys, accountants, consultants, investment bankers, representatives, and other professionals.

1.1.102 "Released Parties" means each of, and in each case in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global, including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) the Releasing Parties; (l) all Holders of Claims or Interests who do not affirmatively opt out of the releases provided by this Plan; (m) each current and former Affiliates of each Entity in clause (a) through the following clause (l); and each Related Party of each Entity in clause (a) through (l); provided that, in each case, an Entity shall not be a Released Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation.

1.1.103 "Releasing Parties" means each of, and in each case in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) all Holders of Claims or Interests that vote to accept or reject this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (l) all Holders of Claims or Interests that are deemed to accept or reject this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (m) all Holders of Claims or Interests who abstain from voting on this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (n) current and former Affiliates of each entity in clause (a) through the following clause (m) for which such Entity is legally entitled to bind such Affiliates to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; and (o) each Related Party of each Entity in clause (a) through this clause (m) for which such Entity is legally entitled to bind such Related Party to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; *provided that*, in each case, an Entity shall not be a Releasing Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation. Notwithstanding the foregoing, and for the avoidance of doubt, no party shall be a Releasing Party to the extent that such party did not receive proper notice and service of the Opt-Out Form.

1.1.104 "Reorganized HGE" means Higher Ground Education, Inc., on and after the Effective Date, together with any and all Subsidiary Equity Interests obtained or retained by Higher Ground Education pursuant to the Plan, each as vested with the Property of their respective Estates. Except as otherwise set forth herein, on the Effective Date, Reorganized HGE shall retain all Subsidiary Equity Interests in the Reorganized HGE Subsidiaries.

1.1.105 "Reorganized HGE Assets" means all (a) School Assets, (b) Guidepost Global Assets, (c) Reorganized HGE Contracts or Leases, (d) all Pass-Through Assets identified on the Schedule of Reorganized HGE Assets, (d) all Subsidiary Equity Interests in the Reorganized HGE Subsidiaries and (e) all corporate documentation and corporate records identified on the Schedule of Reorganized HGE Assets. The Schedule of Reorganized HGE Assets shall be included in the Plan Supplement. The Debtors may amend the Schedule of Reorganized HGE Assets at any time prior to the Effective Date with the consent of Plan Sponsor.

1.1.106 "Reorganized HGE Common Stock" means 100% of the equity interests in Reorganized HGE issued on the Effective Date to the Plan Sponsor in exchange for the Plan Consideration, and to the Senior DIP Lender under and subject to the Subscription Option, if exercised, in the total amount of 1,000 shares, free and clear

of all Liens, Claims, Equity Interests and encumbrances of any kind, except as provided in the Plan.

1.1.107 "Reorganized HGE Contracts or Leases" means those executory contracts and unexpired leases that are identified as a Reorganized HGE Contract or Lease on the Schedule of Assumed Contracts and Unexpired Leases attached hereto as Exhibit [ ].

1.1.108 "Reorganized HGE Subsidiaries" shall mean the reorganized Debtors identified as Reorganized HGE Subsidiaries in the Plan Supplement.

1.1.109 "Reorganized Debtors" means each of the Debtors, as vested with the Property of the Estates on and after the Effective Date.

1.1.110 "RSA" means the Restructuring Support Agreement, dated June 17, 2025 (as amended, supplemented or otherwise modified from time to time).

1.1.111 "RSA Parties" means the signatories to the RSA, including (a) the Debtors, (b) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (c) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (d) Guidepost Global including without limitation in its capacity as Junior DIP Lender; (e) Learn Capital, LLC; (f) Yu Capital; (g) WTI; (h) Girn; (i) Venn; and (j) with respect to the foregoing Entities, the Related Parties thereof to the extent permissible under applicable federal and state law.

1.1.112 "Schedule of Retained Causes of Action" means a schedule of certain Claims and Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan; *provided*, in no instance shall Claims or Causes of Action against any Released Party or any Exculpated Party that is released pursuant to Article 10 of the Plan be retained.

1.1.113 "Schedules" means the schedules of assets and liabilities, the list of equity interests, and the statement of financial affairs filed by the Debtors with the Bankruptcy Court pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b), as the same may be amended or supplemented from time to time.

1.1.114 "Schedule of Assumed Contracts and Unexpired Leases" means the schedule identifying the executory contracts and unexpired leases to be assumed under the Plan. The Schedule of Assumed Contracts and Unexpired Leases is attached as Exhibit [•] to the Plan, which Exhibit may be amended with such amendment being included in the Plan Supplement.

1.1.115 "School Assets" means any and all tangible and intangible personal property of every kind and nature utilized for the operation of Debtors' school businesses and operations.

1.1.116 "Secured" means when referring to a Claim: (a) secured by a Lien on Property in which the Estate has an interest, which Lien is valid, perfected, and

enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to the Plan.

1.1.117 "Secured Tax Claim" means any Secured Claim which, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

1.1.118 "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, together with the rules and regulations promulgated thereunder.

1.1.119 "Security" means a security as defined in section 2(a)(1) of the Securities Act.

1.1.120 "Senior DIP Financing Documents" means, together, the DIP Financing Order and the Senior DIP Promissory Note.

1.1.121 "Senior DIP Lender" means YYYYY, LLC, in its capacity as lender under the Senior DIP Financing Documents, upon Bankruptcy Court approval of the DIP Financing Order.

1.1.122 "Senior DIP Lender Claim" means any and all Claims arising from, under or in connection with the Senior DIP Loan.

1.1.123 "Senior DIP Loan" means loans made by Senior DIP Lender pursuant to the Senior DIP Financing Documents.

1.1.124 "Senior DIP Promissory Note" means the Senior Debtor In Possession Promissory Note, in form and substance attached to the DIP Financing Order, as executed by the Debtors following the approval of the DIP Financing Order by the Bankruptcy Court.

1.1.125 "Statutory Fees" mean the fees payable pursuant to section 1930 of the Judicial Code in the manner set forth in Article 3.4 of the Plan.

1.1.126 "Subclass" means a subdivision of any Class described herein.

1.1.127 "Subscription Option" means the right of the DIP Lender to, at its option, convert a portion of the outstanding Allowed DIP Lender Claim into shares of Reorganized HGE Common Stock at a rate of 10% of the Allowed DIP Lender Claim for 60 shares of Reorganized HGE Common Stock, up to a maximum of 100% of the Allowed DIP Lender Claim for 600 shares out of the total 1000 shares of Reorganized HGE Common Stock. The Plan Sponsor reserves the right to modify the Subscription Option, provided that (a) no such modification shall adversely impact the Plan treatment of other creditors and (b) such modification is approved by the DIP Lender.

1.1.128 "Subsidiary Equity Interest" means any Interest of the Debtors other than the Equity Higher Ground Education, including any Interest of such Debtors in subsidiaries or Affiliates.

1.1.129 "Third-Party Release" means the release set forth in Article 10.3 of this Plan.

1.1.130 "TNC" means TNC Schools, LLC.

1.1.131 "Transferred Executory Contracts / Unexpired Leases" means those executory contracts and/or unexpired leases designated in the Plan Supplement as having been sold or foreclosed upon prior to the Petition Date in connection with the WTI, Learn and/or Yu Capital foreclosures.

1.1.132 "Unimpaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is not Impaired.

1.1.133 "United States Trustee" means the Office of the United States Trustee for Region 6.

1.1.134 "Upper Tier Debtors" means collectively, Higher Ground Education, Guidepost A LLC, Prepared Montessorian LLC and Terra Firma Services LLC.

1.1.135 "Venn" means, collectively, Venn Growth GP Limited, Venn Growth HGE LP and Venn Growth HGE II LP.

1.1.136 "Voting Deadline" means August 25, 2025, at 5:00 p.m. (prevailing Central Time).

1.1.137 "WTI" means, collectively, Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.

1.1.138 "WTI Secured Lender Claim" means the Allowed Secured post-foreclosure deficiency claim of WTI in the collective amount of at least $4,680,970.83 under: (a) the Loan and Security Agreement, dated as of February 19, 2021 (as the same has been amended, supplemented, restated and modified from time to time, the "2021 Loan Agreement"), among the Upper Tier Debtors, as borrowers, and Venture Lending & Leasing IX, Inc., as lender, in the Allowed amount of at least $153,801.58; and (b) the Loan and Security Agreement, dated as of November 8, 2023 (as the same has been amended, supplemented, restated and modified from time to time, the "2023 Loan Agreement" and together with the 2021 Loan Agreement, the "WTI Loan Agreements"), among the Upper Tier Debtors, as borrowers, and WTI Fund X, Inc., as lender, in the Allowed amount of at least $4,527,169.25.

1.1.139 "Yu Capital" means, collectively, Yu Capital, LLC YuATI LLC, YuFICB LLC, YuHGE A LLC, NTRC Equity Partners, LP.

1.2 Interpretation, Rules of Construction, Computation of Time, Settlement and Governing Law.

1.2.1 Defined Terms. Any term used in the Plan that is not defined in the Plan, either in Article 1.1 or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.2.2 Rules of Interpretation. For purposes of the Plan: (a) whenever from the context it is appropriate, 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) any reference in the Plan to a contract, Instrument, release 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, but if there exists any inconsistency between a summary of, or reference to, any document in the Plan or Confirmation Order and the document itself, the terms of the document as of the Effective Date shall control; (c) any reference in the Plan to an existing document or Plan Supplement that is filed or to be filed means such document or Plan Supplement, as it may have been or may subsequently be amended, modified or supplemented; (d) unless otherwise specified in a particular reference, all references in the Plan to "section," "article" and "Plan Supplement" are references to a section, article and Plan Supplement of or to the Plan; (e) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; (f) captions and headings to articles and sections are inserted for convenience or reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, all references herein to "Articles" are references to Articles of the Plan; (h) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (j) any docket number references in the Plan shall refer to the docket number of any document filed with the Bankruptcy Court in the Chapter 11 Cases; (k) references to "Proofs of Claim," "Holders of Claims," "Disputed Claims," and the like shall include "Proofs of Interest," "Holders of Interests," "Disputed Interests," and the like, as applicable; (l) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; (m) any immaterial effectuating provisions may be interpreted by the Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (n) except as otherwise provided, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; and (o) any reference to an Entity as a Holder of a Claim or Interest includes such Entity's permitted successors and assigns.

1.2.3 Computation of Time. Unless otherwise specifically stated herein, in computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

1.2.4 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Texas, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, Instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); provided, however, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in Delaware shall be governed by the laws of the state of incorporation of the relevant Debtor or Reorganized Debtor, as applicable.

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

ARTICLE 2

DESIGNATION OF CLAIMS AND INTERESTS

2.1 Summary of Designation of Claim and Interests. The following is a designation of the Classes of Claims and Interests under the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest is within the description of that Class and is classified in another Class to the extent that any remainder of the Claim or Interest qualifies within the description of such other Class or Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest is an Allowed Claim or Allowed Interest and has not been paid, released or otherwise satisfied before the Effective Date.

Class	Claims and Interests	Status	Voting Rights
Class 1:	Bridge CN-3 Secured Lender Claim	Impaired	Entitled to Vote
Class 2:	WTI Secured Lender Claim	Impaired	Entitled to Vote
Class 3	CN Note Claims	Impaired	Entitled to Vote
Class 4:	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 5:	Non-Tax Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 6:	General Unsecured Claims	Impaired	Entitled to Vote
Class 7:	Intercompany Claims	Impaired	Deemed to Reject; Not Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
Class 8:	Equity	Impaired	Deemed to Reject; Not Entitled to Vote
Class 9:	Subsidiary Equity Interests	Unimpaired	Deemed to Accept; Not Entitled to Vote

ARTICLE 3

TREATMENT OF CLAIMS AND INTERESTS

3.1 Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified, are Unimpaired, and are not entitled to vote on the Plan.

3.2 Administrative Expense Claims.

3.2.1 In General. Except to the extent that a Holder of an Allowed Administrative Expense Claim has been paid by the Debtors prior to the Effective Date or such other treatment has been agreed to by the Holder of such Administrative Expense Claim and the Debtors, each Holder of an Allowed Administrative Expense Claim (other than a Professional Fee Claim and other than an Administrative Expense Claim), in full and final satisfaction, release, settlement and discharge of such Administrative Expense Claim, shall be paid in full, in Cash, in such amounts as (a) are incurred in the ordinary course of business by the Debtors when and as such Claim becomes due and owing, (b) are Allowed by the Bankruptcy Court upon the later of the Effective Date, the date upon which there is a Final Order allowing such Administrative Expense Claim or any other date specified in such order, or (c) may be agreed upon between the Holder of such Administrative Expense Claim and the Debtors.

3.2.2 **HOLDERS OF ADMINISTRATIVE EXPENSE CLAIMS THAT ARE REQUIRED TO, BUT DO NOT, FILE AND SERVE A REQUEST FOR PAYMENT OF SUCH ADMINISTRATIVE EXPENSE CLAIMS BY THE ADMINISTRATIVE CLAIMS BAR DATE SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH ADMINISTRATIVE EXPENSE CLAIMS AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES, OR THE PROPERTY OF ANY OF THE FOREGOING, AND SUCH ADMINISTRATIVE EXPENSE CLAIMS SHALL BE DEEMED DISCHARGED AS OF THE EFFECTIVE DATE.**

3.2.3 Professional Compensation.

(a) Final Fee Applications. All final requests for payment of Professional Fee Claims, including the Professional Holdback Amount and Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtors no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and any applicable orders of the Bankruptcy Court, the Allowed

amounts of such Professional Fee Claims shall be determined and paid as directed by the Bankruptcy Court.

(b) Professional Holdback Escrow Account. If the Professional Holdback Amount and Professional Fee Claims are greater than zero, as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Holdback Escrow Account with Cash equal to the Professional Holdback Amount, and no Liens, claims, or interests shall encumber the Professional Holdback Escrow Account in any way.

(c) Post-Effective Date Fees and Expenses. Except as otherwise specifically provided in the Plan, from and after the Effective Date, each of the Reorganized Debtors and the Disbursing Agent shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash their respective reasonable legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by such Reorganized Debtor or Disbursing Agent.

(d) Professional Fee Reserve Amount. No later than one (1) Business Day prior to the Effective Date, holders of Professional Fee Claims shall provide a reasonable estimate of unpaid Professional Fee Claims incurred in rendering services to the Debtors prior to approval by the Bankruptcy Court through and including the Effective Date, including any fees and expenses projected to be outstanding as of the Effective Date, and the Debtors shall escrow such estimated amounts for the benefit of the Holders of the Professional Fee Claims until the fee applications related thereto are resolved by Final Order or agreement of the parties; *provided*, such estimate shall not be deemed to limit the amount of fees and expenses that are the subject of a Professional Person's final request for payment of filed Professional Fee Claims. If a Holder of a Professional Fee Claim does not provide an estimate, the Debtors shall estimate the unpaid and unbilled reasonable and necessary fees and out-of-pocket expenses of such holder of a Professional Fee Claim. When all Professional Fee Claims have been Allowed and paid in full or not Allowed, any remaining amount in such escrow shall be remitted to the Disbursing Agent for distribution in accordance with the Plan.

(e) Post-Effective Date Fees and Expenses. Upon the Effective Date, any requirement that Professional Persons comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors and the Disbursing Agent may employ and pay any Professional Person in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

3.3 Priority Tax Claims and Secured Tax Claims. Except to the extent that a Holder of an Allowed Priority Tax Claim or Secured Tax Claim has been paid by the Debtors prior to

the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim and Secured Tax Claim, in full and final satisfaction, release, settlement and discharge of such Priority Tax Claim or Secured Tax Claim, shall receive on account of such Claim, payment in full in Cash as soon as reasonably practicable after the Effective Date or such other treatment in accordance with the terms set forth in section 1129(a)(9)(c) of the Bankruptcy Code.

3.4 Statutory Fees. All Statutory Fees shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first; provided that all fees attributable to Guidepost Global on account of the transfer of the Designated EB-5 Entities (if any) to Guidepost Global shall be paid by Guidepost Global. For avoidance of doubt, the U.S. Trustee shall not be required to File any Administrative Claim in the Chapter 11 Cases and shall not be treated as providing any release under the Plan in connection therewith.

3.5 Senior DIP Lender Claim. The Senior DIP Lender Claim shall be Allowed in the full amount of all amounts advanced under the Senior DIP Loan, plus accrued interest. Pursuant to the Subscription Option, the Senior DIP Lender shall have the option to convert up to 100% of the principle amount of the Allowed Senior DIP Lender Claim into shares of Reorganized HGE Common Stock at a rate of 10% of the Allowed Senior DIP Lender Claim for 60 shares of Reorganized HGE Common Stock, up to a maximum of 100% of the Allowed Senior DIP Lender Claim for 600 shares out of the total 1000 shares of Reorganized HGE Common Stock.

All amounts of the Allowed Senior DIP Lender Claim that are not exchanged for Reorganized HGE Common Stock on account of an election of the Subscription Option shall be repaid (a) in full in Cash from the Plan Consideration on the Effective Date or (b) by mutual agreement of Plan Sponsor and Senior DIP Lender, deemed repaid via a dollar-for-dollar reduction in funding of the Plan Consideration.

For the avoidance of doubt, the election, partial election or non-election of the Subscription Option will not impact the recovery to the Estates. The Cash available to the Estates for Creditors other than the Senior DIP Lender (after giving effect to the retirement of the Senior DIP Lender Claim (either by exercise of the Subscription Option or payment or deemed repayment of the portion of the Senior DIP Lender Claim for which the Subscription Claim is not exercised)) and the Junior DIP Lender (after giving effect to the forgiveness of its Junior DIP Lender Claims) for which to effectuate the Plan, will be $4.5 million minus the Senior DIP Lender Claims.

3.6 Junior DIP Lender Claim. The Junior DIP Lender Claim shall be Allowed in full. On the Effective Date, in consideration for the Settlement and Releases contained herein, each Holder of an Allowed Junior DIP Lender Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Junior DIP Financing Claim, agrees that its Junior DIP Lender Claim shall be forgiven in its entirety.

3.7 Class 1 (Bridge CN-3 Secured Lender Claims).

(a) *Impairment*. Class 1 consists of the Bridge CN-3 Secured Lender Claims. Class 1 is Impaired, and the Holders of Claims in Class 1 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The Bridge CN-3 Secured Lender Claims are deemed Allowed in the amount of at least $4,800,000. On or as soon as practicable after the Effective Date, the Holders of Bridge CN-3 Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such Bridge CN-3 Secured Lender Claims, shall receive a Cash distribution in the aggregate amount of $500,000, to be distributed in accordance with the Bridge CN-3 Distribution Agreement.

3.8 Class 2 (WTI Secured Lender Claim).

(a) *Impairment*. Class 2 consists of the WTI Secured Lender Claim. Class 2 is Impaired, and the Holders of Claims in Class 2 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The WTI Secured Lender Claim is deemed allowed in the amount of at least $4,680,970.83. On or as soon as practicable after the Effective Date, Holders of WTI Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such WTI Secured Lender Claims, shall receive 100% of all Cash remaining after distributions on account of Allowed Administrative Expense Claims, Priority Tax Claims, Secured Tax Claims and Class 1 Claims; *provided*, *however*, in the event of that Class 3 and/or Class 6 accepts the Plan, the Holders of WTI Secured Lender Claim agree that, following distributions on account of Allowed Class 5 Claims, the WTI Secured Lenders' distributions shall instead be distributed for the benefit of the Holders of Allowed Class 3 and/or Class 6 Claims pursuant to the Junior Class Distribution Formula.

3.9 Class 3 (CN Note Claims).

(a) *Impairment*. Class 3 consists of the CN Note Claims. Class 3 is Impaired, and the Holders of Claims in Class 3 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The CN Note Claims are deemed Allowed in the principal amount of at least $117,434,915. If Class 3 votes to accept the Plan, then the Holders of Allowed Class 3 Claims (other than the Released Parties, if applicable) shall receive their pro rata share of the CN Note Recovery pursuant to the Junior Class Distribution Formula in accordance with terms of the Note Purchase Agreement. For the avoidance of doubt, Class 3 shall only receive a distribution under the Plan if Class 3 accepts the Plan.

(c) The CN Notes shall not be deemed satisfied, released, settled or discharged under the Plan. As set forth in the Plan Supplement, at the election of Plan Sponsor (i) the CN Note Claims shall be deemed to be assigned to the Plan Sponsor and/or (ii) be converted to a class of equity of the Reorganized Debtor, the entirety of which shall be acquired by Plan Sponsor pursuant to the Plan, and upon request shall execute and deliver all such affidavits, certificates, agreements, instruments and other documents which are usual and customary to facilitate the foregoing assignment, in each case, in form and substance reasonably acceptable to the Plan Sponsor.

3.10 Class 4 (Other Secured Claims).

(a) *Non-Impairment*. Class 4 consists of all Other Secured Claims. Class 4 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 4 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Subclassification*. Each Other Secured Claim, if any, shall constitute and comprise a separate Subclass numbered 4.1, 4.2, 4.3 and so on.

(c) *Treatment*. On the Effective Date, each Allowed Other Secured Claim, in full and final satisfaction, release, settlement and discharge of such Allowed Other Secured Claim, shall be, at the Debtors' option, (a) Reinstated, (b) satisfied by the Debtors' surrender of the collateral securing such Claim (except to the extent such collateral constitutes Reorganized HGE Assets), (c) offset against, and to the extent of, the Debtors' claims against the Holder of such Claim, or (d) otherwise rendered Unimpaired (provided such unimpairment shall not impact the Reorganized HGE Assets without the express consent of Plan Sponsor), except to the extent the Debtors, the Plan Sponsor and such Holder agree to a different treatment.

3.11 Class 5 (Non-Tax Priority Claims).

(a) *Non-Impairment*. Class 5 consists of all Non-Tax Priority Claims. Class 5 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 5 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. The legal, equitable and contractual rights of the Holders of Allowed Non-Tax Priority Claims are unaltered by the Plan. Each Holder of an Allowed Non-Tax Priority Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Non-Tax Priority Claim, shall be paid in full, in Cash, on, or as soon as reasonably practicable after, the Effective Date, or in accordance with the terms of any agreement between the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim or on such other terms and conditions as are acceptable to the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim.

3.12 Class 6 (General Unsecured Claims).

(a) *Impairment*. Class 6 consists of all General Unsecured Claims. Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote on the Plan.

(b) *Treatment*. On or as soon as practicable after the Effective Date, then the Holders of Allowed General Unsecured Claims (other than the Released Parties, if applicable), in full and final satisfaction, release, settlement, and discharge of such Allowed General Unsecured Claim, shall receive their pro rata share of the GUC Recovery pursuant to the Junior Class Distribution Formula. For the avoidance of doubt, Class 6 shall only receive a distribution under the Plan if Class 6 accepts the Plan.

3.13 Class 7 (Intercompany Claims).

(a) *Impairment*. Class 7 consists of all Intercompany Claims. Class 7 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Intercompany Claims in Class 7 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. On the Effective Date, all Intercompany Claims shall be cancelled, and Holders of Intercompany Claims shall not receive or retain any Property under the Plan on account of their Intercompany Claims.

3.14 Class 8 (Equity).

(a) *Impairment*. Class 8 consists of all Equity Interests. Class 8 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Equity Interests in Class 8 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. On the Effective Date, all Equity shall be retired, cancelled, extinguished and discharged, and Holders of Equity Interests shall not receive or retain any Property under the Plan on account of such Equity Interests.

3.15 Class 9 (Subsidiary Equity Interests).

(a) *Non-Impairment*. Class 9 consists of Subsidiary Equity Interests. Class 9 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Subsidiary Equity Interests in Class 9 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. Except as otherwise set forth in the Plan, the legal, equitable and contractual rights of the Holders of Allowed Subsidiary Equity Interests are unaltered by the Plan.

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

3.17 Voting Classes; Deemed Accepted. If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any Holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then the Debtors shall request the Bankruptcy Court to deem the Plan accepted by the Holders of such Claims or Interests in such Class

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

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

3.20 Nonconsensual Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article 3 of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

The Debtors reserve the right to modify the Plan in accordance with Article 6.3 and Article 13.7 of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

ARTICLE 4

MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

4.1 Plan Funding by Plan Sponsor. On the Effective Date, the Plan Sponsor shall wire the Plan Consideration, as directed by the Debtors, verified receipt of which shall be a condition to effectiveness of this Plan. The Plan Sponsor shall be entitled to rely on the accuracy

and correctness of the directions of the Debtors and Disbursing Agent in connection with any and all such wire transfer(s). In no event shall Plan Sponsor or Reorganized HGE be liable or responsible to the Debtors or the Disbursing Agent for any erroneous wire transfer made at the direction of the Debtors. The Plan Consideration shall be used by the Disbursing Agent to fund all Plan obligations.

For the avoidance of doubt, the Cash available to the Estates for Creditors other than the Senior DIP Lender (after giving effect to the retirement of the DIP Lender Claim (whether by exercise of the Subscription Option and/or payment or deemed repayment of the portion of the DIP Lender Claim for which the Subscription Claim is not exercised)) and the Junior DIP Lender (after giving effect to the forgiveness of its Junior DIP Lender Claims) for which to effectuate the Plan, will be $8 million *minus* the DIP Lender Claims.

4.2 Plan Funding by the Debtors. On the Effective Date, the Debtors shall wire all Property constituting Cash-on-Hand to the Disbursing Agent to fund the Disbursing Agent Restricted Accounts free and clear of all Liens, Claims, interests and encumbrances of any kind free and clear of all Liens, Claims, interests and encumbrances of any kind.

4.3 Authorization and Issuance of Reorganized HGE Common Stock. On the Effective Date, 1,000 shares of the Reorganized HGE Common Stock, representing 100% of the equity of the Reorganized HGE, shall be issued to the Plan Sponsor or an entity designated by the Plan Sponsor, in consideration for the Plan Consideration and, to the Senior DIP Lender, to the extent that it exercises the Subscription Option. The Reorganized HGE Common Stock shall be free and clear of all Liens, Claims, interests, and encumbrances of any kind. All the shares of the Reorganized HGE Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, none of the Reorganized HGE Common Stock will be listed on a national securities exchange. Reorganized HGE may take all necessary actions, if applicable, after the Effective Date to suspend any requirement to (a) be a reporting company under the Securities Exchange Act, and (b) file reports with the Securities and Exchange Commission or any other entity or party.

4.4 Contribution of Guidepost Global Assets. On the Effective Date, Guidepost Global will contribute the Guidepost Global Assets to the Debtors, for the benefit of Plan Sponsor.

4.5 Assignment of Transferred Executory Contracts / Unexpired Leases to Guidepost Global. Unless previously assumed and assigned prior to the Effective Date or otherwise the subject of a motion to assume or assume and assign filed on or before the Effective Date, on the Effective Date, the Transferred Executory Contracts / Unexpired Leases shall be assigned to Guidepost Global, notwithstanding any anti-assignment and/or change of control provisions contained in such executory contracts and leases.

4.6 Transfer of Designated EB-5 Entities to Guidepost Global. On the Effective Date, in consideration for Guidepost Global funding the Junior DIP Loan and contributing the Curriculum Assets and the IP License, the Debtors will transfer the Designated EB-5 Entities (but not their assets, except as otherwise set forth in the Plan Supplement) to Guidepost Global free and clear of all liens, claims, encumbrances and other interests. The Debtors shall cooperate

in good faith and execute, acknowledge, and deliver all such further documents, instruments, and assurances, and take all such further actions as may be reasonably necessary or desirable to effectuate and facilitate the transfer contemplated by this section. Following the Effective Date, the Reorganized Debtors, upon request by GGE, Yu Capital, TNC or EB5AN, shall cooperate in good faith to promptly execute and deliver any additional documents or perform any acts that may be required to carry out the intent and purpose of this section and to complete the transfer in accordance with its terms; provided that the requesting party shall pay for the Reorganized Debtors' documented costs in connection with same.

4.7 Cancellation and Surrender of Securities and Agreements. On the Effective Date, all Equity of Higher Ground Education and each other Debtor identified in the Plan Supplement shall be retired, cancelled, extinguished and/or discharged in accordance with the terms of the Plan. Except as otherwise provided in the Plan or the Plan Supplement, on the Effective Date: (a) the obligations of the Debtors under any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest shall be cancelled as to the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged.

4.8 Release of Liens. Upon request by the Debtors, any of the Reorganized Debtors or the Plan Sponsor, any Person holding a Lien in any of the Debtors' Property shall execute any lien release or similar document(s) required to implement the Plan or reasonably requested by the Debtors, the Reorganized Debtors or the Plan Sponsor in a prompt and diligent manner. Notwithstanding the foregoing, any of the Debtors, the Reorganized Debtors and the Plan Sponsor are authorized to execute any lien release or similar document(s) required to implement the Plan.

4.9 Vesting of Assets and Operation of Businesses. On the Effective Date, except as otherwise expressly provided in the Plan or Confirmation Order, the Reorganized HGE Assets shall vest or re-vest in Reorganized HGE, in each instance free and clear of all Liens, Claims, interests, and encumbrances of any kind. Subsidiary Equity Interests that are not Designated EB-5 Entities shall be retained, and the legal, equitable and contractual rights to which the Holders of such Allowed Subsidiary Equity Interests that are not Designated EB-5 Entities are entitled shall remain unaltered. To the extent not prohibited by applicable non-bankruptcy law, all licenses, permits, certificates of occupancy, and similar rights and privileges in the name of any of the Reorganized HGE Subsidiaries which are required by any federal, state, or local governmental agency in order for Reorganized HGE to conduct education-related operations at the locations operated by Reorganized HGE prior to the Effective Date, shall be deemed assumed by without further action on the Effective Date pursuant to the Confirmation Order.

Neither the issuance of the Reorganized HGE Common Stock nor any transfer of Property through the Plan shall result in Reorganized HGE, or any of its subsidiaries or affiliates, (a) having any liability or responsibility for any Claim against or Interest in the Debtors, the

Debtors' Estates, or any Insider of the Debtors, or (b) having any liability or responsibility to the Debtors, except as expressly provided in the Plan. Without limiting the effect or scope of the foregoing, and to the fullest extent permitted by applicable laws, neither the issuance of the Reorganized HGE Common Stock nor the transfer of assets contemplated in the Plan shall subject Reorganized HGE or its properties, subsidiaries or assets or affiliates, successors, or assigns to any liability for Claims against the Debtors' interests in such assets by reason of such issuance of Reorganized HGE Common Stock or transfer of assets under any applicable laws, including, without limitation, any successor liability, except as expressly provided in the Plan.

On the Effective Date, except as otherwise provided in the Plan, Reorganized HGE may operate its business and may use, acquire, or dispose of any and all of its Estate Property, without supervision of or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, except as expressly provided in the Plan.

4.10 Retention of Causes of Action. Except as otherwise provided in the Plan, the Confirmation Order, or in any settlement agreement approved during the Chapter 11 Cases: (a) any and all rights, Claims, Causes of Action, defenses, and counterclaims of or accruing to the Debtors or their Estates shall remain assets of and vest in the Reorganized Debtors, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, Causes of Action, defenses, and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court; and (b) neither the Debtors nor the Reorganized Debtors waive, relinquish, or abandon (nor shall they be estopped or otherwise precluded from asserting) any right, Claim, Cause of Action, defense, or counterclaim that constitutes Property of the Estates: (i) whether or not such right, Claim, Cause of Action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court, (ii) whether or not such right, Claim, Cause of Action, defense, or counterclaim is currently known to the Debtors, and (iii) whether or not a defendant in any litigation relating to such right, Claim, Cause of Action, defense, or counterclaim filed a Proof of Claim in the Chapter 11 Cases, filed a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, Claim, Cause of Action, defense, or counterclaim, or potential right, Claim, Cause of Action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, or counterclaims that the Debtors or the Reorganized Debtors has, or may have, as of the Confirmation Date. The Reorganized Debtors may commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, and counterclaims in their sole discretion, in accordance with what is in the best interests, and for the benefit, of the Reorganized Debtors.

4.11 Satisfaction of Claims or Interests. Unless otherwise provided in the Plan, any distributions and deliveries to be made on account of Allowed Claims shall be in full and final satisfaction, release, settlement and discharge of such Allowed Claims.

4.12 Settlements and Releases. On the Effective Date, in consideration for, among other things, (a) Guidepost Global (i) funding the Junior DIP Loan (and agreeing to forgive same on the Effective Date) and certain pre-petition bridge loans, (ii) contributing the Curriculum Assets, the Montessorium IP and the IP License to the Debtors for the benefit of Plan Sponsor; (b) 2HR Learning, Inc. funding the Purchase Price, (c) the Released Parties and each of their affiliates waiving their rights to distributions under the Plan (except as otherwise set forth herein), and (d) each of the other contributions to the Bankruptcy Cases being made by the Released Parties, the Plan will provide for broad releases by the Debtors of all estate Claims and Causes of Action against the Released Parties, their affiliates and their respective current and former shareholders or other equity holders, current and former officers, directors, employees, members, managers, partners, principals, agents, attorneys, financial advisors, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such.

4.13 Continuation of Bankruptcy Injunction or Stays. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

4.14 Administration Pending Effective Date. Prior to the Effective Date, the Debtors shall continue to operate their businesses as debtors-in-possession, subject to all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules. After the Effective Date, the Reorganized Debtors may operate their businesses, and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, but subject to the continuing jurisdiction of the Bankruptcy Court as set forth in Article XII hereof.

4.15 Exemption From Securities Laws. Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the Reorganized HGE Common Stock and the offering and issuance thereof by any party, including without limitation the Debtors or the Estate, shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all applicable law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the Reorganized HGE Common Stock does not qualify for an exemption under section 1145 of the Bankruptcy Code, the Reorganized HGE Common Stock shall be issued in a manner, which qualifies for any other available exemption from registration, whether as a private placement under Rule 506 of the Securities Act, Section 4(2) of the Securities Act, and/or the safe harbor provisions promulgated thereunder.

4.16 "Change of Control" Provisions. For purposes of effectuating the Plan, none of the transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtors, or create, or be deemed to create, any right or any other claim in connection therewith based upon a provision related to a "change of control," or comparable term in any executory contract or unexpired lease being assigned and/or assumed pursuant to the Plan.

4.17 Substantive Consolidation of the Debtors for Voting and Distribution Purposes Only. On and after the Effective Date, and solely for purposes of voting on, and making distributions under, the Plan, each and every Claim in the Debtors' Chapter 11 Cases against any of the Debtors shall be deemed filed against the consolidated Debtors and shall be deemed a single consolidated Claim against and obligation of the consolidated Debtors. Such limited consolidation shall in no manner affect or alter (other than for Plan voting and distribution purposes) (a) the legal and corporate structures of the Debtors or Reorganized Debtors, or (b) pre- and post-Petition Date Liens, guarantees, and security interests that are required to be maintained for any reason. From and after the Effective Date, each of the Reorganized Debtors will be deemed a separate and distinct entity, properly capitalized, vested with all of the assets of such Debtor as they existed prior to the Effective Date and having the liabilities and obligations provided for under the Plan. Notwithstanding anything in this Article 4.17 to the contrary, all post-Effective Date Statutory Fees payable to the U.S. Trustee pursuant to 28 U.S.C. §1930, if any, shall be calculated on a separate legal entity basis for each Debtor.

4.18 Transition Services. To the extent deemed necessary or appropriate by the Debtors or the Plan Sponsor, the Debtors may continue to operate post-Effective Date under one or more transition services agreements with Plan Sponsor, Reorganized HGE, Guidepost Global or any other Person.

4.19 Dissolution of Certain Debtors. On or after the Effective Date, certain of the Debtors may be dissolved without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, the board of directors, or similar governing body of the Debtors, Reorganized HGE, or the Disbursing Agent. Reorganized HGE and the Disbursing Agent shall have the power and authority to take any action necessary to wind down and dissolve the foregoing Debtors, and may, to the extent applicable: (a) file a certificate of dissolution for such entities, together with all other necessary corporate and company documents, to effect the dissolution of such entities under the applicable laws of their states of formation; (b) complete and file all final or otherwise required federal, state, and local tax returns and pay taxes required to be paid for such Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of any of such Debtors, as determined under applicable tax laws; and (c) represent the interests of such Debtors before any taxing authority in all tax matters, including any action, proceeding or audit.

ARTICLE 5

CORPORATE GOVERNANCE AND MANAGEMENT OF THE REORGANIZED DEBTORS

5.1 Corporate Action and Existence. The Debtors shall deliver all documents and perform all actions reasonably contemplated with respect to implementation of the Plan. The Debtors, or their designees, are authorized (a) to execute on behalf of the Debtors, in a representative capacity and not individually, any documents or instruments after the Confirmation Date or at the Closing that may be necessary to consummate the Plan and (b) to undertake any other action on behalf of the Debtors to consummate the Plan. Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors will, as of the Effective Date, be deemed to have

occurred and be effective as provided herein, and shall be authorized, approved, and (to the extent taken before the Effective Date) ratified in all respects without any requirement of further action by stockholders, creditors, or directors of the Debtors. On the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and all corporate actions required by the Debtors and the Reorganized Debtors in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Reorganized Debtors.

Upon the Effective Date, and without any further action by the shareholders, directors, or officers of the Reorganized Debtors, the Reorganized Debtors' Corporate Documents shall be deemed amended (a) to the extent necessary, to incorporate the provisions of the Plan, and (b) to prohibit the issuance by the Reorganized Debtors of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such Corporate Documents as permitted by applicable law, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval other than any requisite filings required under applicable state, provincial or federal law. The Corporate Documents shall be filed with the Plan Supplement.

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to its certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). Prior to the Effective Date, the Debtors may engage in such corporate and financial transactions, including mergers, asset transfers, consolidations, amalgamations, separations, series organizations, reorganization and otherwise for the purposes of optimizing the post Effective Date corporate and tax structure of the Reorganized Debtors. If proposed prior to the Effective Date, any such transaction will be subject to Court approval, if such approval would be necessary under the Bankruptcy Code.

5.2 Management and Board of Reorganized HGE. In accordance with Section 1129(a)(5)(A) of the Bankruptcy Code, the Debtors will disclose in the Plan Supplement the identities of those individuals proposed to serve, following the Effective Date, as directors and officers of Reorganized HGE, and the Reorganized HGE Subsidiaries. Upon the Effective Date, the current members of the Debtors' board of directors and officers shall no longer serve in any such capacity with Reorganized HGE or the Reorganized HGE Subsidiaries and shall be discharged of all duties in connection therewith.

5.3 Disclosure of any Insiders to be Employed or Retained by the Reorganized Debtors. In accordance with Section 1129(a)(5)(B) of the Bankruptcy Code, the Debtors will disclose on or before the Confirmation Date the identity of any Insider that will be employed or retained by Reorganized HGE, and the nature of any compensation for such Insider.

5.4 Indemnification of Pre-Effective Date Directors and Officers. Any obligation or agreement of the Debtors to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtors, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtors, relating to any acts or omissions occurring before the Effective Date, whether arising pursuant to corporate, bylaws, contract or applicable state law, shall be deemed to be, and shall be treated as, a General Unsecured Claim and/or Executory Contract and shall be deemed to be rejected, canceled, and discharged pursuant to the Plan as of the Effective Date and any and all Claims resulting from such obligations are disallowed under section 502(e) of the Bankruptcy Code or other applicable grounds, including section 502(d), or if any court of applicable jurisdiction rules to the contrary, such Claim shall be estimated pursuant to section 502(c) of the Bankruptcy Code in the amount of $0 or such other amount as the Bankruptcy Court shall determine.

ARTICLE 6

VOTING

6.1 Voting Generally. Prior to the Voting Deadline, the Debtors delivered ballots and solicited the votes of each holder of an Allowed Claim in an Impaired Class which is entitled to vote under the Plan. Each such holder was entitled to vote separately to accept or reject the Plan and to indicate such vote on a duly executed and delivered ballot.

6.2 Deemed Acceptance. If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any Holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then such Class of Claims shall be deemed to have accepted this Plan.

6.3 Nonconsensual Confirmation. If any Impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in section 1126 of the Bankruptcy Code, or if any Impaired Class is deemed to have rejected the Plan, the Debtors reserve the right (a) to undertake to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code and (b) to amend the Plan to the extent necessary to obtain entry of the Confirmation Order.

ARTICLE 7

DISTRIBUTIONS UNDER THE PLAN

7.1 Distributions to Holders of Allowed Claims Only. Until a Disputed Claim becomes an Allowed Claim, distributions of Cash and/or other Instruments or Property otherwise available to the Holder of such Claim shall not be made. Prior to the Effective Date, Holders of Allowed Claims shall be required to provide the Disbursing Agent an Internal Revenue Service Form W-9 (or, if applicable, an appropriate Internal Revenue Service Form W-8).

7.2 Distribution Record Date. As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims as maintained by the Debtors or their agents shall be deemed closed. The Debtors shall have no obligation to recognize, but may, in their sole and absolute discretion, recognize any transfer of any such Claims occurring on or after the Distribution Record Date. Otherwise, the Debtors or the Reorganized Debtors, as applicable, will recognize only those record holders of such Claims stated on the transfer ledgers as of the close of business on the Distribution Record Date. Subject to the foregoing, the Distribution Record Date shall be the record date for purposes of making distributions under the Plan.

7.3 Disbursing Agent. Except as otherwise expressly set forth herein, the Person(s) designated as a Disbursing Agent, shall make all distributions under the Plan when required by the Plan from the Disbursing Agent Restricted Accounts. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

7.4 Rights and Powers of Disbursing Agent. The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, Instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated by the Plan, and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan. All compensation for the Disbursing Agent shall be paid from the Property (including the Plan Consideration) disbursed to the Disbursing Agent pursuant to the Plan.

7.5 Delivery of Distributions.

7.5.1 In General. Subject to Bankruptcy Rule 9010 and except as otherwise provided in Article 7.5.2 of the Plan, all distributions to any Holder of an Allowed Claim including, without limitation, distributions of Reorganized HGE Common Stock, and, to the extent applicable, Cash, to Holders of Allowed Claims, shall be made at the address of such Holder as set forth in the Debtors' books and records and/or on the Schedules filed with the Bankruptcy Court unless the Debtors or their Disbursing Agent have been notified in writing of a change of address including, without limitation, by the filing of a Proof of Claim by such Holder that contains an address for such Holder different from the address reflected on such books and records or Schedules for such Holder.

7.5.2 Timing of Distributions. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, and if so completed shall be deemed to have been completed as of the required date.

7.5.3 Distributions of Unclaimed Property. In the event that any distribution to any Holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such Holder, but no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of

such Holder, at which time such distribution shall be made to such Holder without interest or accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the six-month anniversary of the date of the attempted delivery of such distribution. After that date, all unclaimed property or interest in property shall revert to Reorganized HGE and the Claim of any Holder to such property or interest in property shall be discharged and forever barred.

7.6 Time Bar to Cash Payments. Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Holders of Allowed Claims shall make all requests for reissuance of checks to the Reorganized Debtors. Any Claim in respect of a voided check must be made on or before the six-month anniversary of the date of issuance. After such date, all Claims and respective voided checks shall be discharged and forever barred and Reorganized HGE shall retain all monies related thereto.

7.7 Setoffs. The Debtors or the Reorganized Debtors may, but shall not be required to, set off or recoup against any Allowed Claim, and the payments or other distributions to be made pursuant to the Plan in respect of such Allowed Claim, any claims, rights or Causes of Action of any nature whatsoever that the Debtors or Reorganized Debtors may have against the Holder of such Claim; *provided, however*, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, rights or Causes of Action.

ARTICLE 8

PROCEDURES FOR DISPUTED CLAIMS

8.1 Resolution of Disputed Claims. Except as set forth in any order of the Bankruptcy Court (including prior bar date orders), any Holder of a Claim against the Debtors shall file a Proof of Claim with the Bankruptcy Court or with the agent designated by the Debtors for this purpose on or before the Claims Bar Date. The Debtors prior to the Effective Date, and thereafter the Reorganized Debtors or Disbursing Agent, shall have the exclusive authority to file objections to Proofs of Claim on or before the Claims Objection Deadline, and to settle, compromise, withdraw or litigate to judgment objections to any and all Claims, regardless of whether classified or otherwise. From and after the Effective Date, the Reorganized Debtors, or Disbursing Agent may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

8.2 Estimation of Claims. Any Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether such Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum

limitation on such Claim, the Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

8.3 No Partial Distributions Pending Allowance. Notwithstanding any other provision in the Plan, except as otherwise agreed by the Debtors or the Reorganized Debtors, no partial payments or distributions shall be made with respect to a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order.

8.4 Distributions After Allowance. To the extent that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan. Any such distributions shall be made in accordance with and at the time mandated by the Plan. No interest shall be paid on any Disputed Claim that later becomes an Allowed Claim.

ARTICLE 9

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Assumption or Rejection of Executory Contracts and Unexpired Leases. As of the Effective Date, all executory contracts and unexpired leases, including the Transferred Executory Contracts / Unexpired Leases, to which any Debtor is a party and which are listed on the Schedule of Assumed Contracts and Unexpired Leases, to be included in the Plan Supplement, shall be and shall be deemed to be assumed or assumed and assigned in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. All executory contracts and unexpired leases not listed on the Schedule of Assumed Contracts and Unexpired Leases, and not assumed or assumed and assigned prior to the Effective Date or otherwise the subject of a motion to assume or assume and assign filed on or before the Effective Date, and that were not previously rejected, shall be rejected as of the Effective Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions or assumptions and assignments and rejections pursuant to sections 365 and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed or assumed and assigned pursuant to the Plan shall vest or re-vest in and be fully enforceable by the applicable Reorganized Debtor, accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or assumption and assignment or applicable federal law.

9.2 Cure of Defaults of Assumed Executory Contracts and Unexpired Leases.

(a) Except as otherwise specifically provided in the Plan, any monetary defaults under each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or in the ordinary course of business, subject to the

limitation described below, or on such other terms as the parties to such executory contracts or unexpired leases may otherwise agree. Any and all cure costs (and other related expenses) related to designation of an executory contract or unexpired lease by the Plan Sponsor shall be paid by the Plan Sponsor in addition to the funding of the Plan Consideration. Any and all cure costs (and other related expenses) related to a Transferred Executory Contracts / Unexpired Leases shall be paid by Guidepost Global. In the event of a dispute regarding: (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the executory contract or unexpired lease to be assumed or assumed and assigned, or (3) any other matter pertaining to assumption and/or assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assumption and assignment; *provided*, *however*, based on the Bankruptcy Court's resolution of any such dispute, the applicable Debtor or Reorganized Debtor shall have the right, within 30 days after the entry of such Final Order and subject to approval of the Bankruptcy Court pursuant to section 365 of the Bankruptcy Code, to reject the applicable executory contract or unexpired lease.

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

9.3 Rejection of Compensation and Benefit Programs. Except as set forth in Article 9.5 of this Plan, all employment, retirement, indemnification, and other compensation or benefits agreements or arrangements shall be rejected, and neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations in connection with any such employment, retirement, indemnification, and other compensation or benefits agreements or arrangements following the Effective Date.

9.4 Pass-Through. Any rights or arrangements or other assets necessary or useful to the operation of the Debtors' business but not otherwise addressed by treatment as a Claim or Interest or by assignment under this Plan (the "Pass-Through Assets"), shall, in the absence of any other treatment, but subject to the further agreement and consent of Plan Sponsor with respect to any such rights or arrangements or other assets, be passed through the bankruptcy proceedings for the benefit of the Reorganized HGE (if constituting Reorganized HGE Assets) and shall otherwise be unaltered and unaffected by the bankruptcy filings or the Chapter 11 Cases.

9.5 D&O Liability Insurance Policy. The obligations of the Debtors, if any, to indemnify and/or provide contribution to its current and former directors, officers, employees, managing agents, and attorneys, and such current and former directors' and officers' respective affiliates, pursuant to the Corporate Documents and/or any employment contracts, applicable statutes or other contractual obligations, in respect of all past, present and future actions, suits and proceedings against any of such directors, officers, employees, managing agents, and attorneys, based on any act or omission related to the service with, for or on behalf of the Debtors after the Petition Date or immediately prior to the Petition Date in connection with the Chapter 11 Cases, will be deemed and treated as executory contracts that are rejected by the Debtors pursuant to the Plan and sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Notwithstanding the foregoing, the D&O Liability Insurance Policy shall be assumed by the Reorganized Debtor as of the Effective Date, and the Reorganized Debtor agrees to remit any and all amounts received, but no amounts in excess of amounts received, net of deductibles and any and all other obligations or amounts payable by the Reorganized Debtor in connection with the D&O Liability Insurance Policy, for the purposes contemplated by the D&O Liability Insurance Policy. For the avoidance of doubt, neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations or personal or direct liability whatsoever in connection with any the foregoing, including without limitation any employment, retirement, indemnification, and other agreements or arrangements, following the Effective Date, and the sole recourse of any and all Persons and the sole source of any recovery in connection therewith (if any) shall be against the D&O Liability Insurance Policy.

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

(a) Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts and unexpired leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

(b) Modifications, amendments, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

9.7 Bar Date for Filing Claims for Rejection Damages. If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim, a Proof of Claim must be served upon the Debtors and the Debtors' counsel within 30 days after notice of entry of the Effective Date. Any such Claim not served within such time period will be forever barred. Each such Claim will constitute a General Unsecured Claim, to the extent such Claim is Allowed by the Bankruptcy Court.

9.8 Reservation of Rights. Nothing contained in the Plan shall constitute an admission by the Debtors that any executory contract or unexpired lease is in fact an executory contract or unexpired lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

9.9 Contracts and Leases Entered Into After the Petition Date. Contracts and leases entered into after the Petition Date by any Debtor, including any executory contracts and unexpired leases assumed by such Debtor, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business and such contracts and leases (including any assumed executory contracts and unexpired leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE 10

SETTLEMENT, RELEASES, INJUNCTIONS, AND DISCHARGE

10.1 Comprise and Settlement of Claims, Interests, and Controversies.

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities. Subject to Article 7 and Article 8 of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

10.2 Releases by the Debtors.

Notwithstanding anything contained in this Plan or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the

Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged by and on behalf of each and all of the Debtors, their Estates, and if applicable, the Reorganized Debtors, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suites, damages, and Causes of Action whatsoever (including any derivative claims and Avoidance Actions, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, and their Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein-after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against or Interest in a Debtor or other Entity, or that any holder of any Claim against or Interest in a Debtor or other Entity could have asserted on behalf of the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the RSA, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, the decision to file the Chapter 11 Cases, any intercompany transactions, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, contract instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loans, the DIP Documents, this Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other

act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the Debtors do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, the Released Parties' contribution to facilitating the transactions contemplated in the Plan and implementing this Plan; (b) a good faith settlement and compromise of the Claims or Causes of Action released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for a hearing; and (f) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

10.3 Releases by Releasing Parties.

Notwithstanding anything contained herein or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, to the maximum extent permitted by applicable law, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably and forever, released, waived, and discharged by each and all of the Releasing Parties, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, and their Estates), obligations, rights, suits, or damages, whether liquidated or unliquidated, fixed, or contingent, matured, or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons

claiming under or through them would have would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the Plan, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the decision to file the Chapter 11 Cases, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date; provided, that the provisions of this Third-Party Release shall not operate to waive, release, or otherwise impair any Causes of Action arising from willful misconduct, actual or criminal fraud, or gross negligence of such applicable Released Party as determined by the Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

Notwithstanding anything to the contrary in the foregoing, the Released Parties do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims or Interests to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the

transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

10.4 Mutual Releases by RSA Parties.

Without duplication of Article 10.3, as of the Effective Date, each of the RSA Parties hereby unconditionally forever releases, waives and discharges all known and unknown Causes of Action of any nature that such RSA Party has asserted, may have asserted, could have asserted, or could in the future assert, directly or indirectly, against any of the other RSA Parties based on any act or omission relating to the Debtors or their business operations (including, without limitation, the organization or capitalization of the Debtors or extensions of credit and other financial services and accommodations made or not made to the Debtors) or the Chapter 11 Cases on or prior to the Effective Date; provided, however, the Mutual Releases shall not apply to Causes of Action that arise post-Effective Date from obligations or rights created under or in connection with the Plan or any agreement provided for or contemplated in the Plan; provided, further, any claims against the Debtors shall not be released under this Article 10.4 but shall be treated in accordance with this Plan. For the avoidance of doubt, Claims or Causes of Action arising out of, or related to, any act or omission of a RSA Party prior to the Effective Date that are determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted willful misconduct, actual or criminal fraud, or gross negligence, including findings after the Effective Date, are not released pursuant to the Plan

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Mutual Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Mutual Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the RSA Parties, including the Released Parties' contributions to facilitating the transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the RSA Parties asserting any Claim or Cause of Action released pursuant to this Mutual Release.

10.5 Exculpation.

To the fullest extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party will be exculpated from, any Claim or Cause of Action arising prior to or on the Effective Date in connection with or arising out of the administration of the Chapter 11 Cases, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the solicitation of votes for, or Confirmation or Consummation of, this Plan, the funding of this Plan, the occurrence of

the Effective Date, the administration of this Plan or the property to be distributed under this Plan, the issuance of Securities under or in connection with this Plan, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, if applicable, in connection with this Plan or the transactions in furtherance of any of the foregoing, other than Claims or Causes of Action in each case arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes actual fraud, willful misconduct, or gross negligence as determined by a Final Order, but in all respects such Persons will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. The Exculpated Parties have acted in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of Securities pursuant to this Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan, including the issuance of Securities thereunder. The exculpation will be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to this Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

Solely with respect to the exculpation provisions, notwithstanding anything to the contrary in this Plan, each of the Exculpated Parties and the 1125(e) Exculpation Parties shall not incur liability for any Cause of Action or Claim related to any act or omission in connection with, relating to, or arising out of, in whole or in part, (a) the solicitation of acceptance or rejection of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code or (b) the participation, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the Plan. No Entity or Person may commence or pursue a Claim or Cause of Action of any kind against any of the Exculpated Parties or 1125(e) Exculpation Parties that arose or arises from, in whole or in part, a Claim or Cause of Action subject to the terms of this paragraph, without this Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim for actual fraud, gross negligence, or willful misconduct against any such Exculpated Party or 1125(e) Exculpation Party and such party is not exculpated pursuant to this provision; and (ii) specifically authorizing such Entity or Person to bring such Claim or Cause of Action against any such Exculpated Party or 1125(e) Exculpation Party. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

10.6 Injunction.

Except as otherwise expressly provided in this Plan or the Confirmation Order or for obligations or distributions issued or required to be paid pursuant to this Plan or the Confirmation Order, effective as of the Effective Date, all Entities that have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties: (a) commencing or continuing in any manner any action, suit, or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action or liabilities; (d) asserting any right of setoff or subrogation, or recoupment, of any kind against any obligation due from such Entities or against the property of such Entities or the Estates on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date or has filed a Proof of Claim or proof of Interest indicating that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities released, settled or subject to exculpation pursuant to this Plan. Notwithstanding anything to the contrary in the foregoing, the injunction set forth above does not enjoin the enforcement of any obligations arising on or after the Effective Date of any Person or Entity under this Plan, any post-Effective Date transaction contemplated by the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, managers, principals, and direct and indirect Affiliates, in their capacities as such, shall be enjoined from taking any actions to interfere with the implementation or Consummation of this Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or reinstatement of such Claim or Interest, as applicable, pursuant to this Plan, shall be deemed to have consented to the injunction provisions set forth in this Article 10.6.

No Person or Entity may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article 10.2, Article 10.3, Article 10.4, and Article 10.5 hereof, without the Bankruptcy Court (1) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable,

represents a colorable Claim of any kind, and (2) specifically authorizing such Person or Entity to bring such Claim or Cause of Action, as applicable, against any such Debtor, Reorganized Debtor, Exculpated Party, 1125(e) Exculpation Party, or Released Party, as applicable. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

10.6.1 **BY ACCEPTING DISTRIBUTIONS PURSUANT TO THE PLAN, EACH HOLDER OF AN ALLOWED CLAIM OR ALLOWED INTEREST EXTINGUISHED, DISCHARGED, OR RELEASED PURSUANT TO THE PLAN WILL BE DEEMED TO HAVE AFFIRMATIVELY AND SPECIFICALLY CONSENTED TO BE BOUND BY THE PLAN, INCLUDING, WITHOUT LIMITATION, THE INJUNCTIONS SET FORTH IN THIS ARTICLE 10.6.**

10.6.2 **THE INJUNCTIONS IN THIS ARTICLE 10.6 SHALL EXTEND TO ANY SUCCESSORS OF THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, THE EXCULPATED PARTIES, AND THE 1125(E) EXCULPATED PARTIES, AND THEIR RESPECTIVE PROPERTY AND INTERESTS IN PROPERTY.**

10.6.3 Violation of Injunctions. **Any Person injured by any willful violation of such injunction may seek to recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may seek to recover punitive damages from the willful violator.**

10.7 Discharge of Claims and Termination of Interests**.**

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall

be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

ARTICLE 11

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

11.1 Conditions Precedent to Confirmation. It shall be a condition precedent to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11.3 hereof:

(a) The RSA shall not have been terminated;

(b) No termination event or continuing event of default under the DIP Loan Facility Order shall have occurred;

(c) the Confirmation Order shall be in a form and substance acceptable to the Debtors, the Plan Sponsor, and for the avoidance of doubt, shall provide for Plan Sponsor and Senior DIP Lender, subject to its exercise of the Subscription Option, to be issued 100% of the Reorganized HGE Common Stock free and clear of all liens, claims, rights, interests, security interests and encumbrances of any kind (other than those expressly identified in writing as acceptable to Plan Sponsor in its sole and absolute discretion);

(d) the Plan shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor;

(e) the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed with the Bankruptcy Court and the same shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor; and

(f) no termination event, breach or failure to company with the terms of the Definitive Documents, the Confirmation Order or any other material final order of the Bankruptcy Court shall have occurred and be continuing.

11.2 Conditions Precedent to the Effective Date. It shall be a condition precedent to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11.3:

(a) all conditions to Confirmation in Article 11.1 of the Plan shall have been either (and shall continue to be) satisfied or waived pursuant to Article 11.3 of the Plan;

(b) all documents required under the Plan, including lien releases, shall have been delivered;

(c) the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Plan Sponsor and shall have been entered and shall have become a Final Order;

(d) the Plan Consideration, together with the Cash-on-Hand, shall be sufficient to fund all Plan obligations;

(e) the Debtors and Insiders shall not have caused or permitted to occur an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(f) the Plan Sponsor shall have wired the Plan Consideration to the Disbursing Agent, as applicable;

(g) the Debtors shall have wired the Cash-on-Hand to the Disbursing Agent;

(h) all actions, documents, certificates, and agreements necessary to implement the Plan, including documents contained in the Plan Supplement, shall have been effected or executed and delivered, as the case may be, to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws;

(i) the Reorganized HGE Common Stock and any and all agreements and documents relating thereto shall have been executed, issued and delivered by the Reorganized Debtors; and

(j) the Professional Holdback Escrow Account shall have been fully funded as required pursuant to the Plan.

11.3 Waiver of Conditions. The conditions to Confirmation and the Effective Date set forth in this Article XI may be waived by the Debtors (with the express written consent of the Plan Sponsor) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

11.4 Effect of Failure of Conditions. If Consummation does not occur, the Plan shall be null and void in all respects, and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any claims by the Debtors, any Holders of Claims or Interests, or any other Entity; (b) prejudice in any manner the rights of the Debtors, any Holders of Claims or Interests, or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity in any respect.

11.5 Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

ARTICLE 12

RETENTION OF JURISDICTION

12.1 Retention of Jurisdiction. Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the Plan's Confirmation and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction (except with respect to the purposes described under clauses (a) and (n) below, with respect to which jurisdiction shall not be exclusive) over all matters arising out of or related to the Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including jurisdiction to:

(a) determine any and all objections to the allowance of Claims or Interests;

(b) determine any and all motions to estimate Claims at any time, regardless of whether the Claim to be estimated is the subject of a pending objection, a pending appeal, or otherwise;

(c) determine any and all motions to subordinate Claims or Interests at any time and on any basis permitted by applicable law;

(d) hear and determine all Administrative Expense Claims;

(e) hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which one or more of the Debtors are parties or with respect to which a one or more of the Debtors may be liable, including, if necessary, the nature or amount of any required cure or the liquidation of any Claims arising therefrom;

(f) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases;

(g) enter such orders as may be necessary or appropriate in aid of the Consummation hereof and to execute, implement, or consummate the provisions hereof and all contracts, Instruments, releases, and other agreements or documents created in connection with the Plan or the Confirmation Order;

(h) hear and determine disputes arising in connection with the interpretation, implementation, Consummation, or enforcement hereof and all contracts, Instruments, and other agreements executed in connection with the Plan;

(i) hear and determine any request to modify the Plan or to cure any defect or omission or reconcile any inconsistency herein or any order of the Bankruptcy Court;

(j) issue and enforce injunctions or other orders, or take any other action that may be necessary or appropriate to restrain any interference with or compel action for the implementation, Consummation, or enforcement hereof or the Confirmation Order;

(k) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(l) hear and determine any matters arising in connection with or relating to the Plan, the Confirmation Order or any contract, Instrument, release, or other agreement or document created in connection with the Plan or the Confirmation Order;

(m) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;

(n) recover all assets of the Debtors and Property of the Debtors' Estates, wherever located;

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

(p) hear and determine all disputes involving the existence, nature, or scope of the discharge of the Debtors;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine all other motions, applications and contested or litigated matters which were pending but not resolved as of the Effective Date including, without limitation, any motions, applications and contested or litigated matters to sell or otherwise dispose of assets and/or grant related relief; and

(s) enter a final decree closing the Chapter 11 Cases.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Immediate Binding Effect. Subject to Article 11.2 hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring

Property under the Plan, and any and all parties to executory contracts and unexpired leases with the Debtors.

13.2 Effectuating Documents; Further Transactions. The Debtors and/or the Reorganized Debtors (as the case may be) are authorized to execute, deliver, file, or record such contracts, Instruments, releases, indentures, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms, conditions and transactions contemplated by the Plan. The secretary or any assistant secretary of the Debtors or the Reorganized Debtors is authorized to certify or attest to any of the foregoing actions. Each of the Debtors and/or the Reorganized Debtors shall take such actions and execute such documents as may be reasonably requested by one of the foregoing to effectuate and further evidence the terms, conditions and transactions contemplated by the Plan so long as such action does not require more than *de minimus* out-of-pocket expense by the Person for which action is requested. In the event that there is a dispute between Reorganized HGE and Guidepost Global regarding whether a particular asset constitutes a Reorganized HGE Asset or a Transferred Executory Contract / Unexpired Leases, the Reorganized Debtors will work in good faith to resolve such dispute.

13.3 Entire Agreement. On the Effective Date, except as otherwise indicated, the Plan and the Plan Supplement shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

13.4 Exhibits. All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address below or by downloading such exhibits and documents from the Debtors' restructuring website at www.veritaglobal.net/HigherGround or the Bankruptcy Court's website at www.txnb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

13.5 Exemption From Certain Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from the Debtors to the Reorganized Debtors or any other Person or Entity pursuant to or in connection with the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing Instruments or other documents without the payment of any such tax or governmental assessment.

13.6 Amendment, Modification and Severability of Plan Provisions. If, prior to Confirmation, any term or provision hereof is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the express written consent of the Plan Sponsor), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original

purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

(a) The Plan may be amended or modified before the Effective Date by the Debtors (with the express written consent of the Plan Sponsor) to the extent provided by section 1127 of the Bankruptcy Code.

(b) The Debtors reserve the right to modify or amend the Plan (with the express written consent of the Plan Sponsor) upon a determination by the Bankruptcy Court that the Plan, in its current form, is not confirmable pursuant to section 1129 of the Bankruptcy Code. To the extent such a modification or amendment is permissible under section 1127 of the Bankruptcy Code, without the need to resolicit acceptances, the Debtors reserve the right to sever any provisions of the Plan that the Bankruptcy Court finds objectionable.

(c) The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void, and nothing contained in the Plan shall: (1) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors; or (2) prejudice in any manner the rights of the Debtors in any further proceedings.

13.7 Withholding and Reporting Requirements. In connection with the Plan and all distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements.

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

13.9 Conflicts. To the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; *provided, however*, in the event of a conflict between the Confirmation Order, on the one hand, and the Plan, on the other hand, the Confirmation Order shall govern and control in all respects.

13.10 Notices to Debtors. Any notice, request, or demand required or permitted to be made or provided under the Plan or any Plan-related document shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows, and shall also be sent to those Persons on the Post-Confirmation Service List as it is adopted by the Bankruptcy Court at the hearing on confirmation of the Plan, as such list may be amended from time-to-time by written notice from the Persons on the Post-Confirmation Service List:

If to the Debtors, at:

HIGHER GROUND EDUCATION, INC.
1321 Upland Drive, PMB 20442
Houston, TX 77043
Attn: Jon McCarthy
Email: board@tohigherground.com

with a copy to:

FOLEY & LARDNER
2021 McKinney Ave., Suite 1600
Dallas, TX 75201
Attn: Holland O'Neil, Esq.
Telephone: 214-999-4961
Email: honeil@foley.com

and

FOLEY & LARDNER
1144 15th St, Suite 2200
Denver, CO 80202
Attn: Timothy Mohan
Telephone: 720-437-2014
Email: tmohan@foley.com

If to the Plan Sponsor or Reorganized HGE, at:

2HR Learning, Inc.
2028 E. Ben White Blvd, Ste 240-2650
Austin, TX 78741
Attn: Andrew Price
Chief Financial Officer
Email: andy.price@trilogy.com

With a copy to:

COZEN O'CONNOR
3 WTC, 175 Greenwich Street
New York, NY 10007
Attn: Trevor R. Hoffmann
Telephone: (212) 453-3735
Email: thoffmann@cozen.com

13.11 Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims against and Interests in the Debtors, their respective successors and assigns, including the Reorganized Debtors, and all other parties-in-interest in the Chapter 11 Cases.

13.12 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by the Debtors with respect to any matter set forth herein including, without limitation, liability on any Claim.

13.13 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

[Remainder of page intentionally left blank.]

Dated: June 26, 2025

HIGHER GROUND EDUCATION, INC., *et al.*,
Debtors and Debtors in Possession

By: */s/ Jonathan McCarthy*
Jonathan McCarthy
Interim President & Secretary

FOLEY & LARDNER

/s/ Holland N. O'Neil

Holland N. O'Neil (TX 14864700)
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-and-

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Facsimile: (713) 276-5555
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qtruong@foley.com

PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

Schedule 1.1.36

List of Debtors

1. Higher Ground Education, Inc. (Delaware)
2. Guidepost A LLC (Delaware)
3. Prepared Montessorian LLC (Delaware)
4. Terra Firma Services LLC (Delaware)
5. Guidepost Birmingham LLC (Delaware)
6. Guidepost Bradley Hills LLC (Delaware)
7. Guidepost Branchburg LLC (Delaware)
8. Guidepost Carmel LLC (Delaware)
9. Guidepost FIC B LLC (Delaware)
10. Guidepost FIC C LLC (Delaware)
11. Guidepost Goodyear LLC (Delaware)
12. Guidepost Las Colinas LLC (Delaware)
13. Guidepost Leawood LLC (Delaware)
14. Guidepost Muirfield Village LLC (Delaware)
15. Guidepost Richardson LLC (Delaware)
16. Guidepost South Riding LLC (Delaware)
17. Guidepost St Robert LLC (Delaware)
18. Guidepost The Woodlands LLC (Delaware)
19. Guidepost Walled Lake LLC (Delaware)
20. HGE FIC D LLC (Delaware)
21. HGE FIC E LLC (Delaware)
22. HGE FIC F LLC (Delaware)
23. HGE FIC G LLC (Delaware)
24. HGE FIC H LLC (Delaware)
25. HGE FIC I LLC (Delaware)
26. HGE FIC K LLC (Delaware)
27. HGE FIC L LLC (Delaware)
28. HGE FIC M LLC (Delaware)
29. HGE FIC N LLC (Delaware)
30. HGE FIC O LLC (Delaware)
31. HGE FIC P LLC (Delaware)
32. HGE FIC Q LLC (Delaware)
33. HGE FIC R LLC (Delaware)
34. LePort Emeryville LLC (Delaware)
35. AltSchool II LLC (Delaware)

Exhibit C

DIP Order

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 20, 2025

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtor.	§	(Jointly Administered)

INTERIM ORDER AUTHORIZING DEBTOR TO (A) OBTAIN POSTPETITION SENIOR SECURED FINANCING FROM YYYYY, LLC (B) OBTAIN POSTPETITION JUNIOR SECURED FINANCING FROM GUIDEPOST GLOBAL EDUCATION, INC.; (C) UTILIZE CASH COLLATERAL; AND (D) PAY CERTAIN RELATED FEES AND CHARGES; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION LENDER; (III) MODIFYING THE AUTOMATIC STAY; (IV) SCHEDULING A FINAL HEARING; AND (V) GRANTING CERTAIN RELATED RELIEF

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

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Upon the motion (the "Motion")[2] of Higher Ground Education, Inc., and certain of its subsidiaries and affiliates the above-captioned debtors and debtors in possession (the "Debtors"), pursuant to sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(d)(1), 364(e), and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas (the "Local Rules"), for entry of this interim financing order (the "Interim DIP Order"), and among other things:

i. authorizing the Debtors to obtain debtor-in-possession financing, on a superpriority senior secured basis (the "Senior DIP Facility"), in an aggregate maximum principal amount of $5,500,000, including the Senior Roll-Up (as defined below) (the "Senior DIP Commitment"), including up to $2,000,000 on an interim basis, pursuant to the terms and conditions of that certain senior secured, postpetition priming promissory note in substantially the form attached hereto as Exhibit 1 (the "Senior DIP Note" and, together with any additional reasonable and necessary agreements, documents, instruments, and certificates executed, and any orders entered in connection therewith, or otherwise delivered in connection therewith, the "Senior DIP Documents" and all obligations arising thereunder, the "Senior DIP Obligations") by the Debtors, as borrower, and YYYYY, LLC ("Five Y") as lender (the "Senior DIP Lender");

ii. authorizing the Debtors to obtain debtor-in-possession financing, on a superpriority junior secured basis (the "Junior DIP Facility" together with the Senior DIP Facility,

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

the "DIP Financing"), in an aggregate principal amount of at least $2,500,000, including the Junior Roll-Up (as defined below) (the "Junior DIP Commitment"), including up to $800,000 on an interim basis, pursuant to the terms and conditions of that certain junior secured, postpetition priming promissory note in substantially the form attached hereto as Exhibit 2 (the "Junior DIP Note" and, together with any additional reasonable and necessary agreements, documents, instruments, and certificates executed, and any orders entered in connection therewith, or otherwise delivered in connection therewith, the "Junior DIP Documents" and all obligations arising thereunder, the "Junior DIP Obligations"; the Junior DIP Documents together with the Senior DIP Documents, the "DIP Documents") by the Debtors, as borrower, and Guidepost Global Education, Inc. ("Guidepost") as lender (the "Junior DIP Lender" together with the Senior DIP Lender, the "DIP Lenders"); the Junior DIP Note and the Senior DIP Note may, collectively, be referred to herein as the "DIP Notes";

iii. authorizing, upon entry of the Interim DIP Order and the funding of the Senior DIP Commitment, the roll-up and conversion of up to an aggregate principal amount of $500,000 of the prepetition senior DIP bridge obligations (the "Prepetition Senior Bridge Obligations"), held by the Senior DIP Lender pursuant to the Prepetition Senior Bridge Loan (as defined below) into the Senior DIP Facility and the automatic substitution and exchange of such outstanding Prepetition Senior Bridge Obligations for Senior DIP Obligations for all purposes under the Interim DIP Order as if originally funded upon entry of the Interim DIP Order (the "Senior Roll-Up");

iv. and authorizing, upon entry of the Interim DIP Order and the funding of the interim amount of the Junior DIP Commitment, the roll-up and conversion of up to an aggregate principal amount of $800,000 of the $1,500,000 of prepetition junior DIP bridge obligations (the "Prepetition Junior Bridge Obligations") held by the Junior DIP Lender (the "Prepetition Junior Bridge Loan" and together with the Prepetition Senior Bridge Loan, the "Prepetition Bridge Loan") pursuant to the Prepetition Junior Bridge Loan (as defined below) into the Junior DIP Facility and the automatic substitution and exchange of such outstanding Prepetition Junior Bridge Obligations for Junior DIP Obligations for all purposes under the Interim DIP Order as if originally funded upon entry of the Interim DIP Order (the "Junior Roll-Up" and together with the Senior Roll-up, the "Roll-Up");

v. authorizing the Debtors to execute and deliver the DIP Notes and other DIP Documents and to perform such other and further acts as may be necessary or desirable in connection with the DIP Documents;

vi. ordering that, subject to the Carve Out, in all respects, all obligations of the Debtors to the Senior DIP Lender under the Senior DIP Documents shall be:

A. entitled to superpriority claim status under section 364(c)(1) of the Bankruptcy Code, with priority over all administrative expense claims and unsecured claims now existing or hereafter arising under the Bankruptcy Code; and

B. secured, pursuant to section 364(c)(2) and 364(d)(1) of the Bankruptcy Code, by a first priority priming lien on all of the pre and postpetition property of the Debtors whether existing on the Petition Date or thereafter acquired;

vii. ordering that, subject to the Carve Out and the Senior DIP Obligations, in all respects, all obligations of the Debtors to the Junior DIP Lender under the Junior DIP Documents shall be:

A. entitled to superpriority claim status under section 364(c)(1) of the Bankruptcy Code, with priority over all administrative expense claims and unsecured claims now existing or hereafter arising under the Bankruptcy Code; and

B. secured, pursuant to section 364(c)(2) and 364(d)(1) of the Bankruptcy Code, by a second priority priming lien on all of the pre and postpetition property of the Debtors whether existing on the Petition Date or thereafter acquired subject and subordinate only to the lien of the Senior DIP Lender.

viii. authorizing the Debtors' use of cash collateral, as defined in section 363(a) of the Bankruptcy Code, pursuant to the terms and conditions set forth in the Interim DIP Order and the DIP Notes;

ix. granting adequate protection to WTI Fund X, Inc. ("Fund X"), Venture Lending & Leasing IX, Inc. ("Fund IX" and together with Fund X, "WTI") and Learn Capital Venture Partners IV, L.P, Inc., as collateral agent on behalf of the Bridge CN-3 Notes (collectively, the "Prepetition Secured Lenders") with respect to the Prepetition Secured Lenders Obligations (as defined below);

x. modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Orders, as applicable;

xi. subject to and effective only upon the entry of a postpetition financing order on a final basis (the "Final DIP Order") granting such relief, (a) waiving any right of the Debtors to surcharge against the DIP Collateral or Prepetition Secured Lenders Collateral (each as defined below), including pursuant to section 506(c) of the

Bankruptcy Code or otherwise, (b) providing that the DIP Lenders and the Prepetition Secured Lenders are not subject to the equitable doctrine of "marshaling," or any other similar doctrine with respect to the DIP Collateral;

xii. scheduling by the Court of an interim hearing (the "Interim Hearing") to consider entry of this Interim DIP Order;

xiii. scheduling by the Court of a final hearing (the "Final Hearing") to consider entry of the Final DIP Order (together with the Interim DIP Order, the "DIP Orders"), in form and substance acceptable to the DIP Lenders, granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing and the transactions contemplated by the Motion;

xiv. approving of the Final DIP Order; and

xv. the granting of related relief.

The Court having considered the Motion, the terms of the DIP Notes and the other DIP Documents, the *Declaration of Jonathan McCarthy in Support of First Day Motions*, the *Declaration of Jonathan McCarthy in Support of Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Secured Lenders; (III) Modifying the Automatic Stay; and (IV) Granting Certain Related Relief*, and the evidence submitted at the hearing held before this Court on June 20, 2025 to consider entry of this Interim DIP Order at the Interim Hearing; and in accordance with Bankruptcy Rules 2002, 4001, 6004, and 9014 and Local Rules 2002-1, 4001-2, and 9013-1; and it appearing that approval of the interim relief requested in the Motion is

necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and essential for the continued operation of the Debtors' businesses; and all objections, if any, to the entry of this Interim DIP Order having been withdrawn, resolved or overruled by the Court; and upon all of the proceedings had before this Court; after due deliberation and consideration, and for good and sufficient cause appearing therefor, IT IS HEREBY FOUND:

A. Unless otherwise indicated herein, all capitalized terms used but not defined herein shall have the meanings given in the Motion.

B. On June 17, 2025 and June 18, 2025 (the "Petition Date"), the Debtors filed voluntary petitions for relief with this Court under Chapter 11 of the Bankruptcy Code commencing Chapter 11 cases in the United States Bankruptcy Court for the Northern District of Texas (the "Court"), jointly administered under Case No. 25-80121 (collectively, the "Chapter 11 Cases").

C. The Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

D. No official committee of unsecured creditors ("Committee"), as provided for under section 1102 of the Bankruptcy Code, has yet been appointed in these Chapter 11 Cases.

E. The Interim Hearing was held pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Proper, timely, adequate, and, under the circumstances, sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

F. The Debtors provided notice of the Interim Hearing by facsimile, email, First Class Mail, and/or Overnight Mail, to: (a) the Office of the United States Trustee for the Northern District of Texas (the "U.S. Trustee"); (b) the entities listed on the list of creditors holding the 30 largest unsecured claims filed pursuant to Bankruptcy Rule 1007(d) (on a consolidated basis); (c) counsel to the Prepetition Secured Lenders; (d) counsel to 2HR Learning, Inc. ("2HR"); (e) counsel to Five Y; (f) counsel to Guidepost Global; (g) all other parties asserting a lien on or a security interest in the assets of the Debtors to the extent reasonably known to the Debtors; (h) the United States Attorney's Office for the Northern District of Texas; (i) the Internal Revenue Service; (j) the state attorney generals for all states in which the Debtors conduct or have recently conducted business; (k) the banks and financial institutions where the Debtors maintain banking accounts; and (l) any other party entitled to notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1 (collectively, the "Notice Parties"). Under the circumstances and given the nature of the relief sought in the Motion, such notice complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b) and (c) and Local Rules 2002-1 and 4001-2.

G. This Court has jurisdiction over these Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue for these Chapter 11 Cases and this Motion is proper under 28 U.S.C. §§ 1408 and 1409.

H. The Debtors require access to postpetition financing in an amount necessary to fund (i) the Debtors' operations, (ii) the administrative costs of these Chapter 11 Cases, and (iii) the pursuit of confirmation of a plan of reorganization sponsored by 2HR (the "Plan").

I. In light of the Debtors' circumstances, the Debtors are unable to obtain (i) adequate unsecured credit allowable either (a) under sections 364(b) and 503(b)(1) of the Bankruptcy Code or (b) under section 364(c)(1) of the Bankruptcy Code, (ii) adequate credit secured by (x) a senior lien on unencumbered assets of their estates under section 364(c)(2) of the Bankruptcy Code or (y) a junior lien on encumbered assets under section 364(c)(3) of the Bankruptcy Code, or (iii) secured credit under section 364(d)(1) of the Bankruptcy Code from sources other than the DIP Lenders on terms more favorable than the terms of the DIP Financing. The only viable source of secured credit available to the Debtors, other than the use of Cash Collateral (as defined below), is the DIP Financing. The Debtors require both additional financing under the DIP Financing and the continued use of Cash Collateral under the terms of this Interim DIP Order to satisfy their postpetition liquidity needs.

J. The Debtors have requested immediate entry of this Interim DIP Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). Good and sufficient cause has been shown for entry of this Interim DIP Order. An immediate need exists for the Debtors to obtain funds and liquidity in order to continue operations, to satisfy in full the costs and expenses of administering these Chapter 11 Cases, to preserve the value of their business and estates, and to consummate the transactions contemplated by the RSA (defined below). The ability of the Debtors to finance their operations, to preserve and maintain the value of the Debtors' assets, and to maximize the return for all creditors as proposed pursuant to the restructuring transaction (the "Restructuring Transaction") contemplated by the RSA, requires the immediate availability of the DIP Financing and the use of the Cash Collateral. In the absence of the immediate availability of such funds and liquidity in accordance with the terms hereof, the operation of the Debtors' business and the pursuit of the transaction embodied in the RSA and the Plan would not be possible and

serious and irreparable harm to the Debtors and their estates and creditors would occur. Thus, the ability of the Debtors to preserve and maintain the value of their assets and maximize the return for creditors requires the availability of working capital from the DIP Financing and the use of Cash Collateral. Accordingly, sufficient cause exists for the entry of this Interim DIP Order.

K. Debtors' Stipulations. Subject to the limitations contained in Paragraph 19 below, the Debtors admit, stipulate and agree as follows, each Debtor for itself and its estate:

(i) Prepetition Secured Lenders Obligations. As of the Petition Date, the Debtors were truly and justly indebted, without defense, counterclaim or offset of any kind, to the Prepetition Secured Lenders pursuant to (a) that certain Senior Secured Promissory Note, dated June 16, 2025 (the "Prepetition Senior Bridge Loan") made by Higher Ground Education Inc., Guidepost A LLC, Prepared Montessorian LLC and Terra Firma Services LLC, as borrowers, in favor of YYYYY, LLC, as lender, in the principal amount of $500,000, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein; (b) that certain Senior Secured Promissory Note, dated June 16, 2025 (the "Prepetition Junior Bridge Loan" and together with the Prepetition Senior Bridge Loan, the "Prepetition Bridge Loan") made by Higher Ground Education Inc., Guidepost A LLC, Prepared Montessorian LLC and Terra Firma Services LLC, as borrowers, in favor of Guidepost Global Education, Inc., as lender, in the principal amount of $500,000, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees

and expenses (including fees and expenses of attorneys and advisors) as provided therein; (c) the secured post-foreclosure deficiency claim of WTI in the collective amount of at least $4,680,970.83 under: (x) the Loan and Security Agreement, dated as of February 19, 2021 (as the same has been amended, supplemented, restated and modified from time to time, the "2021 Senior Loan Agreement"), among Higher Ground Education Inc., Guidepost A LLC, Prepared Montessorian LLC, Prepared Montessorian TT LLC and Terra Firma Services LLC, as borrowers, and Venture Lending & Leasing IX, Inc., as lender, in the amount of at least $153,801.58; and (y) the Loan and Security Agreement, dated as of November 8, 2023 (as the same has been amended, supplemented, restated and modified from time to time, the "2023 Senior Loan Agreement" and together with the 2021 Senior Loan Agreement, the "WTI Loans"), among Higher Ground Education Inc., Guidepost A LLC, Prepared Montessorian LLC, Prepared Montessorian TT LLC and Terra Firma Services LLC, as borrowers, and WTI Fund X, Inc., as lender, in the amount of at least $4,527,169.25, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein; and (d) the series CN-3 convertible promissory notes entered into on and after January 15, 2025 (the "Bridge CN-3 Notes") in the aggregate principal amount of $4,800,000 (the "Bridge CN-3 Loans"), plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as

provided therein, pursuant to the Note Purchase Agreement (together with the related exhibits, schedules and transaction documents, as amended, supplemented and otherwise modified from time to time), by and between Higher Ground Education, Inc. as borrower, and each lender on the Schedule of Lenders thereto, dated May 31, 2024, collateralized by a priming lien over the WTI Loan Agreements in the principal amount of up to $5,000,000, in favor of Learn Capital Venture Partners IV, L.P, Inc., as collateral agent on behalf of the Bridge CN-3 Notes. The Prepetition Bridge Loans, the WTI Loans and the Bridge CN-3 Loans are defined herein collectively as the "Prepetition Loan Documents" and the obligations thereunder are defined herein collectively as the "Prepetition Secured Lenders Obligations"). Each of the Prepetition Secured Lenders Obligations is duly perfected by UCC-1 filings.

(ii) Prepetition Secured Lenders Obligations. The Prepetition Secured Lenders Obligations in the full amount outstanding on the Petition Date constitute legal, valid, binding and non-avoidable obligations of the Debtors to the Prepetition Secured Lenders.

(iii) Prepetition Liens. The liens and security interests granted by the Debtors to the Prepetition Secured Lenders to secure the Prepetition Secured Lenders Obligations (the "Prepetition Liens") are: (a) valid, binding, perfected, enforceable liens on and security interests in the personal property of the Debtors constituting "Collateral" under, and as defined in, any prepetition security agreement, control agreement, pledge agreement, financing statement, mortgage or other similar documents, including the Prepetition Loan Documents (together,

the "Prepetition Secured Lenders Collateral"); and (b) not subject to objection, defense, contest, avoidance, reduction, or disallowance (whether equitable, contractual or otherwise) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law by any person or entity. The Prepetition Liens securing the Prepetition Secured Lenders Obligations are subject and subordinate only to: (x) after giving effect to this Interim DIP Order, the Carve Out and the Priming DIP Liens (as defined below); and (y) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) to the extent such permitted liens are senior to the Prepetition Liens.

(iv) Cash Collateral. All proceeds of the Prepetition Secured Lenders Collateral (including cash on deposit at depository institutions as of the Petition Date, securities, or other property, whether subject to control agreements or otherwise, in each case that constitutes Prepetition Secured Lenders Collateral) are "cash collateral" of the Prepetition Secured Lenders within the meaning of section 363(a) of the Bankruptcy Code ("Cash Collateral"), and subject to the terms of this Interim DIP Order (including subject to the Priming DIP Liens).

(v) Releases. Subject to the Challenge Period, the Debtors hereby forever, unconditionally, and irrevocably release, discharge, and acquit the DIP Lenders and the Prepetition Secured Lenders, and their successors, assigns, affiliates, subsidiaries, parents, officers, shareholders, directors, employees, attorneys, and agents, past, present, and future, and their respective heirs, predecessors, successors, and assigns (collectively, the "Releasees") of and from any and all

claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, reasonable attorneys' and financial advisors' fees), debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether or not known or matured, arising out of or relating to, as applicable, the DIP Financing, the DIP Documents, the Prepetition Loan Documents and/or the transactions contemplated hereunder or thereunder including, without limitation, (A) any so-called "lender liability" or equitable subordination claims or defenses, (B) any and all claims and causes of action arising under the Bankruptcy Code, and (C) any and all claims and causes of action with respect to the extent, validity, priority, perfection, or avoidability of the Prepetition Liens and the Prepetition Secured Lenders Obligations. Each of the Debtors further waives and releases any defense, right of counterclaim, right of setoff, or deduction to the payment of the Prepetition Secured Lenders Obligations that the Debtors now has or may claim to have against the Releasees, arising out of, connected with, or relating to any and all acts, omissions, or events occurring prior to the Court entering this Interim DIP Order.

L. For the purposes of the Interim DIP Order only, the DIP Lenders will commit to providing DIP Financing in an amount necessary to fund the Debtors' operations and the administrative costs of these Chapter 11 Cases subject to and as set forth in the Approved Budget (as defined below), in a collective amount not exceeding $8.0 million, including the Roll-Up, including up to (i) $500,000 on an interim basis under the Senior DIP Facility and (ii) $800,000 on an interim basis under the Junior DIP Facility, upon the terms and conditions set

forth herein. Accordingly, after considering all of their practical alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the financing to be provided by the DIP Lenders pursuant to the terms of this Interim DIP Order and the DIP Documents represents the best financing currently available to the Debtors.

M. For the purposes of the Interim DIP Order only, the consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens and use of the Prepetition Secured Lenders Collateral, including Cash Collateral, by the Debtors are limited to this Interim DIP Order and the DIP Financing presently before the Court, with Five Y and Guidepost Global as DIP Lenders, and shall not extend to any other postpetition financing or to any modified version of this DIP Financing with any party other than Five Y and Guidepost Global as DIP Lenders. The Prepetition Secured Lenders agree that the Adequate Protection (as defined below) granted to the Prepetition Secured Lenders in this Interim DIP Order is reasonable and calculated to protect the interests of the Prepetition Secured Lenders.

N. For the purposes of the Interim DIP Order only, the security interests and liens granted to the DIP Lenders pursuant to this Interim DIP Order are appropriate under sections 364(c)(1), 364(c)(2) and 364(d) of the Bankruptcy Code because, among other things: (i) such security interests and liens do not impair the interests of any holder of a valid, perfected, prepetition security interest or lien in the property of the Debtors' estates, or (ii) the holder of any such valid, perfected, prepetition security interests and liens, including, for the avoidance of doubt, the Prepetition Secured Lenders, has consented to the security interests and priming liens granted pursuant to this Interim DIP Order to the DIP Lenders.

O. For the purposes of the Interim DIP Order only, each of the Prepetition Secured Lenders is entitled to receive Adequate Protection as set forth below pursuant to sections 361,

362, 363 and 364 of the Bankruptcy Code for any diminution in the value of its interests in the Prepetition Secured Lenders Collateral, including Cash Collateral, resulting from the priming of its liens by the Priming DIP Liens, the automatic stay and the Debtors' use, sale or lease of the Prepetition Secured Lenders Collateral, including Cash Collateral, during these Chapter 11 Cases.

P. For the purposes of the Interim DIP Order only, based on the record presented to this Court by the Debtors, the DIP Financing and use of Cash Collateral have been negotiated in good faith and at arm's length between the Debtors, the Prepetition Secured Lenders and the DIP Lenders, and any credit extended and loans made to the Debtors by the DIP Lenders pursuant to the Interim DIP Order and the DIP Documents (the "DIP Obligations") shall be deemed to have been extended, issued or made, as the case may be, in good faith within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Lenders and Prepetition Secured Lenders shall have all of the protections thereunder. Additionally, all reasonable out-of-pocket legal, accounting, and professional fees and expenses incurred by the DIP Lenders related to the DIP Financing and the Restructuring Transaction (the "DIP Lender Fees") shall constitute DIP Obligations and shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under this Order; provided that the DIP Lender Fees of Senior DIP Lender payable hereunder shall be payable solely upon the occurrence of an Event of Default under this Interim DIP Order or the Senior DIP Note. Accordingly, DIP Lender Fees of Senior DIP Lender shall not be required to be reflected as a budgeted item in the Approved Budget. Each DIP Lender's professionals shall serve summary invoices requesting payment of its respective DIP Lender Fees to the Debtors, U.S. Trustee and any Statutory Committee (as defined below) appointed in these Chapter 11 Cases. Absent objection by any of the U.S. Trustee

and any Statutory Committee appointed in these Chapter 11 Cases within ten (10) days from receipt of an invoice, the Debtors shall pay such invoice. If the U.S. Trustee or any Statutory Committee appointed in these Chapter 11 Cases objects to the reasonableness of any DIP Lender Fees, such objecting party must provide each of the DIP Lenders written notice of such objection within ten (10) days of receipt of the summary invoice. Any objection that cannot be resolved between the parties shall be scheduled by the Debtors to be resolved by this Court. All undisputed DIP Lender Fees shall be timely paid.

Q. Based on the record before this Court, it appears that the terms of this Interim DIP Order, including, without limitation, the terms of the DIP Financing are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

R. The Debtors have requested entry of this Interim DIP Order. The permission granted herein to use Cash Collateral and obtain funds under the DIP Financing is necessary to avoid immediate and irreparable harm to the Debtors' estates. This Court concludes that entry of this Interim DIP Order is in the best interests of the Debtors and their estates as its implementation will, among other things, enhance the prospects for a successful completion of these Chapter 11 Cases.

S. Based upon the foregoing findings and conclusions, and upon the record made before this Court at the Hearing, and good and sufficient cause appearing therefor, IT IS HEREBY ORDERED, DETERMINED AND DECREED THAT:[3]

[3] The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014, and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. To

1. Motion Granted. The Motion is granted on the terms and conditions set forth in this Interim DIP Order, with the foregoing findings incorporated herein by reference. Any objections to the Motion that have not previously been withdrawn or resolved are hereby overruled. This Interim DIP Order shall be valid and binding on all parties in interest and fully effective immediately upon entry.

2. Authorizations. The Debtors are hereby authorized to execute and enter into the DIP Documents. The DIP Notes, the other DIP Documents, and this Interim DIP Order shall govern the financial and credit accommodations to be provided to the Debtors by the DIP Lenders as described herein; provided that in the event of a conflict between the Interim DIP Order and the other DIP Documents, the Interim DIP Order shall control. The Debtors are hereby authorized to borrow money pursuant to the DIP Notes on an interim basis up to the amount set forth in the Approved Budget.

3. The DIP Financing may be used in accordance with the terms of this Interim DIP Order and the DIP Notes (and subject to the Approved Budget) to fund the day-to-day working capital needs of the Debtors' operations and the chapter 11 administrative expenses incurred during the pendency of these Chapter 11 Cases and to allow the Debtors, if subsequently approved by the Court, to effectuate the Restructuring Transaction via the Plan.

4. In furtherance of the foregoing and without further approval of this Court, the Debtors are authorized to perform all acts, and to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements) that may be reasonably required to ensure the performance of the Debtors' obligations under the DIP Financing, including, without limitation:

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the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

(i) the execution, delivery and performance of the DIP Documents, including, without limitation, the DIP Notes and any reasonable and necessary security and pledge agreements contemplated thereby;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors and the DIP Lenders may agree; *provided*, that (A) written notice of any material modification or amendment to the DIP Documents shall be filed on the docket of these Chapter 11 Cases and shall be served upon the Notice Parties, each of whom shall have ten (10) days from the date of service of such notice within which to object in writing to such modification or amendment. If any Notice Party (or any other party in interest with requisite standing) timely objects to any such material modification or amendment to the DIP Documents, such modification or amendment shall only be effective pursuant to an order of this Court and (B) written notice of any other modification or amendment to the DIP Documents shall also be filed on the docket of these Chapter 11 Cases; and

(iii) the performance of all other acts required under or in connection with the DIP Documents.

5. Upon execution and delivery of the DIP Notes and the other DIP Documents, such DIP Documents shall constitute valid, binding, and non-avoidable obligations of the Debtors enforceable against the Debtors in accordance with their respective terms and the terms of this Interim DIP Order for all purposes during these Chapter 11 Cases, any subsequently converted case of the Debtors under chapter 7 of the Bankruptcy Code, or after the dismissal of any such case. No obligation, payment, transfer, or grant of security under the DIP Notes, the other DIP Documents, or this Interim DIP Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d), 548, or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

6. Borrowing; Use of Cash Collateral. Subject to the budget attached as Exhibit A to the DIP Notes (as modified from time to time with the unanimous written consent of the DIP

Lenders in their sole and discretion, but without need for further Court order, the "Approved Budget") and solely in compliance therewith and subject further to the terms and conditions of this Interim DIP Order and the DIP Documents, (a) the DIP Lenders will provide the DIP Financing in accordance with the terms of the DIP Documents, and (b) the Debtors are authorized to use the Cash Collateral in accordance with the terms of this Interim DIP Order. Notwithstanding the foregoing, the Approved Budget shall be mutually agreed upon by the Debtors and the applicable DIP Lender, (i) in an amount not to exceed $5,500,000 under the Senior DIP Facility, and (ii) in an amount of at least $2,500,000 under the Junior DIP Facility, in each case as may be modified from time to time by the Debtors with the consent of the applicable DIP Lender, in its sole and absolute discretion, but without need for further Court order; *provided, however*, under no circumstance shall such borrowings and disbursements be for an amount in excess of the Approved Budget.

7. Interest, Fees, Costs and Expenses. The DIP Obligations shall bear interest at an interest rate of nine percent (9%) per annum as provided in the DIP Notes. After an Event of Default (as described below), the interest shall accrue at an interest rate of twelve percent (12%) per annum payable monthly as provided in the DIP Notes.

8. Event of Default. The Debtors and DIP Lenders agree that each of the following events, unless waived by the DIP Lenders in writing, shall constitute an "Event of Default":

(i) the Debtors (A) fail to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Senior DIP Documents or the Junior DIP Documents or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in any Senior DIP Document or Junior DIP Document (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as

applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);

(ii) any representation, warranty, or statement made by the Debtors herein or in any DIP Document or in any certificate delivered in connection therewith proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);

(iii) the security interest granted to any DIP Lender ceases to be in full force and effect in any material respect, or ceases in any material respect to create a perfected security interest in, and lien on, the DIP Collateral (as defined below) purported to be created thereby;

(iv) unless otherwise agreed to by the DIP Lender, any DIP Document is or becomes invalid, ineffective, or unenforceable against the Debtors in any material respect, in whole or in part, or the Debtors so asserts or at any time denies the liability or the DIP Obligations under any DIP Document;

(v) the Court enters an order dismissing any of these Chapter 11 Cases or converting any of them to a case under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtors' business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the unanimous consent of the DIP Lenders in their sole and absolute discretion;

(vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code authorizing an action by a lienholder (other than a DIP Lender) with respect to assets of the Debtors on which the lienholder has a lien with an aggregate value in excess of $100,000;

(vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);

(viii) a debtor in possession financing order is entered in form and substance that is not acceptable to a DIP Lender in its reasonable discretion or from and after the date of entry thereof, the Interim DIP Order or the Final DIP

Order, as applicable, ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the affected DIP Lender in its reasonable discretion;

(ix) any of the orders approving the Plan or the disclosure statement to the Plan (the "Disclosure Statement") are vacated, stayed, reversed, modified, or amended without the consent of 2HR;

(x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Approved Budget or otherwise without the unanimous consent of the DIP Lenders in their sole and absolute discretion;

(xi) the Debtors fail to obtain an order from the Court approving the Debtors' motion for authority to assume the Restructuring Support Agreement dated as of June 17, 2025 (as the same may be amended, modified or extended, the "RSA") entered into by, among others, the Debtors, the DIP Lenders, the Prepetition Secured Lenders, and 2HR, as the proposed plan sponsor of the Plan ("Plan Sponsor") within forty (40) days of the Petition Date;

(xii) a Company Termination Event, Consenting Party Termination Event or GG Termination Event (each as defined in the Restructuring Support Agreement) shall have occurred, including prior to the Debtors' assumption of the RSA;

(xiii) the Debtors take any action, or as to insiders, permit any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(xiv) the Debtors fail to provide 2HR, Five Y, and Guidepost Global and their respective agents with reasonable access to the Debtors' books, records, and management through the effective date of the Plan (the "Effective Date");

(xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) the motion of the Debtors seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the DIP Financing, or (f) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;

(xix) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;

(xvi) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;

(xvii) any of the Chapter 11 Milestones (as defined, and set forth, on Exhibit B to the DIP Notes) are not satisfied;

(xviii) one or more judgments or decrees is entered against the Debtors or their estates involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of $50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed or bonded pending appeal;

(xix) any DIP Note or any other DIP Document ceases, for any reason, to be in full force and effect or the Debtors shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material item of DIP Collateral (as defined below) described therein with the priority purported to be created by the DIP Documents;

(xx) the Debtors fail to provide in any material respect all information, approvals, documents or other instruments as any DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;

(xxi) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtors (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an "Alternative Transaction");

(xxii) the Court approves an Alternative Transaction;

(xxiii) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is materially inconsistent with the Plan or the RSA;

(xxiv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on the DIP Lenders' collateral without the unanimous written consent of the DIP Lenders in their sole and absolute discretion;

(xxv) the Court enters an order terminating the right of the Debtors to use the DIP Financing;

(xxvi) the Debtors fails to comply with the Approved Budget; *provided, however*, for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Approved Budget of up to 10% of the amount of the Approved Budget are permitted (*provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors cash needs under the Approved Budget remain "on-balance" within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget), and unused amounts set forth in the Approved Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week; or

(xxvii) without the consent of the Senior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Senior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender may be entitled to indemnification by the Debtors ("Senior DIP Paid in Full");

(xxviii) without the consent of the Junior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Junior DIP Lender (other than any claim or lien of the Senior DIP Lender pursuant to the Senior DIP Documents) is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Junior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Junior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Junior DIP Lender may be entitled to indemnification by the Debtors ("Junior DIP Paid in Full" and, together with the Senior DIP Paid in Full, "Paid in Full"); or

(xxix) The Debtors, without the unanimous prior written consent of the DIP Lenders (which shall be given or refused in each DIP Lender's sole and absolute discretion) seek to modify, vacate or amend the DIP Orders or any DIP Documents.

9. Subject to Paragraph 20 of this Order, upon the occurrence of an Event of Default and after five (5) business days' written notice by the DIP Lenders to the Notice Parties

(the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the DIP Lenders shall be permitted to exercise any remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court orders otherwise during the Default Notice Period:

(i) declare all or any portion of the outstanding DIP Obligations due and payable, whereupon the same shall become forthwith due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Debtors;

(ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the DIP Lenders);

(iii) enforce all liens and security interests in the DIP Collateral;

(iv) institute proceedings to enforce payment of such DIP Obligations;

(v) terminate the obligation of the DIP Lenders to make Loans; and

(vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the DIP Notes, the Bankruptcy Code, other applicable law or pursuant to this Interim DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

provided, however, that the DIP Lenders shall continue to fund the Debtors' operations, pursuant to the Approved Budget, through the Default Notice Period; *provided, however, further* the respective rights and remedies available to the Senior DIP Lender and the Junior DIP Lender with respect to the DIP Collateral shall be subject to Paragraph 20 of this Order.

10. The Debtors and the Committee (if any), and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period,

then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

11. Termination of the DIP Financing and Use of Cash Collateral. Except with respect to the payment of the Carve Out, the DIP Lenders' agreement to provide the DIP Financing in accordance with the DIP Documents and the Debtors' authorization to use Cash Collateral shall immediately and automatically terminate (except, to the extent any Senior DIP Obligations remain outstanding, the Senior DIP Lender agrees in writing, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender agrees in writing, in each case, which consent may be withheld in their reasonable discretion), upon the earliest to occur of any of the following (each, a "Termination Date"):

(i) September 30, 2025;

(i) the date of final indefeasible payment and satisfaction in full in cash of the DIP Obligations;

(ii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than the DIP Lenders under section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the DIP Obligations or unless such financing is subordinate to the DIP Obligations and Prepetition Secured Lenders Obligations and consented to in writing by, to the extent any Senior DIP Obligations remain outstanding, the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in each case, which consent may be withheld in their sole and absolute discretion;

(iii) the dismissal of these Chapter 11 Cases or the conversion of these Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(iv) any DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of, to the extent any Senior DIP Obligations remain outstanding, the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in each case, which consent may be withheld in their sole and absolute discretion;

(v) the Effective Date; or

(vi) upon expiration of the Default Notice Period.

The DIP Lenders shall file a notice with the Court upon the occurrence of the Termination Date.

12. Superpriority Claims. The DIP Lenders are hereby granted, as and to the extent provided by section 507(b) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims in these Chapter 11 Cases and any successor case (the "Superpriority Claims"). The Superpriority Claims shall have the priority set forth in Section 507(b) of the Bankruptcy Code.

13. Carve Out. The liens and claims of or granted to the DIP Lenders and the Prepetition Secured Lenders shall be subject and subordinate to the payment, without duplication, of the following fees and claims (the amounts set forth below, together with the limitations set forth therein, collectively, the "Carve Out"): (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under 28 U.S.C. § 1930(a) plus interest at the statutory rate (collectively, the "Statutory Fees"), which Statutory Fees shall not be subject to any budget; and (ii) solely to the extent allowed by order of the Court (if applicable), the aggregate amount of unpaid, reasonable and documented fees, costs, and expenses incurred by persons or firms retained by the Debtors pursuant to sections 327, 328, 331, or 363 of the Bankruptcy Code (the "Debtors Professionals") and the official committee of unsecured creditors (if any) under section 328 or 1103 of the Bankruptcy Code (together with any other statutory committee that may be appointed or formed, the "Statutory Committee," and such professionals retained by the Statutory Committee, the "Committee Professionals," and, together with the Debtors Professionals, the "Estate Professionals") at any time before or on the Termination Date, whether allowed by the Court prior to or after the Termination Date; and (iv) allowed fees of Estate Professionals in an aggregate amount not to exceed $125,000, to be shared by the Estate

Professionals incurred after the Termination Date for wind-down purposes, to the extent allowed at any time, whether by final order, procedural order, or otherwise.

14. Notwithstanding anything to the contrary in this Interim DIP Order, the Final DIP Order, or any Prepetition Loan Documents or the DIP Loan Documents, the Carve Out shall be senior to all liens and claims securing the Priming DIP Liens, Prepetition Liens, or Adequate Protection Liens (as defined below), Superpriority Claims, and the Adequate Protection Claims (as defined below) and any and all other forms of adequate protection provided to the DIP Lender, Prepetition Secured Lenders, or any other party hereunder.

15. Carve Out Reserves. On the Business Day following entry of the Interim Order (or as soon as reasonably practicable thereafter) and then on the fourth business day of each week thereafter, the Debtors remitted and will continue to remit to Kurtzman Carson Consultants, LLC dba Verita Global ("Verita"), the amount equal to, but not to exceed, the Budgeted Fees & Expenses for each such week to be held in an escrow account (such account, the "Professional Fee Reserve") for the benefit of the Estate Professionals. From such funds held in the Professional Fee Reserve, Verita shall release to the Estate Professionals such amounts as are payable pursuant to an applicable order of the Court, including an order approving interim compensation procedures in the Chapter 11 Cases and any order granting interim or final fee applications for Estate Professionals (each, a "Fee Payment"). For avoidance of doubt, (a) in making payments from the Professional Fee Reserve, Verita shall be entitled to rely upon written certifications of each Estate Professional as to the amount such Estate Professional is due and owing from the Professional Fee Reserve; and (b) in no circumstances shall Verita be obligated to pay any Estate Professional other than from the funds held, from time to time, in the Professional Fee Reserve. Funds held in the Professional Fee Reserve shall be applied to

allowed Estate Professional fees that have been incurred following the Petition Date in accordance with the procedures established in the Chapter 11 Cases. Payments and reimbursements made to an Estate Professional prior to Termination Date shall reduce the amounts available to such Estate Professional the Carve Out, and neither the Professional Fee Reserve nor payments therefrom shall in any way increase the Carve Out.

16. Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and the Professional Fee Reserve, the Debtors and DIP Lenders shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the "Estimated Carve Out") and, if the amount of cash on hand with the Debtors are less than the Estimated Carve Out, the DIP Lenders shall fund a draw (a "Back-Stop Draw") under the DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors' cash on hand as of such date, automatically without any obligation of the Debtors to meet any draw conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out the Debtors' cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the DIP Lenders shall fund additional Back-Stop Draws automatically without any obligation of the Debtors to meet any draw conditions or any other conditions precedent to such draw to cover any such shortfall.

17. Notwithstanding anything to the contrary in this Order, the Senior DIP Lender shall not be required to fund any amounts in excess of the Senior DIP Commitment, including without limitation in connection with the Carve Out.

18. Notwithstanding any other provision of this Interim DIP Order (including this paragraph), the Court retains and shall have all authority to consider and approve all applications for fees and expenses by any Estate Professionals, including for reasonableness thereof, or on any other basis under the Bankruptcy Code or Bankruptcy Rules, or otherwise under applicable law, and all funds that may be set aside for or applied to any such amounts or obligations shall remain fully subject to disgorgement or reallocation, based on the Court's orders exercising such reserved rights as described previously in this sentence. All professionals described in the preceding sentence shall be and remain subject to the jurisdiction of this Court for the purposes described in the preceding sentence.

19. Notwithstanding the foregoing, none of the Carve Out, proceeds from the DIP Financing or Cash Collateral may be used (a) to investigate or challenge in any respect to the validity, perfection, priority, extent or enforceability of the Priming DIP Liens, Prepetition Liens, or Adequate Protection Liens except the professionals of a committee appointed pursuant to section 1102 of the Bankruptcy Code shall be entitled to payment of up to $50,000 of allowed professional fees and expenses (aggregated among all such professionals) from the Carve Out, proceeds from the DIP Financing or Cash Collateral incurred in connection with any review and investigation of the validity, perfection, priority, extent or enforceability of the Prepetition Secured Lenders Obligations or the Prepetition Liens, (b) to delay, challenge or impede any rights of the DIP Lenders under any of the DIP Documents, or the DIP Orders or the Prepetition Secured Lenders under the Prepetition Loan Documents, or (c) to pursue any claims or causes of action of any kind against the DIP Lenders or the Prepetition Secured Lenders (except for purposes of enforcement of the DIP Orders or the DIP Notes). Nothing herein shall restrict the

ability of any other party to investigate or object to a disclosure statement or a plan of reorganization.

20. Effect of Debtors' Stipulations on Third Parties.

(i) Binding on Debtors. The Debtors' stipulations, admissions, agreements and releases contained in this Interim DIP Order, including, without limitation, in Paragraph K of this Interim DIP Order, shall be binding upon the Debtors in all circumstances and for all purposes.

(ii) Binding on Third Parties. The Debtors' stipulations, admissions, agreements and releases contained in this Interim DIP Order, including, without limitation, in Paragraph K of this Interim DIP Order, shall be binding upon their estates and all other parties in interest, including, without limitation, any other person or entity acting or seeking to act on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for the Debtors, in all circumstances and for all purposes unless the following criteria under subparagraphs a, b, and c below are satisfied:

a. Challenge Period. Subject to a Final DIP Order on the Motion, any party in interest (subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to do so, a "Challenge Party") with requisite standing granted by the Court (which motion for such standing may be filed concurrently with an adversary proceeding or contested matter), has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein), within the earlier of: (i) 60 days from the date of entry of the Interim DIP Order, (ii) 45 days from the appointment of a

creditors committee or (iii) such earlier date upon which the Court enters an order confirming the Plan (the "Challenge Period"); *provided, however*, if these Chapter 11 Cases converts to a chapter 7 case, or if a chapter 11 trustee is appointed, prior to the end of the Challenge Period, any such trustee shall have the benefit of any remaining portion of the Challenge Period, and in any event 10 days from the appointment of such trustee, to file such an adversary proceeding or contested matter, without prejudice for such trustee to file a motion with the Court requesting a further extension of the deadline.

b. Challenge Proceeding. Such adversary proceeding or contested matter (A) objects to or challenges the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Secured Lenders Obligations or the Prepetition Liens, or any portion thereof, or (B) otherwise asserts or prosecutes any action for preferences, fraudulent transfers or conveyances, other avoidance power claims, or any other claims, counterclaims or causes of action, objections, contests, or defenses (collectively, a "Challenge Proceeding") against the Prepetition Secured Lenders, or their subsidiaries, affiliates, officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof, in each case in their respective capacity as such, in connection with matters related to the Prepetition Loan Documents, the Prepetition Secured Lenders Obligations, the Prepetition Liens or the Prepetition Secured Lenders Collateral.

c. Final Non-Appealable Order. A final non-appealable order is entered in favor of the plaintiff in any such Challenge Proceeding; provided that any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be deemed forever waived, released and barred.

(iii) Agreement to Not Assert a Challenge. Notwithstanding the foregoing, the DIP Lenders hereby agree not to (and hereby waive any right to) take any action to contest or challenge (or assist or support any other person in contesting or challenging), directly or indirectly, the extent, validity, priority, enforceability or perfection of the Prepetition Secured Lenders Obligations or the Prepetition Liens.

(iv) Failure to File Challenge Proceeding. If no Challenge Proceeding is timely and properly filed during the Challenge Period with respect to the Prepetition Secured Lenders Obligations or Prepetition Liens: (i) the Debtors' stipulations, admissions, agreements and releases contained in this Interim DIP Order relating thereto, including, without limitation, those contained in Paragraph K of this Interim DIP Order shall be binding on all parties in interest; (ii) the obligations of the Prepetition Secured Lenders under the Prepetition Loan Documents shall constitute allowed claims not subject to defense, claim, counterclaim, recharacterization, subordination, offset, or avoidance for all purposes in these Chapter 11 Cases and any subsequent chapter 7 cases; (iii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding,

perfected, security interests and liens, not subject to recharacterization, subordination, avoidance or other defense; (iv) the Prepetition Secured Lenders Obligations and the Prepetition Liens shall not be subject to any other or further claim or challenge by any non-statutory committees appointed or formed in these Chapter 11 Cases or any other party in interest acting or seeking to act on behalf of the Debtors' estates; and (v) any defenses, claims, causes of action, counterclaims and offsets by any non-statutory committees appointed or formed in these Chapter 11 Cases, or any other party acting or seeking to act on behalf of the Debtors' estates, whether arising under the Bankruptcy Code or otherwise, against the Prepetition Secured Lenders arising out of or relating to the Prepetition Loan Documents shall be deemed forever waived, released and barred. If any such Challenge Proceeding is timely filed during the Challenge Period, the applicable stipulations, admissions, agreements and releases contained in this Interim DIP Order, including, without limitation, those contained in Paragraph J of this Interim DIP Order, shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any other person or entity, except to the extent that such stipulations, admissions, agreements and releases were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Interim DIP Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee or any non-statutory committees appointed or formed in these Chapter 11 Cases, standing or authority to pursue any claim or cause of action belonging to the

Debtors or their estates, including, without limitation, Challenge Proceedings with respect to the Prepetition Loan Documents, the Prepetition Secured Lenders Obligations or the Prepetition Liens. Any motion seeking standing shall attach a draft complaint or other pleading that sets forth such claim or cause of action or other Challenge Proceedings, and any claim or cause of action or other Challenge Proceeding not included therein shall be deemed forever waived, released and barred.

21. Subject to the terms of this Interim DIP Order and any interim compensation order entered by the Court, the DIP Lenders shall be obligated to fund, and the Debtors shall be permitted to pay, compensation and reimbursement of reasonable fees and expenses of the Estate Professionals allowed and payable under sections 328, 330, or 331 of the Bankruptcy Code, as the same may be due and payable, that constitute pre-Termination Date expenses and such payments shall not reduce or be deemed to reduce the post-Termination Date fees and expenses.

22. Liens to Secure the DIP Obligations. As security for the DIP Obligations, effective and perfected upon the date of this Interim DIP Order and without the necessity of the execution, recordation of filings by the Debtors or any DIP Lender of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by any DIP Lender of or over any DIP Collateral (as defined below), the following security interests and liens (such security interests and liens with respect to the Senior DIP Facility, the "Senior DIP Priming Liens," such security interests and liens with respect to the Junior DIP Facility, the "Junior DIP Priming Liens," and, together, the "Priming DIP Liens"), subject only to the payment of the Carve Out (and, in the case of the Junior DIP Priming Liens, the Senior DIP Priming Liens), are hereby granted by the Debtors to

(i) the Senior DIP Lender for its benefit and (ii) the Junior DIP Lender for its benefit, in each case, pursuant to this Interim DIP Order and the DIP Documents (all property identified in clauses (a) and (b) below being collectively referred to as the "DIP Collateral"):

(a) *First Lien on All Property.* Subject to the priority of the Carve Out, pursuant to sections 364(c)(1), 364(c)(2), and 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully perfected first priority senior security interest in and lien upon all pre and postpetition property of the Debtors or their estates, whether existing on the Petition Date or thereafter acquired (collectively, "Property"), including, without limitation, any such encumbered cash of the Debtors and any investment of such cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property; and, subject to the entry of a Final DIP Order, the proceeds of the claims and causes of action of the Debtors' estates under sections 502(d), 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code, commercial tort claims, equity interests, and the proceeds of all the foregoing; *provided, however*, subject to entry of the Final DIP Order, the Priming DIP Liens shall be subject and subordinate to any inchoate governmental claims or statutory liens in existence as of the Petition Date and to any valid, perfected, unavoidable liens or security interests in existence as of the Petition Date, or that are perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b), other than the Prepetition Liens (as the Prepetition Secured Lenders are consenting to the priming of the Prepetition Liens by the Priming DIP Liens). Notwithstanding anything herein to the contrary and subject to the priority of the Carve Out, (i) the Senior DIP Priming Liens shall be

senior in all respects to the Junior DIP Priming Liens and the Prepetition Liens and (ii) the Junior DIP Priming Liens shall be subject and subordinate in all respects to the Senior DIP Priming Liens.

(b) *Liens Senior to Certain Other Liens.* Other than the Carve Out, the Priming DIP Liens shall not be subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code, (ii) any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors to the extent permitted by applicable non-bankruptcy law, except, subject to entry of the Final DIP Order, for liens perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b), or (iii) any intercompany or affiliate liens of the Debtors.

23. Perfection of Priming DIP Liens. The Priming DIP Liens shall be, and hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, landlord or warehousemen lien waivers, or other third party consents or other act, shall be required to effect such perfection; *provided, however*, notwithstanding the provisions of section 362 of the Bankruptcy Code, (a) the DIP Lenders, may, at their sole option, file or record or cause the Debtors to obtain any such landlord or warehousemen lien waivers or other third party consents or execute, file, or record any such UCC financing statements, notices of liens and security interests, mortgages, amendments to mortgages, and/or other similar documents or instruments as such DIP Lender may require, and (b) the DIP Lenders may require the Debtors to deliver to the DIP Lenders any chattel paper, instruments, or securities evidencing or constituting any DIP

Collateral, and the Debtors shall cooperate and comply therewith. If the DIP Lenders, in their reasonable discretion, shall elect for any reason to cause to be obtained any landlord or warehouse lien waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages, amendments to mortgages, or other documents or instruments with respect to such security interests and liens, or if the DIP Lenders, in accordance with the DIP Documents or this Interim DIP Order, elect to take possession of any DIP Collateral, all such landlord or warehouse lien waivers or other third party consents, financing statements, mortgages, amendments to mortgages, or similar documents or instruments or such taking of possession shall be deemed to have been filed, recorded, or taken in these Chapter 11 Cases as of the commencement of these Chapter 11 Cases but with the priorities set forth herein. The DIP Lenders may (in their reasonable discretion), but shall not be required to, file a certified copy of this Interim DIP Order in any filing or recording office in any county or other jurisdiction in which the Debtors have real or personal Property and such filing or recording shall constitute further evidence of the DIP Lenders' interest in the DIP Collateral.

24. Indemnity. Subject to applicable Fifth Circuit law, the Debtors agree to indemnify, defend, and hold harmless each DIP Lender (strictly in its capacity as such), each of its affiliates, and each of their respective officers, directors, employees, agents, advisors, attorneys, and representatives from and against all losses, claims, liabilities, damages, and expenses (including, without limitation, fees and expenses of counsels) for any actions, omissions, or events arising from or directly related to the DIP Financing, except to the extent resulting from such DIP Lender's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

25. Protection of DIP Lenders' Rights.

(a) So long as there are any DIP Obligations outstanding, the Prepetition Secured Lenders shall: (A) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Prepetition Loan Documents or this Interim DIP Order or otherwise seek to exercise or enforce any rights or remedies against the DIP Collateral (including without limitation, in connection with the Adequate Protection Liens or settling any insurance policy with respect thereto) or take any action to frustrate the lawful exercise of remedies by the Senior DIP Lender with respect to the Senior DIP Obligations or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender; (B) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, any DIP Collateral (but not any proceeds of such transfer, disposition, sale or release) to the extent such transfer, disposition, sale or release is authorized under the DIP Documents or consented to thereunder; (C) not file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral other than solely as to this clause (C), (x) to perfect the liens granted pursuant to this Interim DIP Order, or (y) as may be required by applicable state or foreign law to complete a previously commenced process of perfection or to continue the perfection of valid and nonavoidable liens or security interests existing as of the Petition Date; and (D) deliver or cause to be delivered any termination statements, releases and/or assignments in favor of the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of the DIP Collateral subject to any sale or disposition permitted by the DIP Documents and this Interim DIP Order.

(b) So long as there are any Senior DIP Obligations outstanding, the Junior DIP Lender shall: (A) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Junior DIP Documents or this Interim DIP Order or otherwise seek to exercise or enforce any rights or remedies against the DIP Collateral (including without limitation, settling any insurance policy with respect thereto), including in connection with the Junior DIP Priming Liens, or take any action to frustrate the lawful exercise of remedies by the Senior DIP Lender with respect to the Senior DIP Obligations, (B) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, any DIP Collateral to the extent such transfer, disposition, sale or release is authorized under the Senior DIP Documents or consented to thereunder, (C) not file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral other than (x) to perfect the liens granted pursuant to this Interim DIP Order or (y) as may be required by applicable state or foreign law to complete a previously commenced process of perfection or to continue the perfection of valid and non-avoidable liens or security interests existing as of the Petition Date; or (D) deliver or cause to be delivered any termination statements, releases and/or assignments in favor of the Senior DIP Lender or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of the DIP Collateral subject to any sale or disposition permitted by the Senior DIP Documents and this Interim DIP Order.

(c) To the extent, at any time, any Prepetition Lender has possession of, or control over, any Prepetition Secured Lenders' Collateral or DIP Collateral, or has been listed as a secured party on any certificate of title for a titled good constituting Prepetition Secured Lenders'

Collateral or DIP Collateral, such Prepetition Lender shall be deemed to have such possession or be so listed or have such possession or control as a gratuitous bailee and/or gratuitous agent for the benefit of the DIP Lenders (subject to the terms set forth in this Interim DIP Order and the DIP Documents), and such Prepetition Lender shall comply with the instructions of the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, with respect to any of the foregoing. Each applicable DIP Lender is hereby authorized to take any of the actions described in this paragraph (c) on behalf of the Prepetition Secured Lenders and/or the Junior DIP Lenders (as applicable), and such authorization is coupled with an interest and is irrevocable.

(d) To the extent, at any time, the Junior DIP Lender has possession of, or control over, any DIP Collateral, or has been listed as a secured party on any certificate of title for a titled good constituting DIP Collateral, the Junior DIP Lender shall be deemed to have such possession or be so listed or have such possession or control as a gratuitous bailee and/or gratuitous agent for the benefit of the Senior DIP Lender, and the Junior DIP Lender shall comply with the instructions of the Senior DIP Lender with respect to any of the foregoing, unless and until the Senior DIP Facility has been indefeasibly repaid in full in cash. This authorization is coupled with an interest and is irrevocable.

(e) Unless and until the DIP Facility has been indefeasibly repaid in full in cash, any proceeds of DIP Collateral received by the Prepetition Secured Lenders, whether in connection with the exercise of any right or remedy (including setoff) relating to the DIP Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in the same form as received, with any necessary endorsements, or as a court

of competent jurisdiction may otherwise direct. The Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, is hereby authorized to make any such endorsements as agent for the Prepetition Secured Lenders. This authorization is coupled with an interest and is irrevocable.

(f) Unless and until the Senior DIP Facility has been indefeasibly repaid in full in cash, any proceeds of DIP Collateral received by the Junior DIP Lender, whether in connection with the exercise of any right or remedy (including setoff) relating to the DIP Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Senior DIP Lender is hereby authorized to make any such endorsements as agent for the Junior DIP Lender. This authorization is coupled with an interest and is irrevocable.

(g) Except as set forth herein, any proceeds of Prepetition Secured Lenders' Collateral received by any Prepetition Lender, whether in connection with the exercise of any right or remedy (including setoff) relating to the Prepetition Secured Lenders Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The applicable DIP Lender is hereby authorized to make any such endorsements as agent for the applicable Prepetition Secured Lenders. This authorization is coupled with an interest and is irrevocable.

26. If an order dismissing these Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is entered at any time prior to the DIP Obligations being Paid in

Full, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (a) subject to the Carve Out, the Superpriority Claims, Priming DIP Liens granted to the DIP Lenders, and the Adequate Protection Obligations (as defined below) granted to the Prepetition Secured Lenders shall continue in full force and effect and shall maintain their priorities as provided in the DIP Orders until all DIP Obligations shall have been indefeasibly Paid in Full and the Prepetition Secured Lenders Obligations shall have been indefeasibly paid in full (and that, subject to the Carve Out, such Superpriority Claims, Priming DIP Liens, and Adequate Protection Obligations, shall, notwithstanding such dismissal, remain binding on all parties in interest) and (b) to the extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (a) above.

27. If any or all of the provisions of this Interim DIP Order are hereafter reversed or modified on appeal such reversal or modification on appeal shall not affect the validity of the DIP Obligations or any priority or lien granted hereby, whether or not the DIP Lenders or the Prepetition Secured Lenders knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal. To the extent permitted by applicable law, notwithstanding any reversal, stay, modification or vacation, any use of Cash Collateral or DIP Obligations incurred by the Debtors or their estates prior to the actual receipt of written notice by the DIP Lenders of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by the original provisions of the DIP Orders, and the DIP Lenders and the Prepetition Secured Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in section 364(e) of the

Bankruptcy Code, this Interim DIP Order and pursuant to the DIP Documents with respect to all uses of Cash Collateral and the DIP Obligations.

28. Except as expressly provided in the DIP Orders or in the DIP Documents, or until the DIP Obligations are Paid in Full, the Priming DIP Liens, the Superpriority Claims, the Adequate Protection Obligations and all other rights and remedies of the DIP Lenders and Prepetition Secured Lenders granted by the provisions of the DIP Orders and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (a) the entry of an order converting these Chapter 11 Cases to a case under chapter 7, or dismissing these Chapter 11 Cases or (b) the entry of an order confirming a plan of reorganization in these Chapter 11 Cases (other than a plan of reorganization which is consistent with the terms of the Plan) and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors waive any discharge as to any remaining DIP Obligations and Adequate Protection Obligations. The terms and provisions of the DIP Orders and the DIP Documents shall continue in these Chapter 11 Cases, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Priming DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, and all other rights and remedies of the DIP Lenders and Prepetition Secured Lenders granted by the provisions of this Interim DIP Order and the DIP Documents shall continue in full force and effect until the DIP Obligations are Paid in Full and the Prepetition Lender Obligations are indefeasibly paid in full.

29. Treatment of DIP Obligations and Adequate Protection Obligations in the Plan. Subject to and effective only upon entry of the Final DIP Order, notwithstanding anything to the contrary in the DIP Orders or in the DIP Documents, any plan of reorganization proposed by the Debtors shall provide for the treatment of the DIP Obligations, the Priming DIP Liens, the

Superpriority Claims, and the Adequate Protection Obligations on terms that are consistent with the terms of the Plan and the RSA.

30. Right to Credit Bid. Subject to section 363(k) of the Bankruptcy Code, each of the DIP Lenders shall (i) upon entry of the Interim DIP Order, have the right to "credit bid" the full amount of its respective DIP Obligations authorized pursuant to this Interim DIP Order and (ii) upon entry of the Final DIP Order, have the right to "credit bid" the full amount of its claim, in each case, in connection with any sale of all or any portion of the Debtors' assets, including, without limitation, a sale transaction under section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. Subject to (i) section 363(k) of the Bankruptcy Code, (ii) entry of the Final DIP Order, (iii) the Challenge Period and (iv) the indefeasible payment in full in cash of the DIP Obligations or the consent of the DIP Lenders, the Prepetition Secured Lenders shall have the right to "credit bid" the full amount of their respective claims in connection with any sale of all or any portion of the Debtors' assets, including, without limitation, a sale transaction under section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. Notwithstanding anything contained in this Paragraph 30 to the contrary, the DIP Lenders and the Prepetition Secured Lenders shall only be entitled to exercise their respective credit bid rights in the event of an Alternative Transaction.

31. Adequate Protection of the Prepetition Secured Lenders. The consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens is limited to the DIP Financing presently before this Court and authorized by this Interim DIP Order (as amended, supplemented, or otherwise modified in accordance with the terms thereof

and hereof), and shall not be deemed to extend to any other postpetition financing with any other party (other than any permitted successors and assigns of the DIP Lenders) or any increase in the total amount of the DIP Financing approved by this Interim DIP Order. Furthermore, the consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens as provided in this Interim DIP Order does not constitute, and shall not be construed as constituting, an acknowledgment or stipulation by the Prepetition Secured Lenders that their interests in the Prepetition Secured Lenders Collateral are adequately protected pursuant to this Interim DIP Order or otherwise. Nothing in this Interim DIP Order, including any of the provisions herein with respect to adequate protection, shall constitute, or be deemed to constitute, a finding that the interests of the Prepetition Secured Lenders are or will be adequately protected with respect to any non-consensual use of Cash Collateral or non-consensual priming of the Prepetition Liens.

(a) Adequate Protection Obligations. Until the indefeasible repayment in full in cash of the Prepetition Secured Lenders Obligations, as adequate protection for the interests of the Prepetition Secured Lenders in the Prepetition Secured Lenders Collateral, each of the Prepetition Secured Lenders is hereby granted the following (collectively, "Adequate Protection"):

a. Adequate Protection Liens. Pursuant to sections 361(2), 362, 363(c)(2), and 363(e) of the Bankruptcy Code, each of the Prepetition Secured Lenders is hereby granted a continuing valid, binding, enforceable and perfected, lien and security interest in and on all of the DIP Collateral and any proceeds thereof (the "Adequate Protection Liens"). The Adequate Protection Liens shall be subordinate only to (1) the Carve Out, (2) the Priming DIP Liens, and

(3) subject to entry of the Final DIP Order, any valid, perfected, unavoidable liens or security interests in existence as of the Petition Date, or that are perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b). The Adequate Protection Liens shall be deemed legal, valid, binding, enforceable, and perfected liens, not subject to subordination, impairment or avoidance, for all purposes in these Chapter 11 Cases and any successor case. Except as described above, no other liens or security interests, whether for adequate protection or otherwise, shall be senior, equal to or *pari passu* with the Adequate Protection Liens in these Chapter 11 Cases or any successor case without the prior written consent of the Prepetition Secured Lenders (which consent may be withheld in their sole and absolute discretion).

b. Adequate Protection Claims. As and to the extent provided by section 507(b) of the Bankruptcy Code, each of the Prepetition Secured Lenders shall have an allowed superpriority administrative expense claim in these Chapter 11 Cases and any successor case (the "Adequate Protection Claim") against the Debtors and their estates. The Adequate Protection Claim shall have the priority set forth in Section 507(b) of the Bankruptcy Code; provided that the Adequate Protection Claim shall be subordinate to (1) the Carve Out, (2) the Priming DIP Liens, and (3) the Superpriority Claims. Except as described above, no cost or expense of administration under any provision of the Bankruptcy Code (whether incurred in these Chapter 11 Cases or any successor case, whether for adequate protection, the lack of, or failure to

provide, adequate protection, or otherwise), shall be senior to, equal to, or *pari passu* with, the Adequate Protection Claims.

(b) Adequate Protection Obligations. The Adequate Protection Liens and Adequate Protection Claims shall secure the payment of the Prepetition Secured Lenders Obligations in an amount equal to any diminution in the value of the interests of the Prepetition Secured Lenders in the Prepetition Secured Lenders Collateral from and after the Petition Date (the amount of such diminution, the "Adequate Protection Obligations"). The Adequate Protection Obligations shall also be deemed to include the other obligations arising on account of the Adequate Protection set forth herein.

(c) Reservation of Rights of Prepetition Secured Lenders. Notwithstanding any other provision hereof, the relief granted hereby is without prejudice to the right of the Prepetition Secured Lenders to seek additional adequate protection of their interests. The Prepetition Secured Lenders acknowledges that the Priming DIP Liens securing the DIP Obligations are senior to the Prepetition Liens securing the Prepetition Secured Lenders Obligations, and the Superpriority Claims are senior to the Prepetition Secured Lenders Obligations. Except as expressly provided herein, nothing contained in this Interim DIP Order shall impair or modify any rights, claims or defenses available in law or equity to the Prepetition Secured Lenders. The consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens and the Carve Out is limited to the Senior DIP Facility, Junior DIP Facility and the Carve Out and does not constitute, and shall not be construed as constituting, an acknowledgement or

stipulation by the Prepetition Secured Lenders that, absent such consent, their interests in the Prepetition Secured Lenders Collateral would be adequately protected pursuant to this Interim DIP Order.

32. Subject to the entry of the Final DIP Order, as a further condition of the DIP Financing, any obligation of the DIP Lenders to make the loans under the DIP Financing, and the Debtors' authorization to use the Cash Collateral, the Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the DIP Lenders, the Priming DIP Liens, the DIP Collateral, the Prepetition Secured Lenders, the Adequate Protection Liens, the Prepetition Liens or the Prepetition Secured Lenders Collateral. Except for the Carve Out, nothing contained in this Interim DIP Order, in the Final DIP Order or in the other DIP Loan Documents shall be deemed a consent by the Prepetition Secured Lenders or the DIP Lender to any charge, lien, assessment or claim against, or in respect of, the DIP Collateral or the Prepetition Secured Lenders Collateral under section 506(c) of the Bankruptcy Code or otherwise.

33. Effect of Stipulations on Third Parties. Each stipulation, admission and agreement contained in the DIP Orders, shall be binding upon the Debtors and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for the Debtors) under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all claims against the DIP Lenders as of the date of entry of the applicable DIP Order. Subject to the Challenge Period, each stipulation, admission and

agreement contained in the DIP Orders shall also be binding upon all other parties in interest under all circumstances and for all purposes.

34. Insurance and Taxes. The Debtors shall maintain insurance on all insurable Property now or hereafter owned against such risks and to the extent customary in their industry. The Debtors shall further maintain or cause to be maintained general liability and worker's compensation insurance in amounts customary in their industry. The Debtors shall provide to the DIP Lenders the number(s) of any and all insurance policies in effect, the names, addresses, and contact persons of any entities issuing such insurance and a summary of the terms and payment arrangement for any such insurance policies. The DIP Lenders shall be named the loss payees on such insurance policies.

35. Financial Reporting. The Debtors shall provide any reporting provided for under the DIP Notes and the Prepetition Loan Documents to the DIP Lenders.

36. Covenants. Unless otherwise modified pursuant to this Interim DIP Order, each of the Debtors acknowledges and agrees that it shall cause the timely compliance with all of the covenants set forth in this Interim DIP Order and the DIP Documents.

37. Approval of Roll-Up. Upon entry of this Interim Order, the Prepetition Senior Bridge Loan and the Prepetition Junior Bridge Loan shall be rolled up and converted into the Senior DIP Facility and the Junior DIP Facility, respectively, as amounts are funded, on a final basis upon the funding of any Senior DIP Facility and Junior DIP Facility, respectively, and the Prepetition Senior Bridge Loan shall be deemed indefeasibly paid. Upon entry of the final order, all remaining Prepetition Junior Bridge Obligations shall be rolled up and converted into Junior DIP Obligations on a combination of new money and a cashless basis, with the Prepetition Junior Bridge Obligations being deemed indefeasibly paid. The cashless substitution and exchange of

the Prepetition Junior Bridge Loan by "rolling up" such amount into Junior DIP Facility as described herein shall be authorized as compensation for, in consideration for, as a necessary inducement for, and on account of the agreement of the Junior DIP Lender to fund the Junior DIP Facility and not as adequate protection for, or otherwise on account of, the Prepetition Junior Bridge Obligations.

38. Binding Effect on Successors and Assigns. The DIP Documents and the provisions of the DIP Orders, including all findings herein, shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the Committee, if any, the Debtors, the Prepetition Secured Lenders, the DIP Lenders and each of their respective successors and assigns, including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the Debtors' estates, an examiner appointed pursuant to section 1104 of the Bankruptcy Code or any other fiduciary appointed as a legal representative of the Debtors or with respect to the property of the Debtors' estates) and shall inure to the benefit of the Prepetition Secured Lenders, the DIP Lenders, the Debtors, and each of their respective successors and assigns; *provided, however,* the DIP Lenders and the Prepetition Secured Lenders shall have no obligation to permit the use of Cash Collateral or to extend any financing to any chapter 7 or chapter 11 trustee or similar responsible person appointed for the estates of the Debtors. In determining to make any loan (whether under the DIP Notes or otherwise) or permit the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to the DIP Orders or the DIP Documents, the DIP Lenders shall not (i) be deemed to be in control of the operations of the Debtors, (ii) owe any fiduciary duty to the Debtors, their creditors, shareholders, or estates, or (iii) be deemed to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms,

or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601, *et seq.*, as amended, or any similar federal or state statute).

39. Effectiveness. This Interim DIP Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9024, any other Bankruptcy Rule or Rule 62(a) of the Federal Rules of Civil Procedure, the Interim DIP Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim DIP Order.

40. Waiver of any Applicable Stay. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Interim DIP Order.

41. Timeliness. Time is of the essence with respect to all performance required by this Interim DIP Order.

42. Objections Overruled or Withdrawn. All objections to the entry of the Interim DIP Order have been withdrawn or are hereby overruled.

43. Controlling Effect of Interim DIP Order. To the extent any provisions in this Interim DIP Order conflict with any provisions of the Motion, or any DIP Document, the provisions of this Interim DIP Order shall control.

44. Final Hearing**.**

(a) The Final Hearing to consider entry of the Final DIP Order and final approval of the DIP Financing shall be held on **July 21, 2025, at 9:30 a.m. (prevailing Central Time)** before this Court.

(b) On or before two (2) business days after entry of this Interim DIP Order, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim DIP Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of this Interim DIP Order and the Motion, on: (a) the Notice Parties and (b) to any Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final DIP Order shall file written objections with the Court no later than **July 14, 2025 at 4:00 p.m. (prevailing Central Time)**, which objections shall be served so that the same are received on or before such date by: (a) proposed counsel for the Debtors, Foley & Lardner LLP, 2021 McKinney Ave, Suite 1600, Dallas, TX 75201, Attn: Holland N. O'Neil (honeil@foley.com), and Foley & Lardner LLP, 1144 15th Street, Suite 2200, Denver, CO 80202, Attn: Tim Mohan (tmohan@foley.com); (b) counsel to Five Y and 2HR, Cozen O'Connor, 3 WTC, 175 Greenwich Street, 55th Floor, New York, NY 10007, Attn: Trevor Hoffmann, Esq. (thoffmann@cozen.com) and David Kirchblum, Esq. (dkirchblum@cozen.com); (c) counsel to the Guidepost Global Education, Inc. Kane Russell Logan PC, Frost Bank Tower, 401 Congress Avenue, Suite 2100, Austin, TX 78701, Attn: Jason Binford, Esq. (jbinford@krcl.com); (d) counsel to WTI, Fox Rothschild LLP, 2501 N. Harwood Street, Suite 1800, Dallas, TX

75201, Attn: Trey Monsour, Esq. (tmonsour@fixrothschild.com); (e) counsel to the Learn Capital Venture Partners IV, L.P, Inc., as collateral agent, Kane Russell Logan PC, Frost Bank Tower, 401 Congress Avenue, Suite 2100, Austin, TX 78701, Attn: Jason Binford, Esq. (jbinford@krcl.com) and (f) the U.S. Trustee, Office of the United States Trustee (Region 6), United States Department of Justice, 1100 Commerce Street, Room 976, Dallas, TX 75242, Attn: Meredyth A. Kippes (meredyth.kippes@usdoj.gov).

45. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Interim DIP Order according to its terms.

###END OF ORDER###

Submitted by:

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PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

EXHIBIT 1 TO ORDER

Senior DIP Note

SENIOR SECURED SUPERPRIORITY
DIP PROMISSORY NOTE

U.S. $5,500,000 **June [ ], 2025**

For value received, Higher Ground Education Inc., a Delaware corporation (the "Company"), Guidepost A LLC, a Delaware limited liability company, Prepared Montessorian LLC, a Delaware limited liability company, and Terra Firma Services LLC, a Delaware limited liability company, each a debtor and debtor (collectively, the "Debtors"), promise to pay to the order of YYYYY, LLC ("Five Y" or the "Senior DIP Lender"), the aggregate unpaid principal amount of all advances from time to time outstanding hereunder, together with interest and other amounts as provided herein.

WHEREAS, on June 17, 2025 (the "Petition Date"), the Debtors filed with the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") a voluntary petition for relief commencing cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

WHEREAS, the Senior DIP Lender is committing hereby to provide postpetition financing (the "Senior DIP Financing") on a senior secured, priming basis in an amount necessary to fund both the Debtor's operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Senior DIP Lender, subject to Section 6 herein, in an amount not more than $5,500,000 (the "Senior Maximum Commitment"), upon the terms and conditions set forth herein;

WHEREAS, Guidepost Global Education, Inc. (the "Junior DIP Lender") has committed to provide postpetition financing (the "Junior DIP Financing") on a junior secured, priming basis in an amount necessary to fund both the Debtor's operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Junior DIP Lender, in an amount not more than $2,500,000, upon the terms and conditions in the Junior DIP Note;

WHEREAS, the Debtors require financing in an amount necessary to fund the Debtors' normal business operations, the administrative costs of these Chapter 11 Cases and pursuit of a confirmed plan of reorganization;

WHEREAS, the Debtors have requested that the Senior DIP Lender provide a secured, multiple draw term loan credit facility of up to $5,500,000 (the "Senior DIP Financing"), including up to $1,750,000 on an interim basis, including the roll-up of $500,000 advanced to the Debtors in to the form of pre-bankruptcy bridge financing, to fund the day-to-day operating working capital needs and chapter 11 administrative costs of these Chapter 11 Cases, and the Senior DIP Lender is willing to extend such financing to the Debtors on the terms and subject to the conditions set forth herein;

NOW, THERFORE, the Debtors have entered into this debtor in possession promissory note (this "Senior DIP Note") in favor of the Senior DIP Lender to evidence the Senior DIP Financing and pursuant to the *Interim Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Junior Secured*

Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing and (V) Granting Related Relief [Docket No. _] (as amended, supplemented or otherwise modified, the "Interim DIP Order" and including the Final DIP Order (as defined below), the "DIP Order"). Capitalized terms not otherwise defined herein have the meanings given thereto in the Interim DIP Order.

1. **Advances; Increase in Principal Amount.**

(a) The Budget attached hereto as **Exhibit A** (as may be modified from time to time by the Debtors with the consent of the Senior DIP Lender in its sole and absolute discretion, subject to Section 6 herein, the **"**Budget") is hereby approved.

(b) Subject to the terms and conditions set forth in this Senior DIP Note, the Senior DIP Lender shall make advances to the Debtors as follows (each individually a "Senior Loan" and collectively, the "Senior Loans"):

(i) on the first business day after entry of the Interim DIP Order, an amount equal to $1,750,000 (the "Initial Senior Loan"**)**; and

(ii) on every other Monday after the date of the Initial Senior Loan (unless such date is not a business day at which point funding shall occur on the next succeeding business day) (each, a "Funding Date") an amount equal to the estimated "Disbursements" for the following two weeks (starting on the Funding Date) in the Budget plus $100,000; *provided, further*, that amounts that were budgeted for a prior week but not spent in such week shall be added to the budgeted amounts for the immediately succeeding week without reduction of the amounts that would otherwise have been budgeted and acceptable to the Senior DIP Lender, and the Debtor will be allowed the Permitted Variance (as defined below).

(c) Except with respect to the Initial Senior Loan, which shall be automatically funded by the Senior DIP Lender, subject to satisfaction of the Draw Conditions (defined below), on the first business day after entry of the Interim DIP Order, by noon prevailing Eastern Time on two business days immediately prior to a Funding Date, the Debtors shall give the Senior DIP Lender written notice of their request for a draw and shall specify the Funding Date (which must provide at least two business days' written notice) and the amount of the requested draw (a "Borrowing Notice"). The Borrowing Notice shall include (1) a calculation of the requested draw amount including reasonable detail regarding the cash on hand included in the calculation and the projected disbursements for the bi-weekly borrowing period, (2) an updated Budget including actuals for prior periods, and (3) a calculation of any variance from the Budget (a "Variance Report"). The Borrowing Notice shall also be accompanied by a comparison of actual weekly receipts to those set forth in the Budget. The obligation of the Senior DIP Lender to fund is subject to compliance with the terms and conditions of this Senior DIP Note, the Interim DIP Order and, subject to its entry, the *Final Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Utilize Cash Collateral; and (C) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition*

Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief (as amended, modified or otherwise supplemented, the "Final DIP Order"). The Senior DIP Lender shall be obligated to fund under this Senior DIP Note and the DIP Orders, as applicable, all amounts set forth in the Borrowing Notice (except for a variance that is not a Permitted Variance, defined below), subject to the Budget.

Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the most recently ended period of two (2) weeks, up to ten percent (10%) of the amount of the Budget (each, a "Permitted Variance"); *provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors cash needs under the Approved Budget remain "on-balance" within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget. Unused amounts set forth in the Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week.

(d) Except for a draw to fund the Carve Out and Professional Fee Reserve, following the occurrence of the Termination Date or other such event triggering the funding of the Carve Out and Professional Fee Reserve (each, a "Back-Stop Draw"), the Senior DIP Lender shall not be obligated to make any Senior Loan (including the Initial Loan hereunder), or to take, fulfill or perform any other action hereunder or under the DIP Order unless the Debtors certify, in a writing signed by an officer of the Debtors, that the following conditions (each, a "Draw Condition") are met as of the date of each draw:

(i) All of the representations and warranties contained in the Senior DIP Documents are true and correct in all material respects as of that date.

(ii) This Senior DIP Note and each other Senior DIP Document shall have been executed or entered, as applicable, and delivered, if applicable, to the Senior DIP Lender in form and substance reasonably acceptable to the Senior DIP Lender, subject to Section 6 herein, and shall be in full, force and effect in all material respects.

(iii) The consummation of the transactions contemplated hereby or entered into in contemplation hereof shall not contravene, violate, or conflict with, nor involve the Senior DIP Lender in, a violation of applicable law or regulation in any material respect.

(iv) All consents, authorizations and filings, if any, required in connection with the execution, delivery and performance by the Debtor, and the validity and enforceability against the Debtor, of the Senior DIP Note, shall have been obtained or made, and such consents, authorizations and filings shall be in full force and effect in all material respects.

(v) Prior to the making of the Initial Senior Loan, the Senior DIP Lender shall have received a schedule describing all material insurance maintained by the Debtors.

(vi) The Senior DIP Lender shall have received a copy of the applicable DIP Order, and such DIP Order shall have been entered by the Bankruptcy Court in form and substance acceptable to the Senior DIP Lender in its reasonable discretion, subject to Section 6 herein, and shall be in full force and effect and shall not have been vacated, stayed, reversed, modified, or amended.

(vii) No event shall have occurred and be continuing, or would result from the Senior Loan requested thereby, that with the giving of notice or the passage of time or both, would constitute an Event of Default (as defined below) and no Event of Default shall be continuing.

(viii) Except with respect to the Initial Senior Loan, the Debtors shall have timely delivered a Borrowing Notice related to such Loan that was in form and substance satisfactory to the Senior DIP Lender and consistent with the Budget. For the avoidance of doubt, the Debtors may not draw amounts under the Senior DIP Financing in excess of the Budget, and the amounts requested by the Debtors shall be used for an authorized purpose and in accordance with the Budget, subject to a Permitted Variance.

(ix) The aggregate principal and amount of all Senior DIP Loans extended shall not exceed the Senior Maximum Commitment.

(x) The Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the Senior DIP Lender, the Senior DIP Liens, or the DIP Collateral (as defined in the Interim DIP Order).

(xi) All information, approvals, documents or other instruments as Senior DIP Lender may reasonably request, and which are customary for postpetition lenders or plan sponsors to request, shall have been received by Senior DIP Lender in all material respects.

If the Draw Conditions are met, the Senior DIP Lender shall make each properly authorized Senior Loan in immediately available funds by wire transfer to an account designated by the Debtors, as soon as practicable, but in no event later than the noon prevailing Eastern Time on the applicable Funding Date.

If the Senior DIP Lender will not fund because one of the foregoing conditions is not satisfied (a "Funding Condition Deficiency"), the Senior DIP Lender will provide the Debtors with notice of the Funding Condition Deficiency before the scheduled Funding Date, and provide the Debtors the reasonable opportunity to cure such Funding Condition Deficiency to the extent such Funding Condition Deficiency is capable of being cured prior to the scheduled Funding Date or by such later deadline as may otherwise be agreed in writing by Senior DIP Lender.

Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or

such other event triggering the funding of the Carve Out, the Debtors and Senior DIP Lender shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the "Estimated Carve Out") and, if the amount of cash on hand with the Debtors is less than the Estimated Carve Out, the Senior DIP Lender shall fund a Back-Stop Draw under the Senior DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors' cash on hand as of such date, automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and Professional Fee Reserve, the Debtors' cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the Senior DIP Lender shall fund additional Back-Stop Draws automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw to cover any such shortfall.

2. Interest; Payments.

(a) The Senior Loans shall bear interest on the unpaid principal amount thereof plus all obligations owing to the Senior DIP Lender pursuant to this Senior DIP Note, including without limitation, all interest, fees, and costs accruing thereon, and all the Senior DIP Lender's other rights (collectively, the "Senior DIP Obligations") from the applicable Funding Date (and, with respect to the Initial Loan, from the date hereof) to and including the Maturity Date (defined below), at a fixed rate per annum equal to nine percent (9%), calculated on the basis of a 360-day year for the actual number of days elapsed.

(b) Accrued, unpaid interest on the Senior Loans shall be compounded on the last day of each calendar month. After the Maturity Date and/or after the occurrence and during the continuance of an Event of Default (defined below), the Senior DIP Obligations shall bear interest at a rate equal to twelve percent (12%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed (the "Default Rate").

(c) Notwithstanding anything to the contrary set forth in this Section 2, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate.

(d) Except as otherwise set forth herein or in the DIP Orders, or as otherwise contemplated by the terms of the Plan, the Senior DIP Obligations, including interest, shall be due and payable on the first to occur of the following (the "Maturity Date"): (i) the Effective Date; (ii) September 30, 2025; (iii) upon acceleration of the Senior DIP Note pursuant to the terms hereof; and (iv) a Termination Date. On the Maturity Date, the Senior DIP Lender's obligation to provide Senior Loans shall terminate.

(e) The Senior DIP Lender's claim on account of the Senior DIP Obligations (the "Senior DIP Lender Claim") shall be allowed in full under the Plan. The Senior DIP Lender shall have the option, on account of being the holder of the Senior DIP Lender Claim, to exchange a total of up to 100% of the Senior DIP Lender Claim in satisfaction of such amount of

its allowed claim for up to a total of 60% of the shares of the issued equity of the reorganized debtor, at a rate of 10% of its Allowed DIP Lender Claim for 6% of the equity of the reorganized debtor (the "Subscription Option"). To the extent any amount of the Allowed DIP Lender Claim remains after the Senior DIP Lender exercises the Subscription Option, then (i) the Plan Sponsor shall repay such outstanding amount in Cash on the Effective Date, which Cash shall be separate from and in addition to the Consideration; or (ii) the Senior DIP Lender may (at its sole election) consent to the offset or other non-Cash satisfaction of the Senior DIP Lender Claim by the Plan Sponsor until the remaining unpaid amount of the DIP Financing Claim is reduced to $0.

(f) The Senior DIP Obligations may not be prepaid in any amount, provided, for the sake of clarity, that the Debtors shall immediately repay the Senior DIP Obligations in full in cash in the event the Debtors proceed with an Alternative Transaction (as defined below) (subject to the terms of the RSA).

3. **Covenants** Unless otherwise agreed to by the Senior DIP Lender in writing, each of the Debtors covenants and agrees that it will:

(a) Use the proceeds of the Senior Loans solely for operating working capital purposes and chapter 11 administrative costs, including professional fees, in the amounts and otherwise in accordance with and for the purposes provided for in the Budget; *provided, however*, any unused fees from prior weeks may be rolled forward into subsequent weeks. Notwithstanding the then applicable Budget, the Debtor may exceed the budgeted amount during any weekly budget period up to the Permitted Variance; *provided, further*, (i) the total amount of the Senior DIP Loans do not exceed the Senior Maximum Commitment, and (ii) none of the proceeds of the Senior DIP Loans shall be used by any party in interest to take any action or to otherwise assert any claims or causes of action against the Senior DIP Lender in any capacity (except for the purposes of enforcement of the DIP Orders or this Senior DIP Note).

(b) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and property and all legal requirements in all material respects; and, upon the reasonable request and with reasonable frequency of the Senior DIP Lender, provide copies of, or access to, its books and records, and to discuss the business, operations, assets, and financial and other condition of the Debtor with officers and employees thereof and with their independent certified public accountants (but excluding privileged information) as is reasonably related to the Senior DIP Loan.

(c) Promptly give written notice to the Senior DIP Lender after becoming aware of the same: (i) of the occurrence of any Default or Event of Default; (ii) of any (A) default or event of default under any instrument or other material agreement, guarantee or document of the Debtor (including, without limitation, the Junior DIP Documents) or (B) litigation, investigation or proceeding that may exist at any time between the Debtor and any governmental authority after the date hereof; and (iii) of the commencement of any litigation or proceeding against the Debtor for acts occurring after the Petition Date (A) in which more than $50,000 of the amount claimed is not covered by insurance or (B) in which injunctive or similar relief is sought.

(d) At all times, cause all of the Collateral (defined below) to be subject to a first priority perfected security interest in favor of the Senior DIP Lender in accordance with the DIP Orders, subject and subordinate only to the Carve Out and the Professional Fee Reserve.

(e) Promptly, from time to time, deliver such other information regarding the operations, business affairs, and financial condition of the Debtor as the Senior DIP Lender may reasonably request.

(g) To the extent practicable and legally permissible, at least two (2) business days prior to the date when the Debtor intends to file any such pleading, motion, or other document (and, if not reasonably practicable, as soon as reasonably practicable), provide copies of all material pleadings, motions, applications, judicial information, financial information, and other documents to be filed by the Debtor in these Chapter 11 Cases that may impact the Senior DIP Lender or the Senior DIP Financing.

(h) Promptly execute and deliver such documents, instruments and agreements, and take or cause to be taken such acts and actions, as the Senior DIP Lender may reasonably request from time to time to carry out the intent of this Senior DIP Note and the DIP Orders.

(g) Not create, incur, assume, or suffer to exist any indebtedness other than (i) indebtedness outstanding on the date hereof; (ii) indebtedness in connection with the Senior Loans or the Junior DIP Financing; (iii) indebtedness in respect of fees and expenses owed to professionals retained by the Debtor, any official committee in these Chapter 11 Cases, or U.S. Trustee fees up to the amounts set forth in the Budget; and (iv) subject in all respects to the Budget, any ordinary course unsecured indebtedness of the Debtor of the type ordinarily incurred in connection with a chapter 11 bankruptcy case.

(h) Not create, incur, assume, or suffer to exist any lien upon any of its assets, whether now owned or hereafter acquired, except for liens that are permitted by the DIP Orders (including the liens securing the Prepetition Secured Lenders Obligations and the Junior DIP Obligations) and shall not cause, or permit to be caused, any direct or indirect subsidiary of the Debtor to create, incur, assume, or suffer to exist any such liens.

(i) Not enter into any merger or consolidation or amalgamation or other change of control transaction or engage in any type of business other than of the same general type now conducted by it.

(j) Not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any assets or property (including, without limitation, tax benefits), other than the sale of inventory or the licensing of intellectual property in the ordinary course of business.

(k) Not make any advance, investment, acquisition, loan, extension of credit, or capital contribution to, in, or for the benefit of any person outside the ordinary course of business.

(l) Subject in all respects to the Budget, not enter into any transaction, including, without limitation, any purchase, sale, lease, or exchange of property or the rendering of any service, with any affiliate, except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction.

(m) Not incur or apply to the Bankruptcy Court for authority to incur, or suffer to exist, any indebtedness having the priority afforded by section 364(c) of the Bankruptcy Code or (d) (including any superpriority claims) other than the financing provided for under this Senior DIP Note, unless the Senior DIP Obligations hereunder are to be irrevocably paid in full, in cash with the proceeds thereof.

(n) Not limit, affect, or modify, or apply to the Bankruptcy Court to limit, affect, or modify, any of the rights of the Senior DIP Lender with respect to the Senior DIP Obligations, including rights with respect to DIP Collateral and the priority thereof.

(o) Except with respect to the Carve Out or the Professional Fee Reserve, not incur, create, assume, suffer, or permit any claim to exist or apply to the Bankruptcy Court for the authority to incur, create, assume, suffer or permit any claim to exist against the Debtor's estate or any of its assets which is to be *pari passu* with, or senior to, the Senior DIP Obligations, unless the Senior DIP Obligations are being irrevocably repaid in full, in cash with the proceeds thereof.

Notwithstanding the foregoing, and for the avoidance of doubt, any payments permitted by the Budget will not be deemed to violate any of the foregoing covenants.

4. Event of Default.

(a) Event of Default. Each of the following events shall constitute an "Event of Default":

(i) the Debtors (A) fails to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Senior DIP Note or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in the Senior DIP Note (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in the Senior DIP Note or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender five (5) business days following written notice to the Debtor of the occurrence of such event of default);

(ii) any representation, warranty, or statement made by the Debtor herein or in the Senior DIP Note or in any certificate delivered in connection with the Senior DIP Note proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been

remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);

(iii) the security interest granted to the Senior DIP Lender ceases to be in full force and effect, or ceases to create a perfected security interest in, and lien on, the DIP Collateral purported to be created thereby;

(iv) unless otherwise agreed to by the Senior DIP Lender, the Senior DIP Note is or becomes invalid, ineffective, or unenforceable against the Debtor in any material respect, in whole or in part, or the Debtor so asserts or at any time denies the liability or the Senior DIP Obligations under the Senior DIP Note;

(v) the Court enters an order dismissing any of the Chapter 11 Cases or converting any of them to a case under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtor's business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the consent of the Senior DIP Lender in its sole and absolute discretion;

(vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code and authorizing an action by a lienholder (other than the Senior DIP Lender) with respect to assets of the Debtors on which the lienholder has a lien with an aggregate value in excess of $50,000;

(vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the Senior DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);

(viii) a debtor in possession financing order is entered in form and substance that is not acceptable to the Senior DIP Lender in its reasonable discretion or from and after the date of entry thereof, the Interim DIP Order or the Final DIP Order, as applicable, ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the Senior DIP Lender in its sole and absolute discretion;

(ix) any of the orders approving the Plan or the disclosure statement to the Plan (the "Disclosure Statement") are vacated, stayed, reversed, modified, or amended without the consent of the Senior DIP Lender;

(x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Budget or otherwise without the unanimous consent of the DIP Lenders in their its sole and absolute discretion;

(xi) the Debtors fails to obtain an order from the Court approving the Debtors' motion for authority to assume the Restructuring Support Agreement dated as of June 17, 2025 (the "RSA") entered into by, among others, the Debtor, the DIP Lenders, the Prepetition Secured Lenders, and 2HR Learning, Inc., as the proposed plan sponsor of the Plan ("Plan Sponsor")) within forty (40) days of the Petition Date;

(xii) a Company Termination Event, Consenting Party Termination Event or a GG Termination Event (each as defined in the RSA) shall have occurred, including prior to the Debtor's assumption of the RSA;

(xiii) the Debtors take any action, or as to insiders, permits any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(xiv) the Debtors fail to provide the Senior DIP Lender and its agents with reasonable access to the Debtors' books, records, and management through the Effective Date;

(xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) motion of the Debtor seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the Senior DIP Financing, or (f) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;

(xvi) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;

(xvii) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;

(xviii) any of the Chapter 11 Milestones (attached hereto as **Exhibit B**) are not satisfied;

(xix) one or more judgments or decrees is entered against any Debtor or its estate involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of

$50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed, or bonded pending appeal;

(xx) the DIP Notes or any other DIP Documents ceases, for any reason, to be in full force and effect or the Debtor shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material item of DIP Collateral described therein with the priority purported to be created by the DIP Documents;

(xxi) the Debtors fail to provide in any material respect all information, approvals, documents, or other instruments as the Senior DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;

(xxii) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtor (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an "Alternative Transaction");

(xxiii) the Court approves an Alternative Transaction;

(xxiv) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is inconsistent with the Plan or the RSA;

(xxv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on any of the Senior DIP Lender's collateral without the written consent of the Senior DIP Lender in its sole and absolute discretion;

(xxvi) the Court enters an order terminating the right of the Debtors to use the DIP Financing;

(xxvii) the Debtors fail to comply with the Budget; *provided, however*, that for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Budget of up to 10% of the amount of the Budget are permitted (provided that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors cash needs under the Approved Budget remain "on-balance" within any given four week period), and unused amounts set forth in the Budget for any

disbursement line item may be carried forward and used to fund such line item in any subsequent week;

(xxviii) without the consent of the Senior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Senior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender may be entitled to indemnification by the Debtors; or

(xxiv) The Debtors, without the Senior DIP Lender's prior written consent (which shall be given or refused in the Senior DIP Lender's sole and absolute discretion) seek to modify, vacate or amend the DIP Orders or any DIP Documents.

(xxv) (a)The Debtors fail to make any payment (whether of principal, interest or any other amount) in respect of the Junior DIP Documents, when and as the same shall become due and payable or (b) any event or condition occurs that results in any indebtedness under the Junior DIP Documents becoming due prior to its scheduled maturity or that enables or permits (with or without notice the giving of notice, the lapse of time, or both) the holder or holders of any indebtedness under the Junior DIP Documents or any trustee or agent on its or their behalf to cause any Junior DIP Obligations to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity.

(b) Upon the occurrence of an Event of Default and after five (5) business days' written notice by the Senior DIP Lender to the Notice Parties (the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the Senior DIP Lender shall be permitted to exercise any remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Bankruptcy Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court determines during the Default Notice Period that an Event of Default has not occurred:

(i) declare all or any portion of the outstanding Senior DIP Obligations due and payable, whereupon the same shall become forthwith due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Debtors;

(ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the Senior DIP Lender);

(iii) enforce all liens and security interests in the DIP Collateral;

(iv) institute proceedings to enforce payment of such Senior DIP Obligations;

(v) terminate the obligation of the Senior DIP Lender to make Senior Loans; and

(vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the Senior DIP Note, the Bankruptcy Code, other applicable law or pursuant to the DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

provided, however, the Senior DIP Lender shall continue to fund the Debtor's operations, pursuant to the Budget, through the Default Notice Period.

(c) The Debtors and the Committee (if any), and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period, then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

(c) Subject to Section 4(b) above, if any Event of Default shall occur and be continuing, the Senior DIP Lender may exercise in addition to all other rights and remedies granted to it in this Senior DIP Note and the DIP Orders, all rights and remedies of a secured party under the UCC (as defined below) or other applicable law. Without limiting the generality of the foregoing, each of the Debtors, on behalf of their estates, expressly agrees that in any such event the Senior DIP Lender, without demand of performance or other demand, advertisement, or notice of any kind (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) to or upon the Debtor or any other person (all and each of which demands, advertisements, and/or notices (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate, and realize upon the DIP Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said DIP Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Senior DIP Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Senior DIP Lender shall have the right upon any such public sale or sales to purchase for cash or by credit bidding all or a part of the Senior DIP Obligations the whole or any part of said DIP Collateral so sold, free of any right or equity of redemption, which equity of redemption the Debtor hereby releases. Each of the Debtors, on behalf of its estate, further agrees, at the Senior DIP Lender's request, to

assemble the DIP Collateral constituting movable tangible personal property and make it available to the Senior DIP Lender at places that the Senior DIP Lender shall reasonably select. The Senior DIP Lender shall apply the proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Senior DIP Obligations in the order reasonably deemed appropriate by the Senior DIP Lender, the Debtors' estates remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Senior DIP Lender of any other amount required by any provision of law, including section 9-608(a)(1)(C) of the UCC, shall the Senior DIP Lender account for and pay over the surplus, if any, to the Debtor. To the maximum extent permitted by applicable law, the Debtors waive all claims, damages, and demands against the Senior DIP Lender arising out of the repossession, retention, or sale of the DIP Collateral except such as arise out of the gross negligence or willful misconduct of the Senior DIP Lender. The Debtors agrees that the Senior DIP Lender need not give more than five (5) business days' notice to the Debtors (which notification may run concurrently with any notice required under the DIP Orders and shall be deemed given when mailed, electronically delivered or delivered on an overnight basis, postage prepaid, addressed to the Debtors at the address set forth below) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Debtors' estates shall remain liable for any deficiency if the proceeds of any sale or disposition of the DIP Collateral are insufficient to pay all amounts to which the Senior DIP Lender is entitled.

(d) Subject to Section 4(b) above, except as otherwise expressly provided herein and in the DIP Orders, the Debtors hereby waive presentment, demand, protest, or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Senior DIP Note or any DIP Collateral. The Debtors' estates shall also pay all of the Senior DIP Lender's reasonable costs of collection if any Senior DIP Obligations are not paid when due, including, without limitation, court costs, collection expenses, reasonable out-of-pocket attorneys' fees, and other expenses which the Senior DIP Lender may incur or pay in the prosecution or defense of its rights hereunder, whether in judicial proceedings, including bankruptcy court and appellate proceedings, or whether out of Court.

(d) Except with respect to the payment of the Carve Out, the Senior DIP Lender's agreement to provide the Senior DIP Financing in accordance with the Senior DIP Documents and the Debtor's authorization to use Cash Collateral shall immediately and automatically terminate (except as the Senior DIP Lender may otherwise agree in writing in its reasonable discretion), upon the earliest to occur of any of the following (each, a "Termination Date"):

(i) September 30, 2025;

(ii) the date of final indefeasible payment and satisfaction in full in cash of the Senior DIP Obligations;

(iii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than Senior DIP Lender under section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the Senior DIP Obligations or

unless such financing is subordinate to the Senior DIP Obligations and consented to in writing by the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion);

(iv) the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(v) the DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion);

(vi) the Effective Date; or

(vii) upon expiration of the Default Notice Period.

5. Security.

(a) To induce the Senior DIP Lender to make the Senior Loans, each Debtor hereby grants to the Senior DIP Lender, as security for the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Senior DIP Obligations, a continuing first priority lien and security interest (subject and subordinate only to the Carve Out) in and to any and all right, title or interest of the Debtor in and to all of the following, whether presently existing or at any time hereafter acquired, whether owned, leased or otherwise possessed, (capitalized terms used in clauses (i) through (xix) and not otherwise defined herein shall have the meanings provided for such term in the Uniform Commercial Code in effect on the date hereof in the State of Delaware (the "UCC")):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Deposit Accounts, including any monies or other property held therein;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles, including all intellectual property, including any trademarks or tradenames, and any licenses;

(vii) all Goods;

(viii) all Instruments;

(ix) all Inventory;

(x) all Investment Property;

(xi) all Letter-of-Credit Rights;

(xii) all real property;

(xiii) all motor vehicles;

(xiv) all Commercial Tort Claims;

(xv) all books and records pertaining to the Debtor, its business and any property described herein;

(xvi) all other personal property and other assets of the Debtor, whether tangible or intangible, wherever located, including money, letters of credit, and all rights of payment or performance under letters of credit;

(xvii) to the extent not otherwise included, all monies and other property of any kind that is received by the Debtor in connection with any refunds with respect to taxes, assessments and other governmental charges;

(xviii) all insurance claims; and

(xix) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits, and products of, each of the foregoing, and any proceeds of insurance, indemnity, warranty or guaranty payable to the Debtors' estates from time to time with respect to any of the foregoing.

(b) The granting clause herein is intended to supplement (not supersede) that which is provided for in the DIP Orders and the Senior Loans and any other indebtedness or obligations, contingent or absolute (including, without limitation, the principal thereof, interest thereon, and costs and expenses owing in connection therewith) which may now or from time to time hereafter be owing by the Debtors to the Senior DIP Lender under the Senior DIP Note shall be secured as set forth herein, in the DIP Orders.

(c) The DIP Orders provide for the perfection, maintenance, protection, and enforcement of the Senior DIP Lender's security interest in the DIP Collateral. Upon the request of the Senior DIP Lender, the Debtors shall deliver to the Senior DIP Lender those Senior DIP Documents necessary or desirable to perfect the Senior DIP Lender's lien, including in letters of credit on which the Debtors are named as beneficiary and all acceptances issued in connection therewith. The Debtors shall take such other reasonable steps as are deemed necessary or desirable to maintain the Senior DIP Lender's security interest in the DIP Collateral.

(d) The Debtor hereby authorizes the Senior DIP Lender to execute and file financing statements or continuation statements, and amendments thereto, on the Debtor's behalf covering the DIP Collateral. The Senior DIP Lender may file one or more financing statements disclosing the Senior DIP Lender's security interest under this Senior DIP Note without the signature of the Debtors appearing thereon. The Senior DIP Lender shall pay the costs of, or incidental to, any recording or filing of any financing statements concerning the DIP Collateral. The Debtors agree

that a carbon, photographic, photostatic, or other reproduction of this Senior DIP Note or of a financing statement is sufficient as a financing statement.

(e) Except as otherwise provided for in this Senior DIP Note or in any DIP Order, or as otherwise contemplated by the terms of the RSA, until all Senior DIP Obligations have been fully satisfied in cash and the Senior DIP Lender shall have no further obligation to make any Senior Loans hereunder, the Senior DIP Lender's security interest in the DIP Collateral, and all proceeds and products thereof, shall continue in full force and effect.

(f) Notwithstanding the preceding paragraphs, or any failure on the part of the Debtors to take any of the actions set forth therein, the liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the final DIP Order. No financing statement, notice of lien, mortgage, deed of trust or similar instrument in any jurisdiction or filing office need be filed or any other action taken in order to validate and perfect the liens and security interests granted by or pursuant to this DIP Note and the DIP Orders.

(g) Other than with respect to the Carve Out and the Professional Fee Reserve, the priority of the Senior DIP Lender's liens on the DIP Collateral shall be senior to all liens existing as of the Petition Date and for so long as any Senior DIP Obligations shall be outstanding, the Debtors hereby irrevocably waive any right, pursuant to sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any lien of equal or greater priority than the liens securing the Senior DIP Obligations, or to approve a claim of equal or greater priority than the DIP Obligations, unless otherwise permitted or provided for in the DIP Orders or effective upon the granting of any such lien or priority, the DIP Obligations shall be irrevocably paid in full in cash and the obligation to make Senior DIP Loans hereunder terminated.

(h) Upon entry of, subject to and in accordance with the DIP Orders, the Senior DIP Obligations of the Debtor hereunder and under the other Senior DIP Documents and the DIP Orders, shall at all times constitute allowed superpriority claims pursuant to section 364(c)(1) of the Bankruptcy Code.

(i) It is expressly agreed by the Debtors that, anything herein to the contrary notwithstanding, the Debtors shall remain liable under their postpetition contractual obligations to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and the Senior DIP Lender shall not have any obligation or liability under any contractual obligations by reason of or arising out of this Senior DIP Note unless otherwise agreed to in writing by the Senior DIP Lender, and the Senior DIP Lender shall not be required or obligated in any manner to perform or fulfill any of the obligations of the debtors' estates under or pursuant to any contractual obligations, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any contractual obligations, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

(j) Each Debtor hereby appoints the Senior DIP Lender, or any other person who the Senior DIP Lender may designate, as the Debtors' attorney-in-fact (such appointment being

coupled with an interest and being irrevocable until Senior DIP Lender's liens and claims shall have been satisfied), at any time after (i) termination of the automatic stay (A) to do any act which Debtor is obligated to do hereunder, or (B) to exercise any of the rights and remedies available under the UCC or other applicable law to a secured party with a lien having the same priority as the Senior DIP Lender's lien on the DIP Collateral (and all acts of such attorney in fact or designee taken pursuant to this section are hereby ratified and approved by the Debtor and said attorney or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law, except for gross negligence or willful misconduct); *provided, however*, the Senior DIP Lender shall provide prior or contemporaneous telephonic and electronic notice to the Debtors and any creditor entitled to notice with respect to any affected DIP Collateral of the exercise of any or all of its above-stated rights and powers.

6. Treatment of the Plan Sponsor and Senior DIP Lender.

Notwithstanding anything to the contrary contained herein, the form and substance of any and all legal and economic rights and treatment of the Plan Sponsor and the Senior DIP Lender in the Plan, the DIP Orders, the Senior DIP Note and any other orders entered by the Bankruptcy Court, or any other operative document, shall be subject to the consent of the Plan Sponsor and the Senior DIP Lender, in their respective reasonable discretion; provided that the terms of the Budget shall be mutually agreed upon by the Debtors and the DIP Lenders in an aggregate amount not to exceed $8,000,000, as may be modified from time to time by the Debtors with the consent of the DIP Lenders in their sole and absolute discretion, but without need for further Court approval. The order confirming the Plan shall be in a form and substance reasonably acceptable to the Senior DIP Lender in its reasonable discretion, and subject to the Subscription Option, shall provide for the Senior DIP Lender to be issued 100% of the equity of the reorganized Debtors free and clear of all liens, claims, rights, interests, security interests, and encumbrances of any kind (other than those expressly identified in writing as acceptable to the Senior DIP Lender in its sole and absolute discretion).

7. Miscellaneous.

(a) No course of action or delay or omission of Senior DIP Lender in exercising any right or remedy hereunder or under any other agreement or undertaking securing or related to this Senior DIP Note shall constitute or be deemed to be a waiver of any such right or remedy, and a waiver on the one occasion shall not operate as a bar to or waiver of any such right or remedy on any future occasion. The rights and remedies of Senior DIP Lender as provided herein shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Senior DIP Lender, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

(b) Subject to and limited by the DIP Orders, the Debtors agree to pay or reimburse the Senior DIP Lender for all of its reasonable costs and expenses incurred in connection with the collection, enforcement or preservation of any rights under this Senior DIP Note and the other Senior DIP Documents, including, without limitation, the fees and disbursements of

counsel for the Senior DIP Lender, including reasonable attorneys' fees out of court, in trial, on appeal, in bankruptcy proceedings, or otherwise.

(c) This Senior DIP Note shall be binding upon and inure to the benefit of the Debtor and the Senior DIP Lender and their respective administrators, personal representatives, legal representatives, heirs, successors and assigns, except that no Debtor shall assign or transfer any of its rights and/or obligations hereunder, and any such assignment or transfer purported to be made by Debtor shall be null and void. The Senior DIP Lender may at any time transfer or assign (or grant a participation in) any or all of its rights and/or obligations hereunder without the consent of the Debtors.

(d) If any provision of this Senior DIP Note is invalid, illegal, or unenforceable, the balance of this Senior DIP Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(e) This Senior DIP Note shall be governed by and construed in all respects under the laws of the State of New York (except as governed by the Bankruptcy Code), without reference to its conflict of laws rules or principles. Each of the parties submits to the exclusive jurisdiction of the Bankruptcy Court for the Northern District of Texas or (if the Bankruptcy Court lacks or declines jurisdiction) any state or federal court sitting in the State of Texas, in any action or proceeding arising out of or relating to the Senior DIP Note, and each party agrees that all claims in respect of the action or proceeding may be heard and determined in any such court and agrees not to bring any action or proceeding arising out of or relating to the Senior DIP Note in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Each party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such party by sending or delivering a copy of the process to the party to be served at the address of the party and in the manner provided for the giving of notices in Section 7(h) below. Each party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law.

(f) **THE SENIOR DIP LENDER AND THE DEBTORS HEREBY KNOWINGLY VOLUNTARILY, INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREIN, OR ARISING OUT OF UNDER OR IN CONNECTION WITH THIS SENIOR DIP NOTE AND THE OTHER SENIOR DIP DOCUMENTS.**

(g) The Debtors, at their own expense, which shall be provided for in the Budget, shall take any lawful actions and execute, deliver, file and register any documents that the Senior DIP Lender may, in its discretion, deem reasonably necessary or appropriate in order to further the purposes of this Senior DIP Note.

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

(i) If to the Debtors:

Higher Ground Education, Inc.
1321 Upland Dr. PMB 20442
Houston, Texas 77043
Attn: Jon McCarthy
Email: board@tohigherground.com

and

FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Attention: Holland N. O'Neil, Esq.
Email: honeil@foley.com

and

1144 15th Street, Ste. 2200
Denver, CO 80202
Attention: Tim Mohan
Email: tmohan@foley.com

(ii) If to the Senior DIP Lender:

YYYYY, LLC
2028 E Ben White Blvd, Ste 240-2650
Austin, TX 78741
Attention: Andrew Price, Chief Financial Officer
Email: andy.price@trilogy.com

and

Cozen O'Connor
3 WTC, 175 Greenwich Street
55th Floor
New York, New York 10007
Attention: Trevor R. Hoffmann; David Kirchblum
Email: thoffmann@cozen.com; dkirchblum@cozen.com
Phone: 212-453-3735; 215-665-6907

or to such other address as any party hereto shall notify the other parties hereto (as provided above) from time to time.

IN WITNESS WHEREOF, the Debtors have executed this Senior DIP Note as of the date first written above.

BORROWERS:

HIGHER GROUND EDUCATION INC.

By: _____
Name: _____
Title: _____

GUIDEPOST A LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title:

PREPARED MONTESSORIAN LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name:
Title: _____

TERRA FIRMA SERVICES LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

EXHIBIT A TO DIP NOTE

BUDGET

HGE Weekly DIP Budget - DRAFT

June 17, 2025

Week of Forecast	1	2	3	4	5	6	7	8	9	10	After	Post-Petition
Week Ending	6/20/2025	6/27/2025	7/4/2025	7/11/2025	7/18/2025	7/25/2025	8/1/2025	8/8/2025	8/15/2025	8/22/2025	August 22	Total
	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.	Fcst.
Tuition Receipts - Closed Schools	–	–	–	–	–	–	–	–	–	–	–	–
Other Receipts	–	–	–	–	–	–	–	–	–	–	–	–
Total Receipts	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Warehouse Rent	–	–	(14,140)	–	–	–	–	(14,140)	–	–	–	(28,280)
School Operations - Refunds[1]	(130,000)	(120,000)	(80,000)	(80,000)	(80,000)	(80,000)	(60,000)	–	–	–	–	(630,000)
School Operations - Payroll	–	(306,829)	–	(455,153)	–	–	–	–	–	–	–	(761,982)
School Operations - Other Expenses	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	–	–	–	(285,720)
School Operations - Ex-North America[2]	(25,000)	–	–	–	–	–	–	–	–	–	–	(25,000)
School Operation Costs - Total	(190,715)	(462,544)	(129,855)	(570,868)	(115,715)	(115,715)	(95,715)	(49,855)	–	–	–	(1,730,982)
D&O Tail & Other Insurance	–	(575,300)	–	–	–	–	–	–	–	–	–	(575,300)
Other Disbursements	–	(575,300)	–	–	–	–	–	–	–	–	–	(575,300)
Operating Cash Flow	**(190,715)**	**(1,037,844)**	**(129,855)**	**(570,868)**	**(115,715)**	**(115,715)**	**(95,715)**	**(49,855)**	**–**	**–**	**–**	**(2,306,282)**
Publication Notice Costs	–	(12,500)	–	–	–	(12,500)	–	–	–	–	–	(25,000)
Adequate Protection Payments	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	–	–	(90,000)
Professional Fees - Reverse TSA Payments	–	–	–	–	–	–	–	–	(75,000)	–	–	(75,000)
Professional Fees - Debtor	(165,000)	(160,000)	(152,500)	(175,000)	(125,000)	(125,000)	(150,000)	(200,000)	(155,860)	(155,860)	(288,266)	(1,852,486)
Professional Fees - UCC	–	–	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	–	(360,000)
Professional Fees - Tax & Other OCPs	–	–	(10,000)	–	–	–	–	(10,000)	–	–	(30,000)	(50,000)
Total Restructuring Fees	(175,000)	(182,500)	(217,500)	(230,000)	(180,000)	(192,500)	(205,000)	(265,000)	(285,860)	(200,860)	(318,266)	(2,452,486)
Total Disbursements	**(365,715)**	**(1,220,344)**	**(347,355)**	**(800,868)**	**(295,715)**	**(308,215)**	**(300,715)**	**(314,855)**	**(285,860)**	**(200,860)**	**(318,266)**	**(4,758,768)**
Net Cash Flow	**(365,715)**	**(1,220,344)**	**(347,355)**	**(800,868)**	**(295,715)**	**(308,215)**	**(300,715)**	**(314,855)**	**(285,860)**	**(200,860)**	**(318,266)**	**(4,758,768)**
Opening Cash Balance	154,156	–	–	–	–	–	–	–	–	–	–	
Net Cash Flow	(365,715)	(1,220,344)	(347,355)	(800,868)	(295,715)	(308,215)	(300,715)	(314,855)	(285,860)	(200,860)	(318,266)	
DIP Facilities Draw / (Repayment)	211,559	1,220,344	347,355	800,868	295,715	308,215	300,715	314,855	285,860	200,860	318,266	
Closing Cash Balance (Book)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Senior DIP Facility Availability	4,963,441	3,925,597	3,795,742	3,224,874	3,109,159	2,815,944	2,515,229	2,200,374	1,914,514	1,713,654	1,395,388	
Junior DIP Facility Availability	825,000	642,500	425,000	195,000	15,000	–	–	–	–	–	–	
Total Liquidity	**$5,788,441**	**$4,568,097**	**$4,220,742**	**$3,419,874**	**$3,124,159**	**$2,815,944**	**$2,515,229**	**$2,200,374**	**$1,914,514**	**$1,713,654**	**$1,395,388**	
DIP Facilities												
Senior DIP Facility												
Balance - Beginning of Period	500,000	536,559	1,574,403	1,704,258	2,275,126	2,390,841	2,684,056	2,984,771	3,299,626	3,585,486	3,786,346	
Operating Draws	36,559	1,037,844	129,855	570,868	115,715	115,715	95,715	49,855	–	–	–	
Restructuring Draws	–	–	–	–	–	177,500	205,000	265,000	285,860	200,860	318,266	
(Repayment)	–	–	–	–	–	–	–	–	–	–	–	
Balance - End of Period	**$536,559**	**$1,574,403**	**$1,704,258**	**$2,275,126**	**$2,390,841**	**$2,684,056**	**$2,984,771**	**$3,299,626**	**$3,585,486**	**$3,786,346**	**$4,104,612**	
Junior DIP Facility												
Balance - Beginning of Period	1,500,000	1,675,000	1,857,500	2,075,000	2,305,000	2,485,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	
Draws	175,000	182,500	217,500	230,000	180,000	15,000	–	–	–	–	–	
(Repayment)	–	–	–	–	–	–	–	–	–	–	–	
Balance - End of Period	**$1,675,000**	**$1,857,500**	**$2,075,000**	**$2,305,000**	**$2,485,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	**$2,500,000**	

(1) Statutory limit of $3,800 per creditor.

(2) France wind down options currently being assessed.

EXHIBIT B TO SENIOR DIP NOTE

CHAPTER 11 MILESTONES

The obligations of the Senior DIP Lender to advance the DIP Loans shall be subject to the Debtors satisfying, or causing the satisfaction of, the milestones listed below (collectively, the "**Chapter 11 Milestones**") by the specified deadline (after taking into account any applicable cure period, the "**Specified Deadlines**"). The non-satisfaction of any Chapter 11 Milestone by the applicable Specified Deadline (and the non-waiver of such non-satisfaction by the Senior DIP Lender and Borrower in their sole and absolute discretion) shall be an Event of Default under the DIP Loan Documentation.

	Chapter 11 Milestone	**Specified Deadline**
1	Commencement of these Chapter 11 Cases (the "**Petition Date**").	No later than June 30, 2025
2	The Debtors shall file: • A motion seeking the Bankruptcy Court's approval of the DIP Financing • An application to retain a claims agent • A motion to continue cash management • Such other first day papers as may be approved or requested by the Debtor or Plan Sponsor	No later than one (1) business day after the Petition Date.
3	The Debtors shall file: • The Disclosure Statement, Plan, solicitation procedures motion • A motion seeking the Bankruptcy Court's approval of assumption of the RSA • A motion for approval of bar dates • A motion to extend time to file schedules	No later than five (5) business days after the Petition Date.
4	The Bankruptcy Court shall enter an order approving the DIP Financing on an interim basis	No later than five (5) business days after the Petition Date.
5	The Debtor shall file schedules and statements of financial affairs and the Bankruptcy Court.	No later than twenty-one (21) days after the Petition Date.

6	The Bankruptcy Court shall enter orders: • Approving the DIP Financing on a final basis • Authorizing the Debtor to assume the RSA • Approving the bar date motion • Approving the Disclosure Statement on a conditional or final basis • Scheduling a hearing to confirm the Plan and setting an objection deadline with respect thereto	No later than forty 40 days after the Petition Date.
7	The general bar date	No later than ninety 90 days after the Petition Date.
8	The Bankruptcy Court shall enter an order approving the Disclosure Statement and the Plan	No later than 105 days after the Petition Date.
9	The effective date of the Plan	No later than September 30, 2025

EXHIBIT 2 TO ORDER

Junior DIP Note

JUNIOR SECURED SUPERPRIORITY
DIP PROMISSORY NOTE

U.S. $2,500,000 **June [ ], 2025**

For value received, Higher Ground Education Inc., a Delaware corporation (the "Company"), Guidepost A LLC, a Delaware limited liability company, Prepared Montessorian LLC, a Delaware limited liability company, and Terra Firma Services LLC, a Delaware limited liability company, each a debtor and debtor (collectively, the "Debtors"), promise to pay to the order of Guidepost Global Education, Inc. ("GGE" or the "Junior DIP Lender"), the aggregate unpaid principal amount of all advances from time to time outstanding hereunder, together with interest and other amounts as provided herein.

WHEREAS, on June [_], 2025 (the "Petition Date"), the Debtors filed with the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") a voluntary petition for relief commencing cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

WHEREAS, YYYYY, LLC (the "Senior DIP Lender") has committed to provide postpetition financing (the "Senior DIP Financing") on a senior secured, priming basis in an amount necessary to fund both the Debtor's operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Senior DIP Lender, in an amount not more than $5,500,000, upon the terms and conditions in the Senior DIP Note;

WHEREAS, the Junior DIP Lender is committing hereby to provide postpetition financing (the "Junior DIP Financing") on a secured, priming basis, subject only to the priority of the Senior DIP Financing, in an amount necessary to fund both the Debtor's operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Junior DIP Lender, subject to Section 6 herein, in an amount of at least $2,500,000 (the "Junior Commitment"), upon the terms and conditions set forth herein;

WHEREAS, the Debtors require financing in an amount necessary to fund the Debtors' normal business operations, the administrative costs of these Chapter 11 Cases and pursuit of a confirmed plan of reorganization;

WHEREAS, the Debtors have requested that the Junior DIP Lender provide a secured, multiple draw term loan credit facility of up to $2,500,000 (the "Junior DIP Financing"), including up to $800,000 on an interim basis, including the roll-up of $1,500,000 advanced to the Debtors in to the form of pre-bankruptcy bridge financing, to fund the day-to-day operating working capital needs and chapter 11 administrative costs of these Chapter 11 Cases, and the Junior DIP Lender is willing to extend such financing to the Debtors on the terms and subject to the conditions set forth herein;

NOW, THERFORE, the Debtors have entered into this debtor in possession promissory note (this "Junior DIP Note") in favor of the Junior DIP Lender to evidence the Junior DIP Financing and pursuant to the *Interim Order (I) Authorizing the Debtor To (A) Obtain*

Postpetition Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Junior Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing and (V) Granting Related Relief [Docket No. _] (as amended, supplemented or otherwise modified, the "Interim DIP Order" and including the Final DIP Order (as defined below), the "DIP Order"). Capitalized terms not otherwise defined herein have the meanings given thereto in the Interim DIP Order.

1. Advances; Increase in Principal Amount.

(a) The Budget attached hereto as **Exhibit A** (as may be modified from time to time by the Debtors with the consent of the Senior DIP Lender in its sole and absolute discretion, and with written notice to the Junior DIP Lender, subject to Section 6 herein, the **"**Budget") is hereby approved.

(b) Subject to the terms and conditions set forth in this Junior DIP Note, the Junior DIP Lender shall make advances to the Debtors as follows (each individually a "Junior Loan" and collectively, the "Junior Loans"):

(i) on the first business day after entry of the Interim DIP Order, an amount equal to $800,000 (the "Initial Junior Loan"**)**; and

(ii) on every other Monday after the date of the Initial Junior Loan (unless such date is not a business day at which point funding shall occur on the next succeeding business day) (each, a "Funding Date") an amount equal to the estimated "Disbursements" for the following two weeks (starting on the Funding Date) in the Budget plus $100,000; *provided, further*, that amounts that were budgeted for a prior week but not spent in such week shall be added to the budgeted amounts for the immediately succeeding week without reduction of the amounts that would otherwise have been budgeted and acceptable to the Junior DIP Lender, and the Debtors will be allowed the Permitted Variance (as defined below).

(c) Except with respect to the Initial Junior Loan, which shall be automatically funded by the Junior DIP Lender, subject to satisfaction of the Draw Conditions (defined below), on the first business day after entry of the Interim DIP Order, by noon prevailing Eastern Time on two business days immediately prior to a Funding Date, the Debtors shall give the Junior DIP Lender written notice of their request for a draw and shall specify the Funding Date (which must provide at least two business days' written notice) and the amount of the requested draw (a "Borrowing Notice"). The Borrowing Notice shall include (1) a calculation of the requested draw amount including reasonable detail regarding the cash on hand included in the calculation and the projected disbursements for the bi-weekly borrowing period, (2) an updated Budget including actuals for prior periods, and (3) a calculation of any variance from the Budget (a "Variance Report"). The Borrowing Notice shall also be accompanied by a comparison of actual weekly receipts to those set forth in the Budget. The obligation of the Junior DIP Lender to fund is subject to compliance with the terms and conditions of this Junior DIP Note, the Interim DIP Order and, subject to its entry, the *Final Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Utilize Cash Collateral; and (C) Pay*

Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief (as amended, modified or otherwise supplemented, the "Final DIP Order"). The Junior DIP Lender shall be obligated to fund under this Junior DIP Note and the DIP Orders, as applicable, all amounts set forth in the Borrowing Notice (except for a variance that is not a Permitted Variance, defined below), subject to the Budget.

Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the most recently ended period of two (2) weeks, up to ten percent (10%) of the amount of the Budget (each, a "Permitted Variance"). Unused amounts set forth in the Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week.

(d) Except for a draw to fund the Carve Out and Professional Fee Reserve, following the occurrence of the Termination Date or other such event triggering the funding of the Carve Out and Professional Fee Reserve (each, a "Back-Stop Draw"), the Junior DIP Lender shall not be obligated to make any Junior Loan (including the Initial Loan hereunder), or to take, fulfill or perform any other action hereunder or under the DIP Order unless the Debtors certify, in a writing signed by an officer of the Debtors, that the following conditions (each, a "Draw Condition") are met as of the date of each draw:

(i) All of the representations and warranties contained in the Junior DIP Documents are true and correct in all material respects as of that date.

(ii) This Junior DIP Note and each other Junior DIP Document shall have been executed or entered, as applicable, and delivered, if applicable, to the Junior DIP Lender in form and substance reasonably acceptable to the Junior DIP Lender, subject to Section 6 herein, and shall be in full, force and effect in all material respects.

(iii) The consummation of the transactions contemplated hereby or entered into in contemplation hereof shall not contravene, violate, or conflict with, nor involve the Junior DIP Lender in, a violation of applicable law or regulation in any material respect.

(iv) All consents, authorizations and filings, if any, required in connection with the execution, delivery and performance by the Debtors, and the validity and enforceability against the Debtors, of the Junior DIP Note, shall have been obtained or made, and such consents, authorizations and filings shall be in full force and effect in all material respects.

(v) Prior to the making of the Initial Junior Loan, the Junior DIP Lender shall have received a schedule describing all material insurance maintained by the Debtors.

(vi) The Junior DIP Lender shall have received a copy of the applicable DIP Order, and such DIP Order shall have been entered by the Bankruptcy Court in form and substance acceptable to the Junior DIP Lender in its

reasonable discretion, subject to Section 6 herein, and shall be in full force and effect and shall not have been vacated, stayed, reversed, modified, or amended.

(vii) No event shall have occurred and be continuing, or would result from the Junior Loan requested thereby, that with the giving of notice or the passage of time or both, would constitute an Event of Default (as defined below) and no Event of Default shall be continuing.

(viii) Except with respect to the Initial Junior Loan, the Debtors shall have timely delivered a Borrowing Notice related to such Loan that was in form and substance satisfactory to the Junior DIP Lender and consistent with the Budget. For the avoidance of doubt, the Debtors may not draw amounts under the Junior DIP Financing in excess of the Budget, and the amounts requested by the Debtors shall be used for an authorized purpose and in accordance with the Budget, subject to a Permitted Variance.

(ix) The Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the Junior DIP Lender, the Junior DIP Liens, or the DIP Collateral (as defined in the Interim DIP Order).

(x) All information, approvals, documents or other instruments as Junior DIP Lender may reasonably request, and which are customary for postpetition lenders or plan sponsors to request, shall have been received by Junior DIP Lender in all material respects.

If the Draw Conditions are met, the Junior DIP Lender shall make each properly authorized Junior Loan in immediately available funds by wire transfer to an account designated by the Debtors, as soon as practicable, but in no event later than the noon prevailing Eastern Time on the applicable Funding Date.

If the Junior DIP Lender will not fund because one of the foregoing conditions is not satisfied (a "Funding Condition Deficiency"), the Junior DIP Lender will provide the Debtors with notice of the Funding Condition Deficiency before the scheduled Funding Date, and provide the Debtors the reasonable opportunity to cure such Funding Condition Deficiency to the extent such Funding Condition Deficiency is capable of being cured prior to the scheduled Funding Date or by such later deadline as may otherwise be agreed in writing by the Junior DIP Lender.

Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or such other event triggering the funding of the Carve Out, the Debtors and Junior DIP Lender shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the "Estimated Carve Out") and, if the amount of cash on hand with the Debtors is less than the Estimated Carve Out, the Junior DIP Lender shall fund a Back-Stop Draw under the Junior DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors' cash on hand as of such date, automatically without any obligation of

the Debtors to meet the Draw Conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and Professional Fee Reserve, the Debtors' cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the Junior DIP Lender shall fund additional Back-Stop Draws automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw to cover any such shortfall.

2. Interest; Payments.

(a) The Junior Loans shall bear interest on the unpaid principal amount thereof plus all obligations owing to the Junior DIP Lender pursuant to this Junior DIP Note, including without limitation, all interest, fees, and costs accruing thereon, and all the Junior DIP Lender's other rights (collectively, the "Junior DIP Obligations") from the applicable Funding Date (and, with respect to the Initial Loan, from the date hereof) to and including the Maturity Date (defined below), at a fixed rate per annum equal to nine percent (9%), calculated on the basis of a 360-day year for the actual number of days elapsed.

(b) Accrued, unpaid interest on the Junior Loans shall be compounded on the last day of each calendar month. After the Maturity Date and/or after the occurrence and during the continuance of an Event of Default (defined below), the Junior DIP Obligations shall bear interest at a rate equal to twelve percent (12%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed (the "Default Rate").

(c) Notwithstanding anything to the contrary set forth in this Section 2, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate.

(d) Except as otherwise set forth herein or in the DIP Orders, or as otherwise contemplated by the terms of the Plan, the Junior DIP Obligations, including interest, shall be due and payable on the first to occur of the following (the "Maturity Date"): (i) the Effective Date; (ii) September 30, 2025; (iii) upon acceleration of the Junior DIP Note pursuant to the terms hereof; and (iv) a Termination Date. On the Maturity Date, the Junior DIP Lender's obligation to provide Junior Loans shall terminate.

(e) The Junior DIP Lender's claim on account of the Junior DIP Obligations (the "Junior DIP Lender Claim") shall be allowed in full under the Plan. The Junior DIP Lender shall have the option, on account of being the holder of the Junior DIP Lender Claim, to exchange a total of up to 100% of the Junior DIP Lender Claim in satisfaction of such amount of its allowed claim for up to a total of 60% of the shares of the issued equity of the reorganized debtor, at a rate of 10% of its Allowed DIP Lender Claim for 6% of the equity of the reorganized debtor (the "Subscription Option"). To the extent any amount of the Allowed DIP Lender Claim remains after the Junior DIP Lender exercises the Subscription Option, then (i) the Plan Sponsor shall repay such outstanding amount in Cash on the Effective Date, which Cash shall be separate from and in addition to the Consideration; or (ii) the Junior DIP Lender may (at its sole election)

consent to the offset or other non-Cash satisfaction of the Junior DIP Lender Claim by the Plan Sponsor until the remaining unpaid amount of the DIP Financing Claim is reduced to $0.

(f) The Junior DIP Obligations may not be prepaid in any amount, provided, for the sake of clarity, that the Debtors shall immediately repay the Junior DIP Obligations in full in cash in the event the Debtors proceed with an Alternative Transaction (as defined below) (subject to the terms of the RSA).

3. **Covenants** Unless otherwise agreed to by the Senior DIP Lender in writing, with written notice of the Junior DIP Lender, each of the Debtors covenants and agrees that it will:

(a) Use the proceeds of the Junior Loans solely for operating working capital purposes and chapter 11 administrative costs, including professional fees, in the amounts and otherwise in accordance with and for the purposes provided for in the Budget; *provided, however*, any unused fees from prior weeks may be rolled forward into subsequent weeks. Notwithstanding the then applicable Budget, the Debtor may exceed the budgeted amount during any weekly budget period up to the Permitted Variance; *provided, further*, none of the proceeds of the Junior DIP Loans shall be used by any party in interest to take any action or to otherwise assert any claims or causes of action against the Junior DIP Lender in any capacity (except for the purposes of enforcement of the DIP Orders or this Junior DIP Note).

(b) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and property and all legal requirements in all material respects; and, upon the reasonable request and with reasonable frequency of the Junior DIP Lender, provide copies of, or access to, its books and records, and to discuss the business, operations, assets, and financial and other condition of the Debtor with officers and employees thereof and with their independent certified public accountants (but excluding privileged information) as is reasonably related to the Junior DIP Loan.

(c) Promptly give written notice to the Junior DIP Lender after becoming aware of the same: (i) of the occurrence of any Default or Event of Default; (ii) of any (A) default or event of default under any instrument or other material agreement, guarantee or document of the Debtor (including, without limitation, the Junior DIP Documents) or (B) litigation, investigation or proceeding that may exist at any time between the Debtor and any governmental authority after the date hereof; and (iii) of the commencement of any litigation or proceeding against the Debtor for acts occurring after the Petition Date (A) in which more than $50,000 of the amount claimed is not covered by insurance or (B) in which injunctive or similar relief is sought.

(d) At all times, cause all of the Collateral (defined below) to be subject to a priority perfected security interest in favor of the Junior DIP Lender, subject only to the priority of the Senior DIP Lender, in accordance with the DIP Orders, subject and subordinate only to the Carve Out and the Professional Fee Reserve.

(e) Promptly, from time to time, deliver such other information regarding the operations, business affairs, and financial condition of the Debtor as the Junior DIP Lender may reasonably request.

(g) To the extent practicable and legally permissible, at least two (2) business days prior to the date when the Debtor intends to file any such pleading, motion, or other document (and, if not reasonably practicable, as soon as reasonably practicable), provide copies of all material pleadings, motions, applications, judicial information, financial information, and other documents to be filed by the Debtor in these Chapter 11 Cases that may impact the Junior DIP Lender or the Junior DIP Financing.

(h) Promptly execute and deliver such documents, instruments and agreements, and take or cause to be taken such acts and actions, as the Junior DIP Lender may reasonably request from time to time to carry out the intent of this Junior DIP Note and the DIP Orders.

(g) Not create, incur, assume, or suffer to exist any indebtedness other than (i) indebtedness outstanding on the date hereof; (ii) indebtedness in connection with the Senior Loans or the Junior DIP Financing; (iii) indebtedness in respect of fees and expenses owed to professionals retained by the Debtor, any official committee in these Chapter 11 Cases, or U.S. Trustee fees up to the amounts set forth in the Budget; and (iv) subject in all respects to the Budget, any ordinary course unsecured indebtedness of the Debtor of the type ordinarily incurred in connection with a chapter 11 bankruptcy case.

(h) Not create, incur, assume, or suffer to exist any lien upon any of its assets, whether now owned or hereafter acquired, except for liens that are permitted by the DIP Orders (including the liens securing the Prepetition Secured Lenders Obligations and the Junior DIP Obligations) and shall not cause, or permit to be caused, any direct or indirect subsidiary of the Debtor to create, incur, assume, or suffer to exist any such liens.

(i) Not enter into any merger or consolidation or amalgamation or other change of control transaction or engage in any type of business other than of the same general type now conducted by it.

(j) Not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any assets or property (including, without limitation, tax benefits), other than the sale of inventory or the licensing of intellectual property in the ordinary course of business.

(k) Not make any advance, investment, acquisition, loan, extension of credit, or capital contribution to, in, or for the benefit of any person outside the ordinary course of business.

(l) Subject in all respects to the Budget, not enter into any transaction, including, without limitation, any purchase, sale, lease, or exchange of property or the rendering of any service, with any affiliate, except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction.

(m) Not incur or apply to the Bankruptcy Court for authority to incur, or suffer to exist, any indebtedness having the priority afforded by section 364(c) of the Bankruptcy Code or (d) (including any superpriority claims) other than the financing provided for under this Junior DIP Note, unless the both the Senior DIP Obligations and the Junior DIP Obligations hereunder are to be irrevocably paid in full, in cash with the proceeds thereof.

(n) Not limit, affect, or modify, or apply to the Bankruptcy Court to limit, affect, or modify, any of the rights of the Junior DIP Lender with respect to the Junior DIP Obligations, including rights with respect to DIP Collateral and the priority thereof.

(o) Except with respect to the Carve Out or the Professional Fee Reserve, not incur, create, assume, suffer, or permit any claim to exist or apply to the Bankruptcy Court for the authority to incur, create, assume, suffer or permit any claim to exist against the Debtor's estate or any of its assets which is to be *pari passu* with, or senior to, the Junior DIP Obligations, subject only to the Senior DIP Obligations, unless both the Senior DIP Obligations and the Junior DIP Obligations are being irrevocably repaid in full, in cash with the proceeds thereof.

Notwithstanding the foregoing, and for the avoidance of doubt, any payments permitted by the Budget will not be deemed to violate any of the foregoing covenants.

4. Event of Default.

(a) Event of Default. Each of the following events shall constitute an "Event of Default":

(i) the Debtors (A) fails to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Junior DIP Note or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in the Junior DIP Note (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in the Junior DIP Note or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Junior DIP Lender five (5) business days following written notice to the Debtor of the occurrence of such event of default);

(ii) any representation, warranty, or statement made by the Debtor herein or in the Junior DIP Note or in any certificate delivered in connection with the Junior DIP Note proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);

(iii) the security interest granted to the Junior DIP Lender ceases to be in full force and effect, or ceases to create a perfected security interest in, and lien on, the DIP Collateral purported to be created thereby;

(iv) unless otherwise agreed to by the Junior DIP Lender, the Junior DIP Note is or becomes invalid, ineffective, or unenforceable against the Debtors in any material respect, in whole or in part, or the Debtors so asserts or at any

time denies the liability or the Junior DIP Obligations under the Junior DIP Note;

(v) the Court enters an order dismissing any of the Chapter 11 Cases or converting any of them to a case under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtors' business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the consent of the Senior DIP Lender in its sole and absolute discretion;

(vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code and authorizing an action by a lienholder (other than the Senior DIP Lender) with respect to assets of the Debtors on which the lienholder has a lien with an aggregate value in excess of $50,000;

(vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the Junior DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);

(viii) a debtor in possession financing order is entered in form and substance that is not acceptable to both the Senior DIP Lender and the Junior DIP Lender in their reasonable discretion or from and after the date of entry thereof, the Interim DIP Order or the Final DIP Order, as applicable, ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the Senior DIP Lender in its sole and absolute discretion, with written notice to be provided to the Junior DIP Lender;

(ix) any of the orders approving the Plan or the disclosure statement to the Plan (the "Disclosure Statement") are vacated, stayed, reversed, modified, or amended without the consent of the Senior DIP Lender, with written notice to the Junior DIP Lender;

(x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Budget or otherwise without the unanimous consent of the DIP Lenders in their its sole and absolute discretion;

(xi) the Debtors fails to obtain an order from the Court approving the Debtors' motion for authority to assume the Restructuring Support Agreement dated as of [_] (the "RSA") entered into by, among others, the Debtor, the

DIP Lenders, the Prepetition Secured Lenders, and 2HR Learning, Inc., as the proposed plan sponsor of the Plan ("Plan Sponsor")) within forty (40) days of the Petition Date;

(xii) a Company Termination Event, Consenting Party Termination Event or a GG Termination Event (each as defined in the RSA) shall have occurred, including prior to the Debtor's assumption of the RSA;

(xiii) the Debtors take any action, or as to insiders, permits any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(xiv) the Debtors fail to provide the Junior DIP Lender and its agents with reasonable access to the Debtors' books, records, and management through the Effective Date;

(xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) motion of the Debtor seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the Senior DIP Financing and the Junior DIP Financing, or (f) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;

(xvi) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;

(xvii) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;

(xviii) any of the Chapter 11 Milestones (attached hereto as **Exhibit B**) are not satisfied;

(xix) one or more judgments or decrees is entered against any Debtor or its estate involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of $50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed, or bonded pending appeal;

(xx) the DIP Notes or any other DIP Documents ceases, for any reason, to be in full force and effect or the Debtor shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material item of DIP Collateral described therein with the priority purported to be created by the DIP Documents;

(xxi) the Debtors fail to provide in any material respect all information, approvals, documents, or other instruments as the Junior DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;

(xxii) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtors (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an "Alternative Transaction");

(xxiii) the Court approves an Alternative Transaction;

(xxiv) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is inconsistent with the Plan or the RSA;

(xxv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on any of the Senior DIP Lender's collateral, or the Junior DIP Lender's collateral, without the written consent of the Senior DIP Lender or the Junior DIP Lender, as applicable, in their sole and absolute discretion;

(xxvi) the Court enters an order terminating the right of the Debtors to use the DIP Financing;

(xxvii) the Debtors fail to comply with the Budget; *provided, however*, that for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Budget of up to 10% of the amount of the Budget are permitted, and unused amounts set forth in the Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week;

(xxviii) without the consent of the Senior DIP Lender, and written notice to the Junior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations and Junior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Senior DIP Documents and the Junior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits,

proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender or Junior DIP Lender, as applicable, may be entitled to indemnification by the Debtors; or

(xxiv) The Debtors, without the Senior DIP Lender's prior written consent (which shall be given or refused in the Senior DIP Lender's sole and absolute discretion), and without written notice to the Junior DIP Lender, seek to modify, vacate or amend the DIP Orders or any DIP Documents.

(xxv) (a)The Debtors fail to make any payment (whether of principal, interest or any other amount) in respect of the Junior DIP Documents, when and as the same shall become due and payable or (b) any event or condition occurs that results in any indebtedness under the Junior DIP Documents becoming due prior to its scheduled maturity or that enables or permits (with or without notice the giving of notice, the lapse of time, or both) the holder or holders of any indebtedness under the Junior DIP Documents or any trustee or agent on its or their behalf to cause any Junior DIP Obligations to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity.

(c) Upon the occurrence of an Event of Default and after five (5) business days' written notice by the Senior DIP Lender to the Notice Parties (the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the Senior DIP Lender and Junior DIP Lender shall be permitted to exercise any of their respective remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Bankruptcy Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court determines during the Default Notice Period that an Event of Default has not occurred:

(i) declare all or any portion of the outstanding Senior DIP Obligations or Junior DIP Obligations, as applicable, due and payable, whereupon the same shall become forthwith due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Debtors;

(ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the Senior DIP Lender or the Junior DIP Lender, as applicable);

(iii) enforce all liens and security interests in the DIP Collateral;

(iv) institute proceedings to enforce payment of such Senior DIP Obligations or the Junior DIP Obligations, as applicable;

(v) terminate the obligation of the Junior DIP Lender to make Junior Loans; and

(vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the Junior DIP Note, the Bankruptcy Code, other applicable law or pursuant to the DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

provided, however, the Junior DIP Lender shall continue to fund the Debtors' operations, pursuant to the Budget, through the Default Notice Period.

(c) The Debtors and the Committee (if any), and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period, then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

(c) Subject to Section 4(b) above, if any Event of Default shall occur and be continuing, the Junior DIP Lender, subject to the rights of the Senior DIP Lender, may exercise in addition to all other rights and remedies granted to it in this Junior DIP Note and the DIP Orders, all rights and remedies of a secured party under the UCC (as defined below) or other applicable law. Without limiting the generality of the foregoing, each of the Debtors, on behalf of their estates, expressly agrees that in any such event the Junior DIP Lender, without demand of performance or other demand, advertisement, or notice of any kind (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale and subject to the rights of the Senior DIP Lender) to or upon the Debtors or any other person (all and each of which demands, advertisements, and/or notices (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate, and realize upon the DIP Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said DIP Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Junior DIP Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Subject to the rights of the Senior DIP Lender, the Junior DIP Lender shall have the right upon any such public sale or sales to purchase for cash or by credit bidding all or a part of the Junior DIP Obligations the whole or any part of said DIP Collateral so sold, free of any right or equity of redemption, which equity of redemption the Debtor hereby releases. Each of the Debtors, on behalf of its estate and subject to the rights of the Senior DIP Lender, further agrees, at the Junior DIP Lender's request, to assemble the DIP Collateral constituting movable tangible personal property and make it available to the Junior DIP Lender at places that the Junior DIP Lender shall reasonably select. The Junior DIP Lender shall apply the proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Junior DIP Obligations in the order reasonably deemed appropriate by the Junior DIP Lender, the Debtors' estates remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Junior DIP Lender of any other amount required by any provision of law, including section 9-608(a)(1)(C) of the UCC, shall the Junior DIP Lender account for and pay over the surplus, if any, to the Debtors. To the maximum extent permitted by applicable law, the Debtors waive all claims, damages, and demands against the Junior DIP Lender arising

out of the repossession, retention, or sale of the DIP Collateral except such as arise out of the gross negligence or willful misconduct of the Junior DIP Lender. The Debtors agree that the Junior DIP Lender need not give more than five (5) business days' notice to the Debtors (which notification may run concurrently with any notice required under the DIP Orders and shall be deemed given when mailed, electronically delivered or delivered on an overnight basis, postage prepaid, addressed to the Debtors at the address set forth below) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Debtors' estates shall remain liable for any deficiency if the proceeds of any sale or disposition of the DIP Collateral are insufficient to pay all amounts to which the Junior DIP Lender is entitled.

(d) Subject to Section 4(b) above, except as otherwise expressly provided herein and in the DIP Orders, the Debtors hereby waive presentment, demand, protest, or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Junior DIP Note or any DIP Collateral. The Debtors' estates shall also pay all of the Junior DIP Lender's reasonable costs of collection if any Junior DIP Obligations are not paid when due, including, without limitation, court costs, collection expenses, reasonable out-of-pocket attorneys' fees, and other expenses which the Junior DIP Lender may incur or pay in the prosecution or defense of its rights hereunder, whether in judicial proceedings, including bankruptcy court and appellate proceedings, or whether out of Court.

(d) Except with respect to the payment of the Carve Out, the Junior DIP Lender's agreement to provide the Junior DIP Financing in accordance with the Junior DIP Documents and the Debtors' authorization to use Cash Collateral shall immediately and automatically terminate (except as the Senior DIP Lender may otherwise agree in writing in its reasonable discretion and with written notice to the Junior DIP Lender), upon the earliest to occur of any of the following (each, a "Termination Date"):

(i) September 30, 2025;

(ii) the date of final indefeasible payment and satisfaction in full in cash of both the Senior DIP Obligations and the Junior DIP Obligations;

(iii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than Senior DIP Lender and the Junior DIP Lender under section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the Senior DIP Obligations and the Junior DIP Obligations or unless such financing is subordinate to both the Senior DIP Obligations and the Junior DIP Obligations and consented to in writing by both the Senior DIP Lender and the Junior DIP Lender (which consent may be withheld in each of their sole and absolute discretion);

(iv) the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(v) the DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion) and with written notice to the Junior DIP Lender;

(vi) the Effective Date; or

(vii) upon expiration of the Default Notice Period.

5. Security.

(a) To induce the Junior DIP Lender to make the Junior Loans, each Debtor hereby grants to the Junior DIP Lender, as security for the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Junior DIP Obligations, a continuing first priority lien and security interest (subject and subordinate only to the Carve Out and to the lien of the Senior DIP Lender) in and to any and all right, title or interest of the Debtors in and to all of the following, whether presently existing or at any time hereafter acquired, whether owned, leased or otherwise possessed, (capitalized terms used in clauses (i) through (xix) and not otherwise defined herein shall have the meanings provided for such term in the Uniform Commercial Code in effect on the date hereof in the State of Delaware (the "UCC")):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Deposit Accounts, including any monies or other property held therein;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles, including all intellectual property, including any trademarks or tradenames, and any licenses;

(vii) all Goods;

(viii) all Instruments;

(ix) all Inventory;

(x) all Investment Property;

(xi) all Letter-of-Credit Rights;

(xii) all real property;

(xiii) all motor vehicles;

(xiv) all Commercial Tort Claims;

(xv) all books and records pertaining to the Debtor, its business and any property described herein;

(xvi) all other personal property and other assets of the Debtor, whether tangible or intangible, wherever located, including money, letters of credit, and all rights of payment or performance under letters of credit;

(xvii) to the extent not otherwise included, all monies and other property of any kind that is received by the Debtor in connection with any refunds with respect to taxes, assessments and other governmental charges;

(xviii) all insurance claims; and

(xix) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits, and products of, each of the foregoing, and any proceeds of insurance, indemnity, warranty or guaranty payable to the Debtors' estates from time to time with respect to any of the foregoing.

(b) The granting clause herein is intended to supplement (not supersede) that which is provided for in the DIP Orders and the Junior DIP Loans and any other indebtedness or obligations, contingent or absolute (including, without limitation, the principal thereof, interest thereon, and costs and expenses owing in connection therewith) which may now or from time to time hereafter be owing by the Debtors to the Junior DIP Lender under the Junior DIP Note shall be secured as set forth herein, in the DIP Orders.

(c) The DIP Orders provide for the perfection, maintenance, protection, and enforcement of the Junior DIP Lender's security interest in the DIP Collateral. Upon the request of the Junior DIP Lender, the Debtors shall deliver to the Junior DIP Lender those Junior DIP Documents necessary or desirable to perfect the Junior DIP Lender's lien, including in letters of credit on which the Debtors are named as beneficiary and all acceptances issued in connection therewith. The Debtors shall take such other reasonable steps as are deemed necessary or desirable to maintain the Junior DIP Lender's security interest in the DIP Collateral.

(d) The Debtors hereby authorize the Junior DIP Lender to execute and file financing statements or continuation statements, and amendments thereto, on the Debtors' behalf covering the DIP Collateral. The Junior DIP Lender may file one or more financing statements disclosing the Junior DIP Lender's security interest under this Junior DIP Note without the signature of the Debtors appearing thereon. The Junior DIP Lender shall pay the costs of, or incidental to, any recording or filing of any financing statements concerning the DIP Collateral. The Debtors agree that a carbon, photographic, photostatic, or other reproduction of this Junior DIP Note or of a financing statement is sufficient as a financing statement.

(e) Except as otherwise provided for in this Junior DIP Note or in any DIP Order, or as otherwise contemplated by the terms of the RSA, until all Senior DIP Obligations and Junior DIP Obligations have been fully satisfied in cash and the Junior DIP Lender shall have no further obligation to make any Junior Loans hereunder, the Junior DIP Lender's security interest in the DIP Collateral, and all proceeds and products thereof, shall continue in full force and effect.

(f) Notwithstanding the preceding paragraphs, or any failure on the part of the Debtors to take any of the actions set forth therein, the liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the final DIP Order. No financing statement, notice of lien, mortgage, deed of trust or similar instrument in any jurisdiction or filing office need be filed or any other action taken in order to validate and perfect the liens and security interests granted by or pursuant to this DIP Note and the DIP Orders.

(g) Other than with respect to the Carve Out and the Professional Fee Reserve, the priority of the Junior DIP Lender's liens on the DIP Collateral shall be senior to all liens existing as of the Petition Date, subject solely to the interest of the Senior DIP Lender, and for so long as any Junior DIP Obligations shall be outstanding, the Debtors hereby irrevocably waive any right, pursuant to sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any lien of equal or greater priority than the liens securing the Junior DIP Obligations, or to approve a claim of equal or greater priority than the DIP Obligations, unless otherwise permitted or provided for in the DIP Orders or effective upon the granting of any such lien or priority, the DIP Obligations shall be irrevocably paid in full in cash and the obligation to make Junior DIP Loans hereunder terminated.

(h) Upon entry of, subject to and in accordance with the DIP Orders, the Junior DIP Obligations of the Debtors hereunder and under the other Junior DIP Documents and the DIP Orders, shall at all times constitute allowed superpriority claims pursuant to section 364(c)(1) of the Bankruptcy Code.

(i) It is expressly agreed by the Debtors that, anything herein to the contrary notwithstanding, the Debtors shall remain liable under their postpetition contractual obligations to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and the Junior DIP Lender shall not have any obligation or liability under any contractual obligations by reason of or arising out of this Junior DIP Note unless otherwise agreed to in writing by both the Senior DIP Lender and the Junior DIP Lender, and the Junior DIP Lender shall not be required or obligated in any manner to perform or fulfill any of the obligations of the debtors' estates under or pursuant to any contractual obligations, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any contractual obligations, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

(j) Each Debtor hereby appoints the Junior DIP Lender, or any other person who the Junior DIP Lender may designate, as the Debtors' attorney-in-fact (such appointment being coupled with an interest and being irrevocable until Junior DIP Lender's liens and claims shall have been satisfied), at any time after (i) termination of the automatic stay (A) to do any act which Debtor is obligated to do hereunder, or (B) to exercise any of the rights and remedies available under the UCC or other applicable law to a secured party with a lien having the same priority as the Junior DIP Lender's lien on the DIP Collateral (and all acts of such attorney in fact or designee taken pursuant to this section are hereby ratified and approved by the Debtors and said attorney or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law, except for gross negligence or willful misconduct); *provided,*

however, the Junior DIP Lender shall provide prior or contemporaneous telephonic and electronic notice to the Debtors and any creditor entitled to notice with respect to any affected DIP Collateral of the exercise of any or all of its above-stated rights and powers.

6. Treatment of the Plan Sponsor and Junior DIP Lender.

Notwithstanding anything to the contrary contained herein, the form and substance of any and all legal and economic rights and treatment of the Plan Sponsor and the Junior DIP Lender in the Plan, the DIP Orders, the Junior DIP Note and any other orders entered by the Bankruptcy Court, or any other operative document, shall be subject to the consent of the Plan Sponsor, the Senior DIP Lender, and the Junior DIP Lender, in their respective reasonable discretion; provided that the terms of the Budget shall be mutually agreed upon by the Debtors and the DIP Lenders in an aggregate amount not to exceed $8,000,000, as may be modified from time to time by the Debtors with the consent of the DIP Lenders in their sole and absolute discretion, but without need for further Court approval. The order confirming the Plan shall be in a form and substance reasonably acceptable to both the Senior DIP Lender and the Junior DIP Lender in their reasonable discretion, and subject to the Subscription Option, shall provide for the Senior DIP Lender to be issued 100% of the equity of the reorganized Debtors free and clear of all liens, claims, rights, interests, security interests, and encumbrances of any kind (other than those expressly identified in writing as acceptable to the Senior DIP Lender in its sole and absolute discretion).

7. Miscellaneous.

(a) No course of action or delay or omission of Junior DIP Lender in exercising any right or remedy hereunder or under any other agreement or undertaking securing or related to this Junior DIP Note shall constitute or be deemed to be a waiver of any such right or remedy, and a waiver on the one occasion shall not operate as a bar to or waiver of any such right or remedy on any future occasion. The rights and remedies of Junior DIP Lender as provided herein shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Junior DIP Lender, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

(b) Subject to and limited by the DIP Orders, the Debtors agree to pay or reimburse the Junior DIP Lender for all of its reasonable costs and expenses incurred in connection with the collection, enforcement or preservation of any rights under this Junior DIP Note and the other Junior DIP Documents, including, without limitation, the fees and disbursements of counsel for the Junior DIP Lender, including reasonable attorneys' fees out of court, in trial, on appeal, in bankruptcy proceedings, or otherwise.

(c) This Junior DIP Note shall be binding upon and inure to the benefit of the Debtors and the Junior DIP Lender and their respective administrators, personal representatives, legal representatives, heirs, successors and assigns, except that no Debtor shall assign or transfer any of its rights and/or obligations hereunder, and any such assignment or transfer purported to be made by Debtor shall be null and void. The Junior DIP Lender may at any time transfer or

assign (or grant a participation in) any or all of its rights and/or obligations hereunder without the consent of the Debtors.

(d) If any provision of this Junior DIP Note is invalid, illegal, or unenforceable, the balance of this Junior DIP Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(e) This Junior DIP Note shall be governed by and construed in all respects under the laws of the State of New York (except as governed by the Bankruptcy Code), without reference to its conflict of laws rules or principles. Each of the parties submits to the exclusive jurisdiction of the Bankruptcy Court for the Northern District of Texas or (if the Bankruptcy Court lacks or declines jurisdiction) any state or federal court sitting in the State of Texas, in any action or proceeding arising out of or relating to the Junior DIP Note, and each party agrees that all claims in respect of the action or proceeding may be heard and determined in any such court and agrees not to bring any action or proceeding arising out of or relating to the Junior DIP Note in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Each party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such party by sending or delivering a copy of the process to the party to be served at the address of the party and in the manner provided for the giving of notices in Section 7(h) below. Each party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law.

(f) **THE JUNIOR DIP LENDER AND THE DEBTORS HEREBY KNOWINGLY VOLUNTARILY, INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREIN, OR ARISING OUT OF UNDER OR IN CONNECTION WITH THIS JUNIOR DIP NOTE AND THE OTHER JUNIOR DIP DOCUMENTS.**

(g) The Debtors, at their own expense, which shall be provided for in the Budget, shall take any lawful actions and execute, deliver, file and register any documents that the Junior DIP Lender may, in its discretion, deem reasonably necessary or appropriate in order to further the purposes of this Junior DIP Note.

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

(i) If to the Debtors:

Higher Ground Education, Inc.
1321 Upland Dr. PMB 20442
Houston, Texas 77043
Attn: Jon McCarthy
Email: board@tohigherground.com

and

FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Attention: Holland N. O'Neil, Esq.
Email: honeil@foley.com

and

1144 15th Street, Ste. 2200
Denver, CO 80202
Attention: Tim Mohan
Email: tmohan@foley.com

(ii) If to the Junior DIP Lender:

Guidepost Global Education, Inc.
1809 Pearl Street
Austin, Texas 78701
Attention: Greg Mauro
Email: greg@learn.vc

and

Kane Russell Coleman Logan PC
401 Congress Avenue
Suite 2100
Austin, Texas 78701
Attention: Jason Binford
Email: jbinford@krcl.com
Phone: 512-487-6566

or to such other address as any party hereto shall notify the other parties hereto (as provided above) from time to time.

[Signature page is next page]

IN WITNESS WHEREOF, the Debtors have executed this Junior DIP Note as of the date first written above.

BORROWERS:

HIGHER GROUND EDUCATION INC.

By: _____
Name: _____
Title: _____

GUIDEPOST A LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title:

PREPARED MONTESSORIAN LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name:
Title: _____

TERRA FIRMA SERVICES LLC

By: Higher Ground Education Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

EXHIBIT A TO JUNIOR DIP NOTE

BUDGET

(Attached as Exhibit A to Senior DIP Note)

EXHIBIT B TO JUNIOR DIP NOTE

(Attached as Exhibit B to Senior DIP Note)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtor.	§	(Joint Administration Requested)

DECLARATION OF JONATHAN MCCARTHY
IN SUPPORT OF FIRST DAY MOTIONS

I, Jonathan McCarthy, hereby declare under penalty of perjury:

1. I am the Interim President and Secretary of the debtor and debtor in possession Higher Ground Education, Inc. ("**HGE**" together with its affiliates, the "**Debtors**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**"). I was appointed to my role by the sole independent board member of the HGE Board of Directors (the "**Board**"), Marc D. Kirshbaum ("**Kirshbaum**" or the "**Independent Director**") following the resignation of the Debtors' officers. Prior to this role, I served, and continue to serve, as a director on the Board and have been an HGE director since September 2020.

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

2. I am also the founder and managing partner of Venn Growth Partners ("**Venn**") a growth equity investor focused on partnering with distinctive education, health, and consumer companies in North America. Venn, and certain of its affiliates, is an equity holder and debt holder in HGE. Specifically, Venn owns approximately seven percent (7%) of HGE as a common stockholder, a Series B preferred stockholder, and a Series C preferred stockholder. Venn is also a creditor of HGE through different debt obligations owed by HGE to Venn. Venn has also performed consulting services for the benefit of the Debtors in recent years.

3. While I am a director of the Board at the appointment of Venn, my role as Interim President and Secretary of HGE is in my individual capacity and not as a representative for Venn. I will serve the Debtors at the direction of the Independent Director and have abstained and will continue to abstain from any Board decisions that impact Venn and its affiliates.

4. As the Debtors' Interim President and Secretary, I am responsible for, and am materially engaged with, the Debtors' operational and financial management including, among other things: (a) all restructuring activities and initiatives of the Debtors; (b) cash management and liquidity forecasting; (c) engagement with creditors and other stakeholders; and (d) providing contingency planning.

5. I am responsible for overseeing the Debtors' restructuring efforts, including the progress of the Chapter 11 Cases, providing leadership to the Debtors' operations during the pendency of these Chapter 11 Cases, and, as necessary, assisting the Debtors' counsel, financial advisors, and other retained professionals throughout this process.

6. I am over the age of 18, and I am authorized to submit this declaration on behalf of the Debtors. References to the Bankruptcy Code (as defined herein), the chapter 11 process, and related legal matters are based on my understanding of such as explained to me by counsel,

Foley & Lardner LLP ("**Foley**"). Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Debtors, their business operations, history, industry, books and records, and information supplied to me by other members of the Debtors' current employees, former employees performing work for the benefit of the debtors, the Debtors' advisors, and/or communications with the Debtors' investors and creditors. If called as a witness, I could and would testify competently to the statements set forth in this Declaration on that basis, as the information in this Declaration is accurate and correct to the best of my knowledge, information, and belief.

7. On June 17, 2025 (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 U.S. Bankruptcy Court for the Northern District of Texas (the "**Court**"). To minimize adverse effects on the business and contemporaneously herewith, the Debtors have filed motions and pleadings seeking various types of immediate relief (collectively, the "**First Day Motions**"). The First Day Motions, as applicable, seek relief intended to avoid immediate and irreparable harm to the Debtors' estates and to preserve their value, by, among other things, providing the Debtors with access to necessary liquidity, including the use of cash collateral, and paying certain prepetition wages and administrative obligations to facilitate the Debtors' restructuring efforts. The First Day Motions also seek certain procedural relief that will facilitate the Debtors' orderly transition into these Chapter 11 Cases.

8. I submit this Declaration to assist the Court in understanding the circumstances that led to the filing of these Chapter 11 Cases and in support of the First Day Motions filed by the Debtors contemporaneously with their bankruptcy petitions.

9. To assist the Court and parties in interest in understanding the Debtors' operations and Schools, and the relief the Debtors are seeking in the First Day Motions, this Declaration is organized as follows:

- ***Part I*** provides a preliminary statement
- ***Part II*** provides a background and general overview of the Debtors' history and operations of the Schools;
- ***Part III*** describes the Debtors' capital structure;
- ***Part IV*** provides an overview of significant events leading to the filing of these Chapter 11 Cases; and
- ***Part V*** discusses the Foreclosures and the Debtors' post-Foreclosure operations;
- ***Part VI*** provides a preview of these Chapter 11 Cases under the RSA; and
- ***Part VII*** discusses the First Day Motions.

I. PRELIMINARY STATEMENT[2]

10. The Debtors commence these Chapter 11 Cases with the broad support of all or substantially all of the Debtors' major stakeholder groups. Prior to the Petition Date, the Debtors entered into a restructuring support agreement (the "**Restructuring Support Agreement**" or the "**RSA**")[3] supported by, among others, (a) 2HR Learning, Inc. ("**2HR**"), an arms-length investor which has agreed to act as plan sponsor and Senior DIP Lender; (b) Guidepost Global Education, Inc. ("**GGE**"),[4] which has agreed to contribute certain of its assets pursuant to the Plan and to act as the Junior DIP Lender; (c) Ramandeep (Ray) Girn ("**Mr. Girn**") the Debtors' co-founder and former chief executive officer, and Rebecca Girn, the Debtors' co-founder and

[2] Capitalized terms used but not otherwise defined in this Preliminary Statement have the meanings given to them elsewhere herein.

[3] The Debtors will file the RSA and a motion to assume the RSA shortly after the Petition Date.

[4] GGE is an affiliated entity of Learn Capital.

former general counsel ("**Ms. Girn**" and together with Mr. Girn, the "**Girns**"); (d) Yu Capital, LLC and its affiliated entities that represent a significant number of the Debtors' EB-5 Investors; and (e) the consenting parties thereto (with the other signatories to the RSA, the "**Supporting RSA Parties**"). The RSA follows significant diligence, discussions, and negotiations around a value-maximizing restructuring transaction through a pre-arranged joint chapter 11 plan (the "**Plan**"), which I believe will best position these Chapter 11 Cases to effectuate a value-maximizing result for all parties in interest. Among other things, and as more fully described in the RSA, the RSA contemplates the broad support of the Plan that, despite the secured debt in the Debtors' capital structure, anticipates recoveries to unsecured creditors.

11. Importantly, this restructuring contemplated by the RSA will, following multiple pre-petition foreclosures and negotiated sales of substantially all of the Debtors' ongoing operations (the "**Foreclosures**"), allow the Debtors to maximize value for parties in interest, keep the largest number of employees employed, and provide students and families with ongoing access to the Remaining Schools (as defined herein). These Chapter 11 Cases are supported by up to $8 million of new money through a senior and junior post-petition financing facilities, which also includes a dollar-for-dollar roll-up of approximately $2 million of the pre-petition bridge financing from the lenders (the "**DIP Facilities**"). The DIP Facilities will provide the Debtors with sufficient liquidity to prosecute these Chapter 11 Cases, confirm and consummate the Plan, and support ongoing operations for the Debtors' remaining seven (7) Schools. The RSA contemplates a case timeline that will effectuate the value-maximizing Plan by September 30, 2025.

12. The RSA parties signed support these Chapter 11 Cases based on the belief that a reorganization of the Debtors' remaining business will continue the Debtors' mission of

providing the best early childhood education to students and families throughout the United States, whether utilizing the Debtors' current platform or modifying or supplementing that platform with new educational programing. Without the RSA and the DIP Facilities, the Debtors would have been required to liquidate under a Chapter 7 bankruptcy – a disorganized process that would not maximize value for the Debtors' creditors.

II.
BACKGROUND

A. Overview of the Debtors

13. HGE was founded in 2016 by a team of educators and business leaders, who had spent their early careers dedicated to creating and scaling LePort Education Inc., a high-quality, high-fidelity Montessori school network headquartered in Southern California. Mr. Girn founded and led the Debtors as their President and Chief Executive Officer. For many years the team devoted itself to developing, testing, refining, and putting into practice the resources, systems, infrastructure, and pedagogical leadership required to achieve Montessori "at scale," and created a network of schools across the United States. HGE operated its Montessori schools under the Guidepost brand – a brand synonymous with cultivating independent children to "live a life, fully lived."

14. The Debtors' mission was to modernize and mainstream the Montessori education movement. In addition to owning and operating Montessori schools (the "**Schools**"), the Debtors provided accredited teacher training and licensed content to other Montessori schools. In addition, in 2020, HGE acquired the Altitude platform, a learning management system that HGE believed could be used to operate Guidepost classrooms across the network. Following rapid expansion as the U.S. emerged from COVID-19 lockdowns, the Debtors offered an end-to-end experience that covered the entire lifecycle of a family at school—virtually and at home—from

birth through secondary education, enabled by next-gen, accredited Montessori instruction and programming.

15. Following the early success of the schools in the United States, HGE sought to expand its mission, dedication to education, and Montessori platform to China, Canada, and countries in Europe. This foreign expansion began in 2019 through the opening of wholly owned schools (the "**Foreign Schools**") in Hong Kong and mainland China and the formation of strategic partnerships with parties that wanted to utilize HGE's brand, programming, and pedagogy.

16. By the fall of 2024, the Debtors were the largest owner and operator of Montessori schools in the world with over 150 schools in operations and plans for the construction and opening of dozens more schools. These schools were located across the United States, with locations in, among other states, Texas, North Carolina, California, New York, New Jersey, Illinois, Massachusetts, Washington, Maryland, Florida, Michigan, Alabama, Indiana, Ohio, Arizona, Kansas, Missouri, and Virginia. In addition to its core campus network, the Debtors offered virtual school, home school and teacher training, and also licensed its content to independent school partners. However, and as discussed herein, the Debtors owned and operated seven (7) of the Schools as of the Petition Date and the Debtors and 2HR are discussing the future of those seven (7) Schools.

B. The Debtors' Corporate Structure and the Schools

17. The Debtors operated the Schools through various structures – all managed by centralized operations at HGE. HGE is the ultimate corporate parent company of the Debtors. HGE owned, directly or indirectly, numerous Debtor and non-debtor subsidiaries that were utilized to operate and/or own the Debtors' Schools and accredited training programs. As of the Petition Date, HGE owns and operates seven (7) Schools. For the convenience of the Court and

all parties in interest, the Debtors' organizational structure and respective ownership percentage of the various Debtor and non-debtor subsidiaries is set forth in the chart attached hereto as **Exhibit A**.

18. Specifically, the Debtors' primary business was owning and operating the Schools. The Schools were either wholly owned by Guidepost A or were owned by other subsidiary entities (the "**School Subsidiaries**"). The School Subsidiaries were established to own, manage, and/or operate Schools in selected markets in the United States. The School Subsidiaries are either wholly owned by Guidepost A or were majority-owned by Guidepost A with the minority owners consisting of limited interests owned by non-U.S. person investors ("**EB-5 Investors**") under the Employment Based Immigration Preference program, known as "EB-5" (the "**EB-5 Program**"). The Debtors' EB-5 Program is discussed herein in more detail.

19. Further, the Debtors owned, operated, and managed their accredited training programs at Prepared Montessorian LLC ("**Prepared Montessorian**") and Prepared Montessorian TT LLC ("**Prepared TT**"),[5] Prepared Montessorian's former wholly owned subsidiary. The Debtors were known for their pedagogy and innovative Montessori programming that was utilized by Montessori educators within and outside of the Schools.

20. In furtherance of their mission, the Debtors offered two Montessori programs and brands: the Guidepost Montessori brand for children in their early years (generally infant through pre-kindergarten) and Guidepost Academy for children and young adolescents (generally grades kindergarten through eighth grade). The Debtors' primary focus, however, was the early childhood education space.

[5] Prepared TT is not a Debtor in these Chapter 11 Cases.

21. In 2016 and 2017, the Debtors started with a small number of Schools and at the end of each calendar year, maintained the following number of Schools:

Year Ending	Number of Schools
2018	12
2019	27
2020	60
2021	81
2022	101
2023	132
2024	150
Petition Date	7

22. The Debtors' growth and the funding to achieve such growth is discussed in more detail herein.

III.
CAPITAL STRUCTURE

A. Funded Debt Structure

23. Prior to the Petition Date, the Debtors entered into various financing arrangements to funds the Debtors' Schools and general operations. As of the Petition Date and following the Foreclosures (which are discussed in detail in Section V), the Debtors maintained the following funded debt obligations:

Debt	Approx. Amount Outstanding[6]
Secured Funded Debt	
Bridge CN-3 Notes	$4,800,000
WTI Loan Agreements	$4,680,970
CN Notes	$117,837,932
Total Secured Funded Debt	**$127,318,902**

[6] The Approximate Amount Outstanding reflects the estimated amount outstanding as of the Petition Date according to the Debtors' books and records. These numbers are a summary and are not intended to reflect the actual amounts outstanding as of the Petition Date. The Debtors continue to reconcile their books and records and reserve all rights as to the correct amounts of these funded debt obligations.

Debt	Approx. Amount Outstanding[6]
Unsecured Funded Debt	
Learn Fund XXXVII Promissory Note	$410,350
NRTC Promissory Note	$289,833
Yu FICB Promissory Notes	$1,182,387
YuATI Promissory Notes	$2,200,000
YuHGEA Loan Agreement	$57,424
Yu Capital Loan	$327,858
LFI Unsecured Notes	$12,454,566
Total Unsecured Funded Debt	**$16,922,418**
Total Funded Debt	**$144,241,320**

i. Secured WTI Loans

24. HGE, Guidepost A, Prepared Montessorian, Prepared TT, and Terra Firma Services LLC, ("**Terra Firma**," and with HGE, Guidepost A, Prepared Montessorian, and Prepared TT, the "**WTI Borrowers**") are parties to several prepetition financing arrangements with Venture Lending & Leasing IX, Inc., ("**Fund IX**") and WTI Fund X, Inc., ("**Fund X**" together with Fund IX, "**WTI**"). Specifically, WTI and the WTI Borrowers entered into (a) the Loan and Secured Agreement, dated February 19, 2021, by and between Fund IX and the Borrowers in the original principal amount of $12 million (as may have been amended, supplemented, restated, and modified from time to time, the "**Fund IX Loan Agreement**"); (b) that certain Loan and Security Agreement, dated as of November 8, 2023, between Fund X and the WTI Borrowers in the original principal amount of $15 million (as may have been amended, supplemented, restated, and modified from time to time, the "**Fund X Loan Agreement**," and with the Fund IX Loan Agreement, the "**WTI Loan Agreements**").

25. To secure the WTI Borrowers' obligations under the WTI Loan Agreements, each Borrower granted to WTI a blanket security interests in substantially all of such WTI Borrowers'

personal property assets, including certain intellectual property owned by HGE and Terra Firma (collectively, the "**WTI Collateral**"). WTI's security interests in the WTI Collateral were perfected by: (a) a UCC-1 Financing Statement with the Delaware Department of State on February 22, 2021, as file number 20211409706; (b) a UCC-1 Financing Statement with the Delaware Department of State on November 8, 2023, as file number 20237621211; (c) a UCC-1 Financing Statement with the Delaware Department of State on May 10, 2024, as file number 20243148184; (d) that Intellectual Property Security Agreement, dated as of February 19, 2021, between HGE and Fund IX, with such recordation located at (i) Reel 055418 Frame 0170 covering the patents of HGE described therein and (ii) Reel 7226 Frame 0223 covering the trademarks of HGE described therein; (e) that certain Intellectual Property Security Agreement, dated as of February 19, 2021, between Terra Firma and Fund IX, with such recordation located at Reel 7226 Frame 0360 covering the trademark of Terra Firma described therein; (f) that certain Intellectual Property Security Agreement, dated as of November 8, 2023, between HGE and Fund X, with such recordation located at (i) Reel 065514 Frame 0203 covering the patent of HGE described therein and (ii) Reel 8254 Frame 0751 covering the trademarks of HGE described therein; and (g) that certain Intellectual Property Security Agreement, dated as of November 8, 2023, between Terra Firma and Fund X, with such recordation located at Reel 8254 Frame 0780 covering the trademark of Terra Firma.

26. As such, Fund IX and Fund X were secured by substantially all of the property of the WTI Borrowers, subject to certain perfected security interests in specific assets held by other secured creditors. Pursuant to that Intercreditor Agreement, dated November 8, 2023, between Fund IX and Fund X, the parties agreed that the liens of Fund IX and Fund X shall be of equal

rank and priority and all of the rights, interests, and obligations under the WTI Loan Agreements and related loan documents shall be shared by Fund IX and Fund X pro rata.

27. As of the Petition Date and following the Foreclosures, WTI maintains a perfected, secured claim against the WTI Borrowers in the approximate amount of $4,680,970 (due to the fact that WTI did not foreclose on all of the WTI Collateral), broken out as follows:

Loan Agreement	Approximate Amount Outstanding
Fund IX Loan Agreement	$153,801
Fund X Loan Agreement	$4,527.169
Total	**$4,680,970**

ii. Secured CN Notes

28. To further fund the Debtors' Schools and business operations, the Debtors entered into that Note Purchase Notice and Note Purchase Agreement, dated May 31, 2024 (as may have been amended, supplemented, restated, and modified from time to time, the "**NPA**") whereby the Debtors were authorized to issue and sell one or more promissory notes in a first series (the "**CN-1 Notes**"), one or more promissory notes in a second series (the "**CN-2 Notes**"), and one or more promissory notes in a third series (the "**CN-3 Notes**," and with the CN-1 Notes and the CN-2 Notes, the "**CN Notes**"). The CN Notes are secured by a blanket lien on all HGE assets (the "**CN Notes Collateral**") pursuant to the Security Agreement, dated May 31, 2024 between HGE and Learn Capital Venture Partners IV, L.P., the Collateral Agent for all notes issued under the NPA (the "**NPA Collateral Agent**"), and any security interests in the CN Notes Collateral (other than as expressly provided for the Bridge CN-3 Notes (as defined below)) are expressly subordinated to WTI's liens in the CN Notes Collateral. The NPA Collateral Agent perfected the CN Notes security interest in the CN Notes Collateral pursuant to that UCC-1

Financing Statement with the Delaware Department of State on May 31, 2024, as file number 20243664982.

29. Upon an event of repayment of the CN Notes, the NPA provides that holders of the CN-3 Notes are entitled to receive a recovery in full before any payment may be made to holders of the CN-2 Notes and CN-1 Notes. Once all holders CN-3 Notes have been repaid in full, holders of CN-2 Notes are then entity to receive a recovery in full before any payment may be made to holders of CN-1 Notes.

30. Pursuant to the NPA, the CN Notes convert into Conversion Shares[7] upon the first to occur of (a) the consent of the Majority Note Holders[8] or (b) the date that is four months following the date of the Initial Closing (provided, that (i) such date may be extended two times by up to three months each and/or (ii) such conversion may be waived entirely, in each case, with the consent and at the sole discretion of the Majority Note Holders). Learn Capital, and its affiliated entities, are the Majority Note Holders for the CN Notes and have waived any conversion of the CN Notes into the Conversion Shares.

31. As of the Petition Date, there is approximately $43,014,365 in CN-3 Notes, $41,304,320, in CN-2 Notes, and $33,566,465 in CN-1 Notes outstanding, held by the following holders:

Lender	Class	Approximate Principal Amount
Learn Capital Venture Partners III, L.P., on its own behalf and as nominee for Learn Capital Venture Partners IIIA, L.P.	CN-1 Note	$1,525,938

[7] "Conversion Shares" means (i) with respect to the CN-1 Notes, the Series E-1 Preferred Stock, (ii) with respect to the CN-2 Notes, the Series E-2 Preferred Stock, and (iii) with respect to the CN-3 Notes, the Series E-3 Preferred Stock

[8] "Majority Note Holders" means the holders of majority in interest of the aggregate principal amount of the CN Notes then outstanding.

Lender	Class	Approximate Principal Amount
Learn Capital Venture Partners IV, L.P., on its own and as nominee for Learn Capital Venture Partners IV-US, L.P.	CN-1 Note	$1,333,141[9]
Learn Capital Fund V Growth, L.P.	CN-1 Note	$2,055,391[10]
Previously Existing Convertible Notes	CN-1 Notes	$28,651,995[11]
Learn Capital Venture Partners III, L.P., on its own behalf and as nominee for Learn Capital Venture Partners IIIA, L.P.	CN-2 Note	$6,094,549[12]
Learn Capital Fund V Growth, L.P.	CN-2 Note	$30,186,659[13]

[9] This amount consists of the reclassification of that certain Subordinated Unsecured Promissory, dated February 22, 2023, between Learn Capital Venture Partners III, L.P. and HGE in the amount of $1,333,141.27.

[10] This amount consists of the reclassification of (a) that certain Subordinated Unsecured Promissory, dated December 5, 2022, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $1,029,898.03 and (b) that certain Subordinated Unsecured Promissory, dated February 22, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $1,025,493.29.

[11] Pursuant to the Closing Conditions to Note Purchase Agreement and Series E Financing, dated June 13, 2024 (the "**Closing Conditions Agreement**"), "all existing convertible notes outstanding … will be cancelled, exchanged or amended to CN-1 Notes…" At the time of the Closing Conditions Agreement, there were approximately fifty-seven (57) convertible notes outstanding, which were converted into the CN-1 Notes. Many of these notes were not issued new CN-1 Notes and the Debtors tracked and recognized such notes as CN-1 Notes.

[12] This amount consists of the reclassification of: (a) $1,018,064.98 from a Subordinated Unsecured Promissory, dated July 6, 2023, between Learn Capital Venture Partners III, L.P. and HGE; (b) $3,048,897.08 from a Subordinated Unsecured Promissory, dated August 7, 2023, between Learn Capital Venture Partners III, L.P. and HE; (c) $1,014,591.18 from a Subordinated Unsecured Promissory, dated September 7, 2023, between Learn Capital Venture Partners III, L.P. and HGE; and (d) $1,012,996.12 from a Subordinated Unsecured Promissory, dated October 6, 2023, between Learn Capital Venture Partners III, L.P. and HGE.

[13] Of this amount, $5,320,868.44 will be credited toward the satisfaction of the Pro Rata Share of Learn Capital Venture Partners IV, L.P. Further, this amount consists of the reclassification of: (a) that certain Subordinated Unsecured Promissory, dated November 18, 2022, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $4,123,393.44; (b) that certain Subordinated Unsecured Promissory, dated December 21, 2022, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $4,116,017.62; (c) that certain Subordinated Unsecured Promissory, dated January 23, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $3,595,073.13; (d) that certain Subordinated Unsecured Promissory, dated January 30, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $513,386.87; (e) that certain Subordinated Unsecured Promissory, dated March 8, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $1,332,129.06; (f) that certain Subordinated Unsecured Promissory, dated March 22, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $4,812,502.19; (g) that certain Subordinated Unsecured Promissory, dated May 23, 2023, between Learn Capital Venture Partners IV, L.P. and HGE in the amount of $1,020,498.17; (h) that certain Subordinated Unsecured Promissory, dated May 30, 2023, between Learn Capital Venture Partners IV, L.P. and HGE in the amount of $1,020,110.68; (i) that certain Subordinated Unsecured Promissory, dated June 21, 2023, between Learn Capital Venture Partners IV, L.P. and HGE in the amount of $3,566,128.38; (j) that certain Subordinated Unsecured Promissory, dated June 29, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $1,018,451.69; (k) that certain Subordinated Unsecured Promissory, dated September 7, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $2,536,477.96; and (l) that certain Subordinated Unsecured Promissory, dated October 6, 2023, between Learn Capital Fund V Growth, L.P. and HGE in the amount of $2,532,490.31.

Lender	Class	Approximate Principal Amount
Learn Capital Venture Partners IV, L.P., on its own and as nominee for Learn Capital Venture Partners IV-US, L.P.	CN-2 Note	$5,023,111[14]
Learn Capital Venture Partners III, L.P., on its own behalf and as nominee for Learn Capital Venture Partners IIIA, L.P.	CN-3 Note	$2,000,000
Learn Capital IV Special Opportunities XI, LLC	CN-3 Note	$18,536,514[15]
Venn Growth Partners HGE LP	CN-3 Note	$1,000,000
Branch Hill Capital, LLC	CN-3 Note	$430,020
Nimble Ventures, LLC	CN-3 Note	$531,040
Venn Growth GP Limited	CN-3 Note	$4,197,523[16]
Ramandeep Girn	CN-3 Note	$3,069,031[17]
Learn Capital Special Opportunities Fund XVIII, L.P.	CN-3 Note	$5,300,000
HEAL Partners International Fund 1 LP	CN-3 Note	$380,503
HEAL Partners Australia Fund 1	CN-3 Note	$1,619,417
2HR Learning, Inc.	CN-3 Note	$5,000,000
Ramandeep Girn	CN-3 Note	$903,100[18]
Total Approximate Principal Amount		**$117,837,932**

[14] This amount consists of the reclassification of that certain Subordinated Unsecured Promissory, dated March 7, 2024, between Learn Capital Venture Partners IV, L.P. and HGE in the amount of $5,023,111.10.

[15] Certain of this amount consists of a reclassification of: (a) that certain Subordinated Unsecured Promissory, dated April 2, 2024, between Learn Capital IV Special Opportunities XI, LLC and HGE in the amount of $1,003,206.10; (b) that certain Subordinated Unsecured Promissory, dated April 2, 2024, between Learn Capital IV Special Opportunities XI, LLC and HGE in the amount of $5,016,030.51; (c) that certain Subordinated Unsecured Promissory, dated April 8, 2024, between Learn Capital IV Special Opportunities XI, LLC and HGE in the amount of $6,017,277.53; and (d) that certain Loan Agreement & Promissory Note, dated June 7, 2024, between Learn Capital IV Special Opportunities XI, LLC and HGE in the amount of $4,000,000.

[16] Certain of this amount consists of the reclassification of that certain Loan Agreement and Promissory Note, dated June 10, 2024 between Venn Growth GP Limited and HGE in the amount of $750,000.

[17] This amount consists of the reclassification of that certain Note Redemption Agreement dated June 11, 2024 between Guidepost A, Ramandeep Singh Girn, and Rebecca Knapp Girn, and that certain promissory note dated June 30, 2024, issued to Ramandeep Singh Girn in the amount of $3,036,031.53.

[18] This CN-3 Note was issued to Mr. Girn on February 2, 2025 and is the reclassification of that certain unsecured Loan Agreement & Promissory Note, dated June 30, 2024, between Ramandeep Girn and Guidepost A LLC in the amount of $903,100.69 into a secured CN-3 Note.

iii. Secured Bridge CN-3 Loans

32. Beginning on and after January 15, 2025, the Debtors and certain lenders entered into the series CN-3 convertible promissory notes (the "**Bridge CN-3 Notes**") in the aggregate principal amount of $4,800,000 (the "**Bridge CN-3 Loans**"), plus interest, fees and costs, **and** including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein, issued pursuant to the NPA. The Bridge CN-3 Notes are collateralized by a priming lien over the WTI Loan Agreements in the principal amount of up to $5,000,000, in favor of the NPA Collateral Agent. WTI consented to this treatment pursuant to that Closing Conditions to Note Purchase Agreement and Series E Financing #2, effective February 5, 2025, between HGE, WTI, Learn Capital, Learn Capital Special Opportunities Fund XXXVII, LLC, and 2HR Learning, Inc.

33. As of the Petition Date, $4,800,000 of Bridge CN-3 Notes remained outstanding and are broken out by the Lenders, as follows:

Lender	Amount
Ramandeep Girn	$500,000
Learn Capital Venture Partners III, L.P.	$2,300,000
2HR Learning, Inc.	$1,000,000
Learn Capital IV Special Opportunities X, LLC	$1,000,000
Total	**$4,800,000**

iv. Unsecured Learn Capital Debt

34. Learn Capital Special Opportunities Fund XXXVII LLC ("**Learn Fund XXXVII**") and HGE, Guidepost FIC A LLC, Guidepost FIC B LLC, Guidepost FIC C LLC, HGE FIC D LLC, HGE FIC E LLC, HGE F LLC, HGE FIC G LLC, HGE FIC I

LLC, HGE FIC L LLC, HGE FIC M LLC, HGE FIC N LLC, Guidepost The Woodlands LLC, Guidepost Goodyear LLC, and LePort Emeryville LLC, as debtors (collectively, the "**Learn Borrowers**") are party to that Second Amended and Restated Secured Convertible Promissory Note, dated March 13, 2025 (as the same has been amended, supplemented, restated and otherwise modified from time to time, the "**Learn Fund XXXVII Promissory Note**"), in the original principal amount of $3,800,000.00. The Learn Fund XXXVII Promissory Note is secured by that Second Amended and Restated Security Agreement, dated March 13, 2025, between Learn Fund XXXVII and the Learn Borrowers. Prior to foreclosure, the Learn Fund XXXVII Promissory Note was secured, up to the secured amount for each School set forth in the Learn Fund XXXVII Promissory Note, by a first lien security interest in substantially all of the assets of the following Schools (the "**Learn Fund XXXVII Collateral**"):

Borrower	School	Secured Amount
Guidepost FIC A LLC	Guidepost Montessori at Spruce Tree	$130,000
Guidepost FIC B LLC	Guidepost Montessori at Timber Ridge	$80,000
Guidepost FIC B LLC	Guidepost Montessori at Wicker Park	$20,000
Guidepost FIC B LLC	Guidepost Montessori at Foothill Ranch	$20,000
Guidepost FIC C LLC	Guidepost Montessori at Copper Hill	$20,000
Guidepost Goodyear LLC	Guidepost Montessori at Goodyear	$20,000
Guidepost The Woodlands LLC	Guidepost Montessori at The Woodlands	$20,000
HGE FIC D LLC	Guidepost Montessori at Flower Mound	$20,000
HGE FIC D LLC	Guidepost Montessori at Magnificent Mile	$70,000
HGE FIC E LLC	Guidepost Montessori at Hollywood Beach	$20,000
HGE FIC E LLC	Guidepost Montessori at Peoria	$2,400,000
HGE FIC F LLC	Guidepost Montessori at Plum Canyon	$20,000
HGE FIC G LLC	Guidepost Montessori at Laurel Oak	$30,000
HGE FIC G LLC	Guidepost Montessori at Mahwah	$30,000
HGE FIC I LLC	Guidepost Montessori at Burr Ridge	$20,000
HGE FIC I LLC	Guidepost Montessori at Deerbrook	$70,000

Borrower	School	Secured Amount
HGE FIC I LLC	Guidepost Montessori at Downtown Naperville	$20,000
HGE FIC I LLC	Guidepost Montessori at Evanston	$70,000
HGE FIC I LLC	Guidepost Montessori at Hollywood Beach East	$20,000
HGE FIC I LLC	Guidepost Montessori at Palm Beach Gardens	$70,000
HGE FIC I LLC	Guidepost Montessori at Baymeadows	$20,000
HGE FIC L LLC	Guidepost Montessori at Kendall Park	$20,000
HGE FIC L LLC	Guidepost Montessori at Paradise Valley	$30,000
HGE FIC L LLC	Guidepost Montessori at Downtown Boston	$20,000
HGE FIC L LLC	Guidepost Montessori at Legacy	$20,000
HGE FIC L LLC	Guidepost Montessori at Old Town	$30,000
HGE FIC L LLC	Guidepost Montessori at Princeton Meadows	$20,000
HGE FIC L LLC	Guidepost Montessori at Lynnwood	$30,000
HGE FIC L LLC	Guidepost Montessori at San Rafael	$20,000
HGE FIC M LLC	Guidepost Montessori at Downers Grove	$20,000
HGE FIC M LLC	Guidepost Montessori at Leavenworth	$20,000
HGE FIC M LLC	Guidepost Montessori at Celebration Park	$20,000
HGE FIC N LLC	Guidepost Montessori at Kent	$20,000
HGE FIC N LLC	Guidepost Montessori at North Wales	$20,000
LePort Emeryville LLC	Guidepost Montessori at Emeryville	$320,000

35. Learn Fund XXXVII's security interests in the Learn Fund XXXVII Collateral were perfected by UCC-1 Financing Statements filed with the Delaware Department of State on March 6, 2025, as File Numbers: 20251574091, 20251573606, 20251573259, 20251574182, 20251573929, 20251573663, 20251572954, 20251573861, 20251574505, 20251573655, 20251573317, 20251573093, and 20251574174 (as amended on March 17, 2025 by Amendment No. 20251830410). As of the Petition Date, approximately $419,351 remains outstanding under the Learn Fund XXXVII Promissory Note, which the Debtors consider unsecured due to either the Foreclosures or subsequent sale of the Learn Fund XXXVII Collateral.

v. Yu Capital Loans

36. Yu Capital, LLC ("**Yu Capital**") and its affiliates entered into a number of project specific loans with the Debtors that were secured by specific assets, which Yu Capital or its affiliates foreclosed upon. *See* Section V. As such, the Debtors consider all of the loans between the Debtors and Yu Capital and its affiliates to be unsecured.

a. YuHGE A Loan

37. Guidepost A and YuHGE A LLC ("**YuHGE A**") are party to that Amended and Restated Loan Agreement, dated March 22, 2018, in the original principal amount of $1,000,000 (as amended and supplemented from time to time, the "**YuHGE A Loan**"), secured by that Pledge and Security Agreement between Guidepost A and YuHGE A, and guaranteed by HGE. The YuHGE A Loan was secured by a first priority security interest in Guidepost A's 92.5% equity interest in Guidepost FIC A LLC, an owner of two Schools – Prosperity and Spruce Tree (the "**YuHGE A Collateral**"). YuHGE A perfected its security interest in the YuHGE A Collateral pursuant to that UCC-1 Financing Statement with the Delaware Department of State on February 29, 2024 (as amended on March 27, 2025), as file number 20241354040. As of the Petition Date, approximately $57,425 remains outstanding on the YuHGE A Loan, which the Debtors consider to be unsecured due to the foreclosure of the YuHGE A Collateral.

b. YuATI Loan

38. Guidepost A and YuATI LLC ("**YuATI**") are party to that Secured Promissory Notes in the aggregate principal amount of $2,200,000 (the "**YuATI Loan**"), secured by that Pledge and Security Agreement Guidepost A and YuATI. The YuATI Loan was secured by a first priority security interest in the Academy of Thought and Industry – San Francisco Campus and the Academy of Thought and Industry – Austin Campus (the "**YuATI Collateral**"). YuATI perfected its security interest in the YuATI Collateral pursuant to that UCC-1 Financing

Statement with the Delaware Department of State on February 29, 2024, as file number 20241354321.

39. Both Schools that are the YuATI Collateral were closed well before the Petition Date. As such, the Debtors consider the YuATI Loan unsecured. As of the Petition Date, at least $2,200,000 remains outstanding on the YuATI Loan.

c. YuFIC B Loan

40. Guidepost A and YuFIC B, LLC ("**YuFIC B**") are party to that Secured Promissory Note, dated December 5, 2021, in the original principal amount of $2,000,000 (the "**YuFIC B Loan**"), secured by that Pledge and Security Agreement Guidepost A and YuFIC B. The YuFIC B Loan was secured by a first priority security interest in the Eldorado School (the "**YuFIC B Collateral**"). YuFIC B perfected its security interest in the YuFIC B Collateral pursuant to that UCC-1 Financing Statement with the Delaware Department of State on February 29, 2024, as file number 20241354180. As of the Petition Date, approximately $1,182,387 remains outstanding on the YuFIC B Loan, which the Debtors consider to be unsecured due to the foreclosure of the YuFIC B Collateral.

d. NRTC Loan

41. Guidepost A and NTRC Equity Partners, LLC ("**NTRC**") are party to that Secured Promissory Note, dated July 17, 2023, in the original principal amount of $4,000,000 (the "**NTRC Loan**"), secured by that Pledge and Security Agreement Guidepost A and NTRC. The NTRC Loan was secured by a first priority security interest in the Bee Cave School, the Brushy Creek School, the Round Rock School, and the Westlake School (the "**NRTC Collateral**"). NRTC perfected its security interest in the NRTC Collateral pursuant to that UCC-1 Financing Statement with the Delaware Department of State on February 29, 2024, as file number 20241354305. As of the Petition Date, approximately $289,833 remains outstanding

on the NRTC Loan, which the Debtors consider to be unsecured due to the foreclosure of the NRTC Collateral.

e. Yu Capital Loan

42. Guidepost A and Yu Capital are party to that Secured Promissory Note, dated January 3, 2025, in the original principal amount of $441,913 (the "**Yu Capital Loan**"), secured by that Pledge and Security Agreement between Guidepost A and Yu Capital, and guaranteed by HGE. The Yu Capital Loan was secured by a security interest in the NTRC Collateral and the YuFIC B Collateral (the "**Yu Capital Collateral**"). Yu Capital perfected its security interest in the Yu Capital Collateral pursuant to that UCC-1 Financing Statement with the Delaware Department of State on January 8, 2025, as file number 20250130077. As of the Petition Date, approximately $327,858.63 remains outstanding on the Yu Capital Loan, which the Debtors consider to be unsecured due to the fact that the Yu Capital Collateral was foreclosed upon.

vi. Unsecured LFI Notes

43. Guidepost A and Guidepost Financial Partner, LLC ("**LFI**") entered into certain unsecured promissory notes (as the same has been amended, supplemented, restated and otherwise modified from time to time, the "**LFI Notes**"). As of the Petition Date, there is approximately $12,454,566 outstanding under the LFI Notes. The LFI Notes are unsecured loans that were utilized by Guidepost A to fund the startup costs and rental security deposits for certain Schools (the "**LFI Schools**").[19] Pursuant to the LFI Notes, if the LFI Schools achieved a certain level of profitability, then Guidepost A was required to pay a percentage of such profits to LFI (the "**LFI Profit Share**"). As of the Petition Date, the Debtors only made limited LFI Profit Share payments to LFI.

[19] The "LFI Schools" consist of the following Schools: Katy, Parker, Schaumburg, Evanston, Briarwood (Deerbrook), Edgewater, Champlin, and Downers Grove.

44. As of the Petition Date, there is approximately $12.4 million outstanding under the LFI Notes.

B. HGE Equity Structure

45. The Debtors have also utilized several classes of equity as sources of cash flow to fund operations.

a. Common Stock

46. HGE is authorized to issue 90 million shares of common stock at $0.00001 par value per share, consisting of 80 million shares of Class A common stock ("**Class A**") and 10,000,000 shares of Class B common stock ("**Class B**").[20] As of the Petition Date, there are approximately 22,980,559 Class A shares and 10,000,000 Class B shares issued and outstanding.

b. Preferred Stock

47. HGE is authorized to issue 9 million shares of Series Seed Preferred Stock ("**Series Seed**"), 12 million shares of Series B Preferred Stock ("**Series B**"), 15 million shares of Series C Preferred Stock ("**Series C**"), and 12 million shares of Series D Preferred Stock ("**Series D**"). All classes of preferred stock have a par value of $0.00001. As of the Petition Date, there are approximately 8,671,641 Series Seed, 3,830,656 Series B, 10,601,355 Series C, and 8,781,030 Series D shares issued and outstanding

c. Common Stock and Preferred Stock Rights

48. Each holder of a Class A share is entitled to one vote on all matters subject to vote and each holder of a Class B share is entitled to ten votes on each matter subject to vote. Dividends are at the discretion of the Board but may not be declared without both Class A and Class B sharing in the dividend equally. Each share of Class B, at the option of the holder, may at any time be converted into one fully paid and nonassessable share of Class A.

[20] Learn Capital, Mr. Girn, and Venn own more than five percent (5%) of the equity in HGE.

49. With the exception of dividends on shares of Class A common stock payable in shares of Class A common stock, no dividends can be declared to the common stockholders without the holders of preferred stock sharing equally in the dividend. Each holder of outstanding shares of preferred stock is entitled to cast the number of votes equal to the number of whole shares of Class A common stock into which the shares of preferred stock held by such holder are convertible as of the record date. In general, preferred stockholders vote together with the holders of common stock as a single class on an as-converted basis.

50. Each share of preferred shares may be converted, at the option of a majority interest in such series without the payment of additional considerations, into the number of fully paid and nonassessable shares of common Class A as is determined by dividing the original issue price for such series of preferred stock by the conversion price in effect the time of conversion. Original issue price means $0.06 per share for the Series Seed, $2.566879 per share for Series B, $2.8606 for Series C, and $4.275758 for Series D. Conversion price is the original issue price pertaining to such series of preferred stock. The conversion rate is subject to adjustments to reflect stock dividends, stock splits, and other events. Further, preferred stock shares are not subject to redemption from HGE.

51. For distributions of assets upon liquidation, each series of preferred shares have a 2x liquidation preference and rank senior to Class A and Class B common shares. Dividends and distributions of assets upon liquidation will be paid to preferred shareholders based on the conversion formula as if the holder's shares had been converted into Class A common stock.

C. Subsidiary Equity Structure

52. As mentioned above, the School Subsidiaries are either wholly owned by Guidepost A or majority-owned by Guidepost A with the minority owners consisting of the EB-5

Investors. Regardless of ownership structure, HGE was the named "Manager" for each of the School Subsidiaries with broad power and authority.

53. Pursuant to the EB-5 Program, EB-5 Investors may be able to gain permanent residence in the United States by investing the required minimum amount of capital in a domestic commercial enterprise that will create a specified minimum number of full-time jobs.[21] The Debtors' EB-5 Program was related to the opening of specific Schools and the job creation coming from those Schools. Through the EB-5 Program and from 2017 to the Petition Date, the Debtors raised approximately $50 million from EB-5 Investors, with the proceeds are being used for general purposes.

54. The Debtors' EB-5 Program is generally split into two distinct groups: (a) EB-5 Investors that designated Yu Capital as their representative and "Associate Manager" (the "**Yu Capital EB-5 Investors**") for those EB-5 School Subsidiaries and (b) EB-5 Investors that designated EB5AN Affiliate Network, LLC ("**EB5AN**") as their representative and "Special Manager" (the "**EB5AN EB-5 Investors**") for those EB-5 School Subsidiaries.[22] Yu Capital EB-5 Investors maintained a Series B membership interest in their respective EB-5 School Subsidiaries and EB5AN EB-5 Investors maintained a Class B membership interest in their respective EB-5 School Subsidiaries (collectively, the "**Limited EB-5 Interests**"). The Limited EB-5 Interests provided for limited management and consent rights with respect to the operations

[21] In particular, the following Debtor entities utilized EB-5 Investors: Guidepost FIC B LLC; Guidepost FIC C LLC; HGE FIC D LLC; HGE FIC E LLC; HGE FIC F LLC; HGE FIC G LLC; HGE FIC I LLC; HGE FIC L LLC; HGE FIC M LLC; HGE FIC N LLC; HGE FIC O LLC; HGE FIC P LLC; HGE FIC Q LLC; Guidepost Birmingham LLC; Guidepost Carmel LLC; Guidepost Goodyear LLC; Guidepost Las Colinas LLC; Guidepost Muirfield Village LLC; Guidepost Richardson LLC; Guidepost St Robert LLC; Guidepost The Woodlands LLC; Guidepost Walled Lake LLC; and LePort Emeryville LLC (collectively, the "**EB-5 School Subsidiaries**").

[22] LePort Emeryville LLC also contains EB-5 Investors but such EB-5 Investors do not designate an associate/special manager and do not have any rights requiring their consent to file LePort Emeryville LLC's Chapter 11 Case.

of the EB-5 School Subsidiaries. The Limited EB-5 Interests did, however, provide for a liquidation preference to the Limited EB-5 Interests compared to that of Guidepost A's ownership interests.

55. All required consents to file the EB-5 School Subsidiaries were obtained prior to filing these Chapter 11 Cases.

IV.
SIGNIFICANT PREPETITION EVENTS

56. As noted throughout this Declaration, various factors led to the commencement of these Chapter 11 Cases. Simply put, the Debtors have been unable to maintain and generate sufficient liquidity to fund operations. Since 2020, the Debtors have raised over $335 million in funding through various debt and equity instruments, including EB-5 capital and lease incentives. The Debtors utilized these proceeds for the expansion and opening of the Debtors' Schools, development of their educational platform, and the maintenance of the same.

57. As reflected in the Debtors' financial statements, the Debtors' business has never had positive cash flows from operations – resulting in the continuous need for external funding. In the past year, following a period of significant operational challenges and underperformance relative to budget, the Debtors had very limited sources of external funding. As such, recent cash fundings were from either multiple short-term financing arrangements or the sale of certain School assets.

58. Indeed, as the various efforts to raise third-party capital (or complete the sale of company assets) did not achieve the desired results, the Debtors were continually forced to go back to their current investors and lenders to obtain necessary funding, primarily Learn, which the Debtors' repeatedly sought funding from. In addition to the Debtors repeated reliance on

Learn, the Debtors also obtained funding from CEA, 2HR, and Mr. Girn to meet extremely short-term operating requirements, including payroll and rent.

59. Unfortunately, even with multiple short-term commitments from existing lenders and investors, the Debtors ran out of time and capital necessary to effectuate any transaction or reorganization that would have left the Schools under the Debtors' ownership. Because of this, the Debtors focused their efforts on maintaining as many Schools as a going concern, whether owned by the Debtors, the Debtors' secured lenders, or other operators. For a number of unprofitable Schools, the Debtors worked with their landlords to find new operators to ensure that employees remained employed and students and families could continue to depend on the Schools' continued operations.

A. Financial and Management Issues

i. Negative Financial Performance

60. As outline in the chart below, the Debtors have experienced massive operating losses that significantly outpaced revenues – cumulating in operating losses of over $440 million in the past five years.[23]

Fiscal Year Ending August	Operating Revenues	Operating Expenses	Loss from Operations
2020	$40,514,61	$96,157,925	$(55,643,310)
2021	$81,909,500	$180,879,010	$(98,969,510)
2022	$123,650,999	$230,608,782	$(106,957,783)
2023	$161,597,696	$264,842,110	$(103,244,414)
2024	$192,478,070	$248,423,727	$(55,495,657)
2025 (through April 2025)	$140,256,616	$165,069,516	$(24,812,999)

[23] Recognizing the Debtors' inability to generate operating income, beginning in 2021, the Debtors' auditor began issuing audit opinions that emphasized the Debtors' history of recurring losses, negative working capital, and cash outflows from operations. In the audit opinion for the year ending August 31, 2023, the Debtors' auditor issued a qualified opinion regarding the Debtors' ability to continue as a going concern

Fiscal Year Ending August	Operating Revenues	Operating Expenses	Loss from Operations
Cumulative Loss from Operations			**$(445,123,673)**

61. Indeed, in the fall of 2024, the Debtors operated several Schools that were incurring losses of over $50,000 per month. The Debtors had also committed to a large development pipeline that included over 20 additional campus openings, with projects generally expected to require $1,000,000 or more in future capital to reach breakeven for these planned openings.

62. Exacerbating the School-level losses were the substantial monthly corporate G&A expenses in excess of $2,500,000. Given the fact that the Debtors' operations consumed significantly more cash than they generated, the Debtors undertook a number of restructuring initiatives to improve financial performance, to boost liquidity and right-size their businesses. Ultimately, those initiatives did not yield sufficient financial changes in the necessary timeframe to prevent the Foreclosures and avoid these Chapter 11 Cases.

ii. Board and Management Changes

63. Beginning in 2024 and continuing in 2025 the Debtors experienced significant changes with respect to their Board and management resulting from general disagreements over strategy, growth, capital raising, and leadership. While certain Board directors wanted the Debtors to transition to a mature, stable, and profitable operators, other directors believed the best path forward was continuing the "hyper-growth" strategy that required significant capital to fund expansion. This philosophical disagreement led to a number of changes of the Board and the Debtors' management, resulting in uncertainty regarding the Debtors' future.

b. Officer and Board Changes in 2025

64. At the beginning of 2025, the Board consisted of: Mr. Girn, Greg Mauro ("**Mauro**"), Robert Hutter ("**Hutter**"), Zheng Yu Huang ("**Huang**"), Matthew Bateman ("**Bateman**"), Jack Chorowsky ("**Chorowsky**"), and myself. Chorowsky served as the Board's independent director. As at the beginning of 2025, Mr. Girn served as the Debtors' Chief Executive Officer and President and Ms. Girn served as the Debtors' General Counsel and Secretary. This structure, however, was short-lived due to various resignations and other changes to the Board and officers.

65. On January 31, 2024, Matthew Bateman resigned from the Board and was not replaced by another director. On February 25, 2025, Mr. Girn and Ms. Girn resigned from all of their respective positions as officers and director of the Debtors. The Board elected Mitch Michulka ("**Michulka**"), the Debtors' Chief Financial Officer, and Maris Mendes ("**Mendes**"), the Debtors' Chief Operations Officer, to serve as the Debtors' co-Chief Executive Officers. On March 10, 2025, Chorowsky resigned from his position as independent director and his position remained unfilled until Kirshbaum's appointment. On March 28, 2025, Mauro and Hutter resigned from the Board due to Learn's foreclosure and were not replaced. On March 31, 2025, Huang resigned from the Board. At Mr. Girn's direction, Mr. Girn appointed himself to serve as a director. Mr. Girn then resigned from the Board again on April 4, 2025.

66. On May 18, 2025, at Learn Capital's designation and Venn's approval, Kirshbaum was elected to serve as the Independent Director. As of the Petition Date, the Board consists of myself and the Independent Director, with the Independent Director having authorized the filing of these Chapter 11 Cases.

67. On May 31, 2025, Michulka and Mendes, along with certain of the Debtors' other corporate employees ceased employment for the Debtors and began working for GGE.[24] As HGE did not have any elected officers, the Independent Director asked that I accept, on an interim basis, the delegation of the duties and powers of the President and Secretary for HGE. Effective June 1, 2025, the Independent Director appointed me to serve as HGE's Interim President and Secretary.

B. Failed Prepetition Initiatives to Boost Long-Term Viability

68. While the Board and management issues created governance and strategic challenges, the primary cause of these Chapter 11 Cases is purely the Debtors' inability to obtain funding necessary to satisfy secured debt obligations and pay amounts owed in the ordinary course of business from continuing operations. Based on their financial performance and operational issues, the Debtors' ability to continue tapping external sources for funding became unfeasible. Without sources of capital and with continuing multi-million dollar monthly operating losses, the Debtors accelerated initiatives to lower costs and improve liquidity. These changes, however, did not result in sufficient long-term financing and operational changes that could enable the Debtors to continue as a going concern.

i. <u>Engagement of Investment Bankers</u>

69. In the past three years, the Debtors pursued various financing, transactional, and restructuring opportunities through the engagement of three different investment bankers and marketing efforts led by the Board and Mr. Girn. The Debtors engaged Barclays Capital Inc. ("**Barclays**"), Rothschild & Co US Inc. ("**Rothschild**"), and SC&H Capital ("**SC&H**"), as investment bankers, to pursue various opportunities for the Debtors, including, among other

[24] Michulka, Mendes, and the other corporate employees – who are now employed by GGE – are performing work for the Debtors pursuant to a Management Services Agreement, effective as of June 1, 2025, between GGE and HGE.

things, recapitalization of existing debt; the sale of debt and/or equity instruments; the entry into new debt financing arrangements; a potential sale, merger, or other business and/or strategic combination involving the Debtors. In addition, Learn Capital utilized its relationships with other investment bankers to solicit engagement from potential investors and acquirors.

a. 2024 Capital Raise

70. Specifically, Rothschild was engaged in January 2024 to facilitate an equity raise that was focused on private equity firms (particularly groups with existing education platforms), late-stage growth equity investors, and hybrid capital investors. Rothschild engaged 67 potential investors, which did not lead to any actionable results.

71. Barclays was also retained in January 2024 to focus on new debt funding through outreach to a group of structured debt providers. Barclays engaged 38 total potential investors, with six of those investors executing non-disclosure agreements ("**NDAs**"). Five of those parties then engaged in management meetings and two participated in follow up sessions with the Debtors and their advisors.

72. No actionable results came from the Rothschild and Barclays engagement. While these third parties provided generally positive feedback on the Debtors' brand and educational product, there were numerous cited concerns that prevented outside parties from investing, including, among other things: continuous negative cash flows and questionable path to profitability, excessive rent costs (as discussed below), large balance of debt on the balance sheet, high level costs of G&A expenses, and questions about the Debtors' management. As no third-party financing was available, the Debtors completed an insider-led financing under the NPA.

b. 2025 Capital Raise / Sale

73. In December 2024, the Debtors re-engaged Rothschild to pursue transactions for both controlling and minority equity investors. Rothschild led the marketing process with outreach to 18 financial targets and nine strategic targets. Further, Barclays continued to solicit potential private equity investors for the same opportunities. From these efforts, only one party executed an NDA and no parties engaged in meaningful activities towards consummating an equity transaction. These marketing efforts also did not bring any actionable results for the same reasons as the previous marketing efforts by Rothschild and Barclays.

74. In February 2025, the Debtors then engaged SC&H to focus on a transaction for the sale of substantially all of the Debtors' assets, with a focus on strategic investors, financial sponsors with existing education platforms, and private equity. SC&H was also tasked with seeking debtor-in-possession financing from parties that would serve as a plan sponsor or potential buyer under a section 363 sale under the Bankruptcy Code. SC&H performed initial outreach to 89 financial buyers, 30 strategic buyers, and four high-net worth individuals / family offices. Again, no actionable activity came from SC&H's efforts.

75. While Barclays, Rothschild, and SC&H were performing their marketing efforts, certain members of the Debtors' Board also engaged in direct outreach to select strategic investors through personal relationships and/or prior investments in the Debtors. Following market news that the Debtors were closing certain Schools, a number of strategic investors reached out directly to the Debtors regarding potential acquisition opportunities.

76. For example, in late March 2025, one strategic investor provided a verbal indication of interest for the acquisition of all of the Debtors' schools in Arizona, Illinois, North Carolina, and Virginia for an amount well below WTI's secured debt on those assets. On March 31, 2025 and after WTI's foreclosure on March 22, 2025, another strategic investor

provided a non-binding letter of intent to with a contingent purchase price subject to numerous adjustments that the Company did not find value constructive.

77. Simply put, the Debtors performed numerous thorough marketing processes that yielded no results that the Debtors could pursue. It was only when the Debtors' financial distress became more public that parties became interested. Even then, the proposals received by those interested parties were at fire sale prices and/or with contingencies that raised serious concerns regarding the likelihood of a closing on a potential transaction. Further, **no** party came forward with a proposal that was in excess of secured debt held by WTI or any of the other secured lenders.

ii. Rent Deferrals and Lease Amendments

78. Other than payroll costs for School-based employees, the Debtors' main operating costs are the rental expenses (the "**Rent Costs**") associated with the Schools' leases (the "**Leases**"), which prior to the Foreclosures, had a weighted-average remaining lease term of approximately 16 years. As of April 30, 2025, the Debtors had approximately $610,971,888 of long-term Lease liabilities. Indeed, the Rent Costs were historically more than one-third of the Debtors' operating revenues. For context, competitors in the early childcare education sector typically operate with Rent Costs at closer to 20% of Revenue. The Debtors high Rent Costs reflect: (a) many newer Schools that had not yet ramped to mature levels of operating revenue and (ii) above-market rents, driven by lease incentives (*i.e.*, capital contributions from development partners offered in exchange for higher rents).

Year Ending	Operating Revenues	Rent Costs	Percentage of Rent Costs to Operating Revenues
2020	$40,514,615	$24,439,783	60.3%
2021	$81,909,500	$40,115,318	48.9%
2022	$123,650,999	$49,349,071	39.9%

Year Ending	Operating Revenues	Rent Costs	Percentage of Rent Costs to Operating Revenues
2023	$161,597,696	$63,228,287	39.1%
2024	$192,478,070	$72,096,019	37.5%
2025 (through April 2025)	$140,256,616	$53,879,753	38.4%

79. Recognizing the massive Rent Costs, payment obligations, and the remaining long-term Lease liabilities, the Board executed a unanimous written consent on July 26, 2024 to (a) immediately stop all rent payments for the Leases beginning in August 2024 and (b) direct the Debtors to engage their landlords for the purposes of negotiating a restructuring of the Lease-related payments (the "**Lease Restructuring**"). In September 2024, the Debtors engaged Keen-Summit Capital Partners LLC ("**Keen Summit**") to assist the Debtors with the Lease Restructuring.

80. The Lease Restructuring was a comprehensive and multi-faceted approach that presented landlords multiple options for various amendments to the Leases, including, among other things, rent deferrals, rent abatement, extension of Lease terms, and application of amounts owed to the Debtors under the Lease (*i.e.*, TI budget, startup capital, etc…) towards the unpaid rent. The Debtors' real estate team engaged over 100 landlords to pursue the Lease Restructuring, including the structuring of an entire CRM-like negotiations-management tool to track the various landlord negotiations. The Lease Restructuring was a success in that the Debtors executed approximately 120 Lease amendments – representing the vast majority of the Debtors' Leases. Further, for those Leases that could not be amended to a financially satisfactory agreement, the Debtors worked with the landlords to transition operations to a new tenant.

81. While the Lease Restructuring provided short-term benefits for the Debtors' cash flows, it ultimately was not sufficient to offset ongoing losses. Even with the cash flow savings,

the Debtors were unable to achieve positive cash flow from operations. Further, the rent deferrals were only for a period of time with the deferred rent obligations becoming payable in September 2025 for continuing operations. For dozens of other campuses, including certain leases that modified pursuant to the Lease Restructuring, the Debtors have not been paying rent for months and are in default thereunder.

iii. Other Restructuring Efforts

82. To attempt to find more time to effectuate an out-of-court restructuring, the Debtors also performed the following actions:

a. School Closures - As a result of the Debtors' financial shortcomings and the inability to pay rent at certain Schools, the Debtors were forced to close over fifty (50) Schools in 2025 prior to the Petition Date. In addition to School closures, Debtors have worked with landlords to transfer as many campuses as possible to other operators in an effort to reduce damages for landlords and help ensure stability of childcare for communities.

b. Corporate Reductions in Force – Prior to the Petition Date, the Debtors terminated a large number of corporate employees, reducing monthly G&A spend by over 50%.

c. Retention of Restructuring Professionals – In the year leading up to these Chapter 11 Cases, the Debtors engaged Foley as restructuring counsel; three financial advisors, with Sierra Constellation Partners LLC ("**SCP**") remaining as the Debtors' financial advisors as of the Petition Date; and Kurtzman Carson Consultants, LLC dba Verita Global ("**Verita**") serving as the Debtors' claims and noticing agent and administrative agent for these Chapter 11 Cases.

V.
FORECLOSURES, ASSET SALES, AND POST-FORECLOSURE OPERATIONS

A. Loan Defaults and Foreclosures on Certain Assets

83. As stated above, the Debtors owed a significant amount of secured debt that was collateralized by a number of the Debtors' assets, including, among other things, the Schools, intellectual property, training and teaching programing, and other assets. The Debtors were

simply unable to pay the required payments under the various secured debt obligations – whether they be monthly/quarterly interest payments or the payment of principal upon the term of the debt obligations. As a result, numerous secured lenders declared events of default, pursued their statutory remedies, and executed the Foreclosures on the majority of the Debtors' assets.

84. The Debtors analyzed and investigated potential alternatives to the Foreclosures, including, among other things, obtaining new funding to cure any defaults, negotiating delays to the Foreclosures, and potential transactions that would monetize certain assets. None of these alternatives resulted in any actionable paths for the Debtors. As noted above, the Debtors exhausted their numerous marketing efforts and no parties were interested in providing the Debtors with a significant cash infusion that would delay the Foreclosures.

85. Therefore, the Debtors focused on the path that would: (a) keep as many employees with jobs, (b) allow for as many students and families to continue using the Schools, and (c) continue the Debtors' mission of providing the best Montessori education programming in the United States. While the Debtors would have preferred to lead this path, the reality was that the Debtors were financially unable to continue operations for these Schools and delay the Foreclosures. As such, the Debtors worked with their secured lenders and the Foreclosure Buyers (as defined herein) to ensure that Schools that were foreclosed upon were not impacted by the Foreclosures – ensuring that employees kept their jobs and students and families had Schools to attend.

i. <u>WTI Default and Foreclosure</u>

86. On March 10, 2025, WTI sent the Debtors a Notice of Default under Loan Agreements (the "**WTI Default Notice**") whereby WTI notified the Debtors of defaults under the WTI Loan Documents related to, among other things, the Borrowers' failure to pay necessary principal and interest payments, which the Borrowers failed to pay on December 1, 2024 through

and including March 1, 2025. As a result of the Default Notice, WTI accelerated all obligations and indebtedness under the WTI Loan Agreement and, as of March 10, 2025, requested immediate payment of $27,764,326.34, with $2,317,526.04 owed to Fund IX and $25,445,800.30 owed to Fund X (collectively, the "**WTI Cure Payment**").

87. On March 11, 2025, WTI sent the Debtors and the NPA Collateral Agent a Notice of Notification of Disposition of Collateral advising the Debtors that WTI intended to sell all right, title and interest of the Debtors in and to the WTI Collateral in which WTI has first priority security interests in privately sometime after March 21, 2025. The Debtors investigated options to find funding to pay the WTI Cure Payment and were unable to do so. Specifically, the Debtors were unable to raise funding for the WTI Cure Payment because, among other things: (a) the Debtors' business was continuing to experience multi-million dollar monthly losses, (b) the Debtors already had a complex and large debt structure with multiple levels of secured debt on various assets, (c) the inclusion of EB-5 Investors and the LFI Profit Share that impacted potential profit distributions from the Debtors' operating assets, (d) the Debtors' failed Lease Restructurings and ongoing Rent Costs, and (e) the uncertainty resulting from officer resignations.

88. As a result, on March 22, 2025, WTI foreclosed (the "**WTI Foreclosure**") on certain of the WTI Collateral (the "**WTI Foreclosed Assets**") and, pursuant to a private sale, sold the WTI Foreclosed Assets to GGE pursuant to that Foreclosure Sale Agreement dated March 22, 2025 (the "**WTI Sale Agreement**"). Pursuant to the WTI Sale Agreement, GGE provided consideration of $23,082,335.51 for the acquisition of the WTI Foreclosed Assets, including numerous schools and substantially all of the Debtors' intellectual property, pedagogy,

education and training programing, social media assets, and other assets necessary for the continual operations of the Schools.

89. As WTI did not foreclose on all of the WTI Collateral, WTI maintains a perfected, secured claim against the WTI Borrowers in the amount of $4,680,970.83.

ii. Learn Capital Default and Foreclosure

90. On March 28, 2025, Learn Fund XXXVII delivered a Default Notice (the "**Learn Fund XXXVII Default Notice**") stating that the Learn Borrowers were in default under the Learn Fund XXXVII Promissory Note and related security agreement due to WTI issuing the WTI Default Notice. Learn Fund XXXVII declared the entire unpaid principal and accrued interest under the Learn Fund XXXVII Promissory Note due and payable in an amount not less than $3,820,194.52. Also on March 28, 2025, Learn Fund XXXVII delivered to the Learn Borrowers, Yu Capital, and counsel to EB5AN a Notification of Disposition of Collateral advising the Debtors that Learn Fund XXXVII intended to sell right, title and interest of the Learn Borrowers in and to Learn Fund XXXVII Collateral in which Learn Fund XXXVII has a first priority security interest in privately sometime after April 7, 2025 (the "**Learn Fund XXXVII Disposition Sale**").

91. Through subsequent Notifications of Disposition of Collateral, Learn Fund XXXVII extended the Learn Fund XXXVII Disposition Sale to April 17, 2025. On April 17, 2025, Learn Fund XXXVII deliver a letter to Yu Capital and EB5AN providing an offer to sell the Learn Fund XXXVII Collateral, other than the LePort Emeryville School, for $3,513,465.21, plus accruing interest (the "**Learn Fund XXXVII Sale Offer**"). The Learn Fund XXXVII Sale Offer had a deadline of April 18, 2025. Neither Yu Capital nor EB5AN pursued the Learn Fund XXXVII Sale Offer. The Debtors investigated options to find funding to delay the Learn Fund XXXVII Disposition Sale and were unable to do so. Following the WTI

Foreclosure, which (as referenced above) included the Debtors' intellectual property, pedagogy, education and training programing, social media assets, and other assets necessary for the continual operations of the Schools, there was uncertainty regarding the viability of the Learn Fund XXXVII Collateral – limiting the value of those assets to third parties.

92. On April 23, 2025, Learn Fund XXXVII foreclosed certain of the Learn Fund XXXVII Collateral (the "**Learn Fund XXXVII Foreclosed Assets**") and, pursuant to a private sale, sold the Learn Fund XXXVII Foreclosed Assets to Cosmic Education Americas Limited ("**CEA**"). Learn Fund XXXVII maintains an unsecured claim against the Learn Borrowers in the approximate principal amount of $410,350.

iii. <u>Yu Capital Default and Foreclosure</u>

93. Following the WTI Default Notice and the Learn Fund XXXVII Default Notice, Yu Capital and certain of its affiliates issued their own default notices and pursued a foreclosure and sale of their collateral.

a. YuHGE A Foreclosure

94. The term of the YuHGE A loan ended on June 30, 2024, at which time all outstanding principal amount and unpaid interest were due and payable in full. Guidepost A did not pay the outstanding amount due and payable upon the term date and, on March 3, 2025, YuHGE A issued a Notice of Event of Default (the "**YuHGE A Default Notice**"). The YuHGE A Default Notice stated that if Guidepost A did not pay the YuHGE A Loan in full by March 10, 2025, YuHGE A would exercise its remedies.

95. On March 31, 2025, YuHGE A issued of Notice of Events of Default, Acceleration of Loans and Public Auction of Collateral (the "**YuHGE A Foreclosure Notice**") whereby Yu Capital stated that Guidepost A failed to cure the known events of default under the YuHGE A Loan. YuHGE A also declared that all principal and accrued and unpaid interest

under the YuHGE A Loan were immediately due and payable. The YuHGE A Foreclosure Notice also stated that YuHGE A was going to hold a public auction to sell the YuHGE A Collateral on April 30, 2025, at 4:30 p.m. (prevailing Eastern Time) pursuant to section 9-610 of the UCC (the "**YuHGE A Auction**"). The YuHGE A Foreclosure Notice was provided to Learn Capital IV, Fund IX, Fund X, US Foods, Inc., and the U.S. Small Business Administration.

96. The Debtors were unable to cure all defaults set forth in the YuHGE A Foreclosure Notice by the YuHGE A Auction. At the YuHGE A Auction, TNC Schools LLC, as assignee for YuHGE A, submitted a credit bid in the aggregate amount of $1,000,000 and were determined to be the highest bid for the YuHGE A Collateral.

b. Yu Capital, YuFIC B, and NRTC Default Notices

97. On March 3, 2025, Yu Capital issued a Notice of Event of Default (the "**Yu Capital Default Notice**") identifying an event of default related to Guidepost A's failure to make required monthly installment payments for February 2025. The Yu Capital Default Notice stated that if Guidepost A did not cure the defaults under the Yu Capital Loan by March 10, 2025, Yu Capital would exercise its remedies.

98. The term of the YuFIC B loan ended on June 5, 2021, at which time all outstanding principal amount and unpaid interest were due and payable in full. Guidepost A did not pay the outstanding amount due and payable upon the term date and, on March 31, 2025, YuFIC B issued a Notice of Event of Default (the "**YuFIC B Default Notice**"). The YuFIC B Default Notice stated that if Guidepost A did not pay the YuFIC B Loan in full by April 8, 2025, YuFIC B would exercise its remedies.

99. On April 11, 2025, NTRC issued a Notice of Event of Default (the "**NTRC Default Notice**") identifying an event of default related to Guidepost A's failure to make required quarterly installment payments on April 10, 2025. The NTRC Default Notice stated

that if Guidepost A did not cure the defaults under the NTRC Loan by April 18, 2025, NTRC would exercise its remedies.

c. Yu Capital Foreclosure

100. On March 31, 2025, Yu Capital issued a Notice of Events of Default, Acceleration of Loans and Public Auction of Collateral (the "**Yu Capital Foreclosure Notice**") whereby Yu Capital stated that Guidepost A failed to cure the known events of default under the Yu Capital Loan. Yu Capital also declared that all principal and accrued and unpaid interest under the Yu Capital Loan were immediately due and payable. The Yu Capital Foreclosure Notice also stated that Yu Capital was going to hold a public auction to sell the Yu Capital Collateral on April 29, 2025, at 11:00 a.m. (prevailing Central Time) pursuant to section 9-610 of the UCC (the "**Yu Capital Auction**"). The Yu Capital Foreclosure Notice was provided to the NPA Collateral Agent, Fund IX, Fund X, and US Foods, Inc.

101. The Debtors were unable to cure all defaults set forth in the Yu Capital Foreclosure Notice by the Yu Capital Auction. At the Yu Capital Auction, TNC Schools LLC, as assignee for NTRC and Yu FICB, submitted a credit bid in the aggregate amount of $5,000,000 and were determined to be the highest bid for the Yu Capital Collateral. Specifically, NTRC submitted a credit bid of $4,000,000 to acquire the NTRC Collateral and YuFIC B submitted a credit bid of $1,000,000 to acquire the YuFIC B Collateral.

102. Following the Yu Capital Foreclosure, the Debtors still owe $6,257,503 on the various Yu Capital Loans, with (a) $289,833 owed to NTRC, (b) $1,182,387 owed to YuFIC B, (c) $57,424 owed to YuHGEA LLC, (d) $327,858 owed to Yu Capital, and (e) $2,200,000 owed to YuATI. Because all of the collateral securing these obligations were foreclosed upon, the Debtors believe that the outstanding obligations are unsecured.

B. Sale of Certain Assets

103. Following the Foreclosures and even with the ability to fund certain operations under the TSAs, the Debtors were still in need of immediate working capital to pay, among other things, rent and payroll for the Schools that were not foreclosed upon and were/are being wound down in an organized manner. The Debtors' options were limited and resulted in the Debtors approaching Learn Capital and CEA for additional funding.

i. Sale Directly to CEA

104. To obtain necessary funding, HGE, the subsidiaries listed thereto, and CEA entered into that Asset and Equity Purchase Agreement dated May 7, 2025 (the "**CEA Purchase Agreement**"). Pursuant to the CEA Purchase Agreement, the Debtors sold to CEA (a) the Williamsburg, South Naperville, Bradley Hills, Leadwood, and South Riding Schools, and (b) all equity interests owned by the Debtors in Prepared TT and HGE FIC J LLC[25] for the aggregate consideration of $1,200,000.

ii. Sale Pursuant to Purchase Option

105. To be able to fund payroll costs on April 8, 2025, HGE and certain other Debtors issued a Secured Convertible Promissory Note in the amount of $2,200,000 to Learn Capital Fund XXXVII (the "**Purchase Option Note**"), secured by that Security Agreement, dated as of April 7, 2025. The Purchase Option Note was secured by substantially all of the assets in the following Schools (the "**Purchase Option Notice Collateral**"):

Borrower	School	Secured Amount
LePort Emeryville LLC	Guidepost Montessori at Emeryville	$2,060,000
Guidepost Carmel LLC	Guidepost Montessori at Carmel	$20,000
Guidepost Richardson LLC	Guidepost Montessori at Richardson	$20,000
HGE FIC I LLC	Guidepost Montessori at Oak Brook	$20,000

[25] Guidepost A owned a 49% interest HGE FIC J LLC, an entity that owns the Marlborough School.

Borrower	School	Secured Amount
HGE FIC I LLC	Guidepost Montessori at Worthington	$20,000
HGE FIC L LLC	Guidepost Montessori at Bridgewater	$20,000
HGE FIC M LLC	Guidepost Montessori at Brasswood	$20,000
HGE FIC Q LLC	Guidepost Montessori at Kentwood	$20,000

106. The Purchase Option Note provided Learn Capital Fund XXXVII with the option to acquire the Purchase Option Notice Collateral upon a default under the Purchase Option Note or at any time Learn Capital Fund XXXVII wished to exercise the option (the "**Purchase Option**"). The purchase price for the Purchase Option Note Collateral was (a) the sum of the amount outstanding under the Purchase Option Note and (b) $2,300,000 (the "**Purchase Option Price**"). On May 8, 2025, (x) CEA acquired the Purchase Option Note pursuant to a Note Transfer Agreement, dated May 8, 2025, and (y) pursuant to that Asset and Equity Purchase Agreement, dated May 8, 2025, between HGE, the subsidiaries listed thereto, and CEA, CEA exercised the Purchase Option and paid the Purchase Option Price. CEA did not acquire the Carmel School when it exercised the Purchase Option.

C. Post-Foreclosure Transition Services Agreements, Management Services Agreements, and the Debtors' Operations

107. Concurrently with the Foreclosures, the Debtors entered into transition services agreements (the "**TSAs**") with GGE, CEA, and TNC (the "**Foreclosure Buyers**"). As stated above, the Debtors could not stop the Foreclosures and wanted to make sure that operations for the foreclosed-upon Schools were not impacted by the Foreclosures – the Debtors' goal was to make sure that as many employees remained employed and students in the Schools, as possible. As such, the Debtors worked with the Foreclosure Buyers to ensure that the foreclosed-upon Schools and the Schools acquired pursuant to the CEA Purchase Agreement and the Purchase

Option would continue operating without any harm to the Schools' employees and students – maximizing value for all parties in interest.

108. With this in mind and knowing that the Foreclosure Buyers required additional time to transfer all operations to themselves, the Debtors entered into three different TSAs, one with each of GGE, CEA, and TNC. Pursuant to the TSAs, the Debtors have been administering various functions on behalf of the Foreclosure Buyers, including, among other things, the transfer of licenses, leases, student deposit processing, cash management systems, and employees (the "**Transition Services**"). In exchange for the performance of the Transition Services, the Foreclosure Buyers are required to make the Debtors' net-zero – meaning that the Foreclosure Buyers reimburse and pay the Debtors for all expenses related to the Schools that the Foreclosure Buyers acquired and their respective share of the Debtors overhead costs. In performing the Transition Services, GGE and CEA also allowed the Debtors to utilize tuition receipts for the Schools GGE and CEA acquired to offset against the costs of the Transition Services.

109. On June 1, 2025, substantially all of the Debtors' corporate employees ceased employment with the Debtors and began employment with GGE. As a result, the Debtors no longer had the staffing necessary to perform the Transition Services for the benefit the Foreclosure Buyers. Therefore, the TSAs with GGE, CEA, and TNC were terminated, effective June 1, 2025. The Debtors will continue to work with the Foreclosure Buyers to transfer necessary executory contracts, unexpired leases, and other documents to the Foreclosure Buyers to assist the Foreclosure Buyers in the ongoing operations of the Schools.

110. As the Debtors have ongoing operations and the need to perform several business functions, the Debtors and GGE entered into a Management Services Agreement, effective as of

June 1, 2025 (the "**MSA**"). The MSA is necessary for the Debtors to continue operating during the pendency of these Chapter 11 Cases and to continue utilizing several business functions, including, among others, financing and accounting, human resources, and real estate matters. The Debtors will compensate GGE for the reasonable costs of the services performed by GGE under the MSA. Concurrently herewith, the Debtors filed a motion to assume the MSA to ensure that the Debtors operate in these Chapter 11 Cases effectively and efficiently.

VI.
THE RSA AND THESE CHAPTER 11 CASES

111. The RSA contemplates that the Debtors, 2HR, GGE, the Girns, Yu Capital, and the Supporting RSA Parties will support these Chapter 11 Cases and confirmation of the Plan, substantially in the form attached as Exhibit A to the RSA. At a high level, the Plan generally provides, among other things, for (a) the funding of $8 million dollars in new money to fund these Chapter 11 Cases and to fund plan recoveries to the Debtors' prepetition creditors; (b) the contribution by GGE of Curriculum Assets and the Guidepost Global IP License (each as defined in the Plan); (c) the transfer of the Designated EB-5 Entities (as defined in the Plan) by the Debtors to GGE; (d) the assignment of certain executory contracts and unexpired leases to GGE; (e) the treatment of holders of allowed claims in accordance with the Plan and the priority scheme established by the Bankruptcy Code; (e) the mutual release of all claims and causes of action by and among each of the RSA Supporting Parties; and (f) the reorganization of the Debtors by retiring, cancelling, extinguishing and/or discharging the Debtors' prepetition equity interests and issuing new equity interests in the reorganized debtor(s) to 2HR.

112. Importantly, with the exception of a $500,000 payment being made to Mr. Girn on account of his Bridge CN-3 claims, the Plan provides that of the RSA Supporting Parties are waiving their rights to Plan distributions in an effort to ensure some recoveries for the Debtors'

unsecured creditors. Notably, absent these concessions, unsecured creditors would receive no recovery under the Plan.

113. The RSA provides the Debtors with a viable path forward and a framework to successfully exit these Chapter 11 Cases in a timely fashion with the support of a number of the Debtors' significant stakeholders. The transactions contemplated by the RSA enable the Debtors to maximize value for all stakeholders, continue the employment of current and former employees at the Schools, and ensure that the students and families can continue to utilize and rely on the Schools that are contemplated to remain open.

114. As stated above, the RSA provides for the infusion of up to $8 million of new money in the form of the DIP Facilities, which also includes a dollar-for-dollar roll-up of up to $2 million of the pre-petition bridge loans. Any amounts not utilized under the DIP Facilities will be used to fund recoveries to the Debtor's prepetition creditors. Further, the RSA and Plan contemplates the reorganization of the Debtors' businesses to allow for 2HR to acquire the Debtors for future operations. This reorganization will right-size the Debtors' balance sheet and provide for 2HR to effectuate its educational mission through the reorganized debtors.

115. The RSA presents the most cost-effect path to a timely emergence of these Chapter 11 Cases path to a timely emergency from chapter 11 through settlement and compromise. The signing of the RSA was undertaken only after careful consideration by the Debtors and the Board. Critically, the Debtors' obligations under the RSA remain subject to their fiduciary duties as debtors and debtors in possession to maximize the value of their estates. Based on the foregoing, the Debtors believes they have exercised reasonable business judgment in its decision to execute the RSA, and that such execution is in the best interest of all parties in interest.

VII.
OVERVIEW AND SUPPORT FOR THE FIRST DAY MOTIONS

116. Contemporaneously herewith, it is my understanding that the Debtors have filed a number of First Day Motions seeking orders granting various forms of relief intended to stabilize their business operations, facilitate the efficient administration of these Chapter 11 Cases, and expedite a swift and smooth plan process. In consulting with the Debtors' counsel and advisors, including the Debtors' proposed financial advisor, SCP, it is my understanding and belief that the relief sought in the First Day Motion is intended to be as narrowly tailored as possible under the circumstances and allow the Debtors to achieve those goals under the careful supervision of the Bankruptcy Court. The First Day Motions include the following:

a. *Debtors' Emergency Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* (the "**Joint Administration Motion**");

b. *Notice of Designation as Complex Chapter 11 Bankruptcy Case* (the "**Complex Case Notice**");

c. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Serve a Consolidated List of Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information, (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases, and (IV) Granting Related Relief* (the "**Creditor Matrix and Bar Date Motion**");

d. *Debtors' Emergency Application for Entry of an Order (A) Authorizing the Employment and Retention of Verita as Claims, Noticing and Solicitation Agent and (B) Granting Related Relief* (the "**Verita Retention Application**");

e. *Debtors' Emergency Motion for Order Extending Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs* (the "**Schedules Extension Motion**");

f. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Continue to Operate Their Cash Management System and (II) Granting Related Relief* (the "**Cash Management Motion**");

g. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain*

Prepetition Obligations Related Thereto and (II) Granting Related Relief (the "**Customer Programs Motion**").

h. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Continuing Their Insurance Policies and Honor Obligations in Respect Thereof, (B) Renew, Supplement, and Enter Into New Insurance Policies, and (C) Honor the Terms of Related Premium Financing Agreements and Pay Premiums Thereunder, and (II) Granting Related Relief* (the "**Insurance Motion**");

i. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing and Approving Procedures to Reject Executory Contracts and Unexpired Leases and (II) Granting Related Relief* (the "**Lease Rejection Procedures Motion**");

j. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing Debtors to Pay Certain Prepetition Claims of Foreign Vendors and (II) Granting Related Relief* (the "**Foreign Vendors Motion**");

k. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief* (the "**Taxes Motion**"); and

l. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* (this "**Wages Motion**").

117. I am familiar with the content and substance contained in each First Day Motion and believe that the relief sought in each motion (a) is necessary to enable the Debtors to operate in chapter 11 with minimal disruption or loss of productivity and value, (b) constitutes a critical element in the Debtors achieving a successful reorganization, and (c) best serves the Debtors' estates and creditors' interests. I have reviewed each of the First Day Motions, and the facts set forth therein are true and correct to the best of my knowledge and are incorporated herein in their entirety by reference. If asked to testify as to the facts supporting each of the First Day Motions, I would testify to the facts as set forth in such motions. The First Day Motions can be divided into two (2) categories: Administrative and Operational, as follows.

A. Administrative Motions—the Joint Administration Motion, Complex Case Notice, Creditors' Matrix Motion, Schedules Extension Motion, Verita Retention Application, and Lease Rejection Procedures Motion

118. It is my understanding that these pleadings are designed to streamline the administration of the Debtors' Chapter 11 Cases by, among other things: (a) jointly administering the Debtors' bankruptcy cases into one case and granting related relief; (b) approving typical complex case treatment for these Chapter 11 Cases, including relief related to the filing of a master service list; (c) establishing a general bar date for the filing of claims by non-governmental parties and allowing the Debtors to redact confidential information of creditors; (d) extending the deadline by which the Debtors must file required Schedules and Statements of Financial Affairs by seven (7) days for a total of twenty-one (21) days from the Petition Date; (e) approving the retention of Verita as claims and noticing agent for the Debtors; and (f) (i) authorizing and approving procedures for the rejection of certain executory contracts (the "**Contracts**") and unexpired leases (the "**Leases**") and (ii) authorizing the abandonment of any *de minimis* equipment, furniture, and other personal property remaining in the premises of the Leases as of rejection date.

119. It is my opinion that the relief sought in the Administrative Motions will streamline the administration of these Chapter 11 Cases through procedural consolidation, facilitate the noticing process to interested parties, reduce the administrative expenses ultimately incurred by the Debtors, and reduce confusion. It is my understanding that the Administrative Motions seek non-substantive relief that is routinely granted in larger chapter 11 cases in this District and that is necessary and appropriate under the circumstances.

B. Operational Motion—the Cash Management Motion.

120. It is my understanding that the Cash Management Motion seeks authority for the Debtors to continue using existing bank accounts at Wells Fargo and related relief. Specifically,

the Debtors seek entry of an order: (a) authorizing the Debtors to (i) continue to operate their Cash Management System, (ii) pay any prepetition or postpetition amounts outstanding on account of the Bank Fees, (iii) maintain existing Business Forms in the ordinary course of business, and (iv) continue to perform Intercompany Transactions consistent with historical practice, and (d) granting related relief all as more fully set forth in the Motion.

121. In the ordinary course of business, the Debtors maintain an integrated, centralized cash management system (the "**Cash Management System**") comparable to the cash management systems used by similarly situated companies to manage the cash of operating units in a cost-effective, efficient manner. The Debtors use the Cash Management System in the ordinary course of business to collect, transfer, and distribute funds generated from their operations and to facilitate cash monitoring, forecasting, and reporting. The Cash Management System allows the Debtors to control funds, ensure cash availability for each operating entity, and reduce administrative costs by facilitating the movement of funds among multiple entities. The Debtors' treasury department, which is now maintained at GGE, maintains daily oversight over the Cash Management System and implements cash management controls for entering, processing, and releasing funds. The Debtors' accounting department, which is now maintained at GGE, regularly reconciles the Debtors' books and records to ensure that all transfers are accounted for properly.

122. The Cash Management System is arranged and organized to monitor cash flows between and to centralize procurement for general administrative and operating expenses. The Cash Management System, however, generally reflects the Debtors' Cash Management System prior to the Foreclosures. As such, there are certain aspects of the Cash Management System that may not be operational at the time of the Petition Date and/or shortly thereafter.

There are certain Bank Accounts that may no longer be operating as of the Petition Date, but the Debtors have not been able to close such Bank Accounts or transfer them to the Foreclosure Buyers. Thus, such Bank Accounts remain in the Cash Management System.

123. To minimize the disruption caused by these Chapter 11 Cases and to maximize the value of the Debtors' estates, the Debtors request authority, but not direction, to continue to utilize their existing Cash Management System during the pendency of these Chapter 11 Cases, subject to the terms described herein.

124. Bank Accounts. As of the Petition Date the Debtors' Cash Management System includes a total of thirty-six (36) bank accounts (each a "**Bank Account**" and collectively, the "**Bank Accounts**").[26] The Debtors routinely transfer money between the Bank Accounts (as described below in more detail) via transfers between Debtors as Intercompany Transfers (defined below) in order to help cover outgoing payments.

125. The Bank Accounts are held at Wells Fargo National Bank, N.A. (the "**Cash Management Bank**" or "**Wells Fargo**"), which is an authorized depository by the Office of the United States Trustee for the Northern District of Texas (the "**U.S. Trustee**"). The Bank Accounts can be divided into four primary categories, and are identified on **Exhibit B** attached to the Cash Management Motion, and further summarized below:

- ***Main Operating Account***. The Debtors' main operating account ending in x3030 (the "**Main Operating Account**") acts as the nexus for Intercompany Transfers for all Bank Accounts, including those held by non-Debtor affiliates.

- ***School Operating Accounts***. The Debtors maintain separate operating account for the School entities (collectively, the "**School Operating Accounts**"). These accounts receive tuition deposits directly from students' families and pays various operation expenses of for the Schools.

[26] This number includes only Bank Accounts owned by the Debtor entities. The Debtors' Cash Management System also includes five (5) additional bank accounts owned by non-Debtor Affiliates which are shown in the cash management schematic, attached hereto as **Exhibit C**.

- ***Holding/Inactive Accounts***. The Debtors maintain several separate holding accounts (collectively, the "**Inactive Accounts**"), which are dormant and inactive as of the Petition Date.

- ***Specific Disbursement Accounts***. The Debtors maintain two disbursements accounts that are each dedicated for a specific purpose: (1) a disbursement account that is solely for the purpose of paying for tenant improvements (the "**Construction Vendor Account**"); and (b) a disbursement account that is solely for the purpose of paying the health benefit providers (the "**Health Benefits Account**," together with the Construction Vendor Account, the "**Specific Disbursement Accounts**"). These Specific Disbursement Accounts are dormant as of the Petition Date.

126. ***Description of Funds Processing.*** The Debtors' revenue is primarily generated through tuition payments from their students and families. Tuition deposits are received into the School Operating Accounts either via check, electronic payment, or direct deposit. These funds then directly pay certain taxes, vendors, and certain payroll obligations and benefits for employees.[27] Excess funds in the School Operating Accounts are also transferred to the Main Operating Account. Funds in the Main Operating Account are then transferred to other Debtors' and non-Debtor affiliates' Bank Accounts to assist with the Debtors' operations. For instance, the Main Operating Account will transfer certain funds to the international non-Debtor affiliates, as detailed in the Cash Management Schematic. The Main Operating Account will also transfer funds to School Operating Accounts as needed.

127. The Health Benefits Account ending in x2202 also receives funds from the Main Operating Account, which are then used then used to pay certain employee health benefit providers. The Construction Vendor Account ending in x5723 receives funds from a landlord, which are then used to pay construction vendors for improvements on a lease on which the Debtors are tenants.

[27] A more detailed description of the Debtors' payroll and benefits obligations are described in *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, (B) Continue Employee Benefit Programs, and (II) Granting Related Relief,* filed contemporaneously herewith.

128. The Debtors also pay certain vendors via check, ACH, wire, or credit card from the Main Operating Account or one of the School Operating Accounts. Taxing authorities are either paid by check or electronic payment from the Debtors' Main Operating Account or one of the School Operating Accounts. Similarly, payroll obligations and benefits are either paid from the Main Operating Account or one of the School Operating Accounts by directly depositing the funds to the Debtors' payroll processor, BambooHR.

129. ***Corporate Card Program.*** The Debtors provide certain employees with corporate credit cards issued by Corpay (the "**Corporate Card Program**") for certain business expenses incurred in connection with their employment, including certain preapproved travel, business licenses, and miscellaneous fees and services (the "**Employee Expenses**"). Employees also use the cards to pay for miscellaneous operating expenses as needed (the "**Operating Expenses**" together with the Employee Expenses, the "**Business Expenses**"). The Corporate Card Program has been assumed by and is being operated by GGE and any remaining Business Expenses for the Remaining Schools under the Corporate Card Program will be processed by GGE and paid by the Debtors pursuant to the MSA.

130. As of the Petition Date, the Debtors have approximately seven (7) employees at the Remaining Schools with corporate credit cards under the Corporate Card Program. The corporate credit cards are tied to the Debtors' credit and the Debtors are responsible for any amounts charged to the corporate credit cards. In light of the Remaining Schools, the Debtors have very limited Business Expenses under the Corporate Card Program, and believe that any such outstanding obligations, if any, are immaterial.

131. The Business Expenses are ordinary course expenses that the Debtors' employees incur in performing their job functions. It is essential to the continued operation of the

Remaining Schools that the Debtors be permitted to continue to pay amounts accrued and outstanding on account of the Corporate Card Program and be permitted to continue the Corporate Card Program in the ordinary course solely with respect to the Remaining Schools.

132. ***Bank Fees.*** The Debtors pay fees to the Cash Management Bank on a monthly basis incurred in connection with the Bank Accounts (the "**Bank Fees**"). The Bank Fees total approximately $20,000 per month. The Debtors owe approximately $10,000 as of the Petition Date, the Debtors seek authority, but not direction, to pay the prepetition Bank Fees and continue paying the Bank Fees in the ordinary course on a post-petition basis, consistent with historical practice.

133. ***Continued Use of Existing Business Forms and Records.*** The Debtors seek a waiver of the requirement that they open a new set of books and records as of the Petition Date. Opening a new set of books and records would create unnecessary administrative burdens and hardship and would cause unnecessary expense, use of resources, and delay. The Debtors, in the ordinary course of their businesses, use many checks, invoices, stationary, and other business forms (collectively, the "**Business Forms**"). By virtue of the nature and scope of the businesses in which the Debtors are engaged and the numerous other parties with whom they deal, the Debtors need to use their existing Business Forms without alteration or change. Printing new business forms would take an undue amount of time and expense. Fulfillment of the requirement would likely delay the payment of post-petition claims and negatively affect operations and the value of the Debtors' estates. Accordingly, the Debtors request that the Court authorize them to continue using their existing Business Forms and to maintain their existing business records.

134. ***Intercompany Transactions.*** In the ordinary course of business, the Debtors maintain business relationships with each other (the "**Intercompany Transactions**") that have

historically resulted in intercompany receivables and payables (collectively, the "**Intercompany Claims**"). The Debtors settle Intercompany Transactions as journal-entry receivables and payables, from time to time, to document transactions between the Debtors and certain of their non-Debtor affiliates. Historically, these Intercompany Transfers are initiated by approved staff members (the "**Cash Management Staff Members**"). Intercompany Transactions between the Debtors and domestic non-Debtor affiliates are made on a daily basis to cover ongoing operational expenses. These transfers are authorized by Cash Management Staff members.

135. Intercompany Transfers between the Main Operating Account and Bank Accounts held by foreign non-Debtor affiliates are made twice a month to cover certain operational expenses. Two authorized Cash Management Staff Members must approve these transfers. Once an Intercompany Transactions is complete, the Debtors then make appropriate credits and debits within their accounting system to reflect these Intercompany Transfers.

136. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business among for operations involving the Remaining Schools. Such transfers are an essential component of the Debtors' businesses and are necessary to maintain the efficiency of the Debtors' operations and centralized Cash Management System. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition, the Debtors believe that they may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the Bankruptcy Code, without court approval but subject to any requirements under the DIP Order and DIP Documents. Nonetheless, out of an abundance of caution, the Debtors seek express authority, but not direction, to continue engaging in the Intercompany Transactions in the ordinary course of business on a postpetition basis in a manner substantially consistent with the Debtors' past practice. Consistent with their prepetition

practice, the Debtors will maintain records of all transfers and will continue to ascertain, trace and account for all of the Intercompany Transactions and comply with their requirements under the DIP Order and DIP Documents.

137. I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to continue to operate the Schools in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Cash Management Motion should be approved.

C. Operational Motion—Customer Programs Motion.

138. Prior to the Petition Date, in the ordinary course of the Debtors' business and as is customary in their industry, the Debtors required Students to pay a tuition deposit (the "**Tuition Deposit**") to hold a spot for their attendance at one of the Debtors' Schools. The Tuition Deposit is applied to the last month of tuition or, if the Debtors are unable to offer the child a spot in a School, refunded to the Student. This in turn funds the Debtors' educational programs and practices which include flexible homeschooling and virtual programs. As of the Petition Date, the Debtors believe they owe approximately $671,000 on account of Tuition Deposits.

139. Parents of Students also have the option to prepay tuition at their discretion (the "**Prepayment Deposits**," and together with the Tuition Deposits, the "**Deposits**" or "**Deposit Programs**"). The Prepayment Deposits are credited to monthly tuition invoices; if proper notice that they are withdrawing a Student from one of the Schools is given, any Prepayment Deposit balance for unused tuition are historically refunded. All families are eligible to participate in the Prepayment Deposits. As of the Petition Date, the Debtors believe they owe approximately $592,000 on account of Prepayment Deposits.

140. It is my understanding that the Schools compete in highly competitive businesses and must regularly provide students educational programs similar to (or better than) those offered by competing educational providers. The Debtors have collected the Deposits as part of their ordinary course of business in order to provide stability for the Schools. Any delay in honoring obligations to Students would severely and irreparably harm the Debtors' efforts to maximize value for the benefit of all parties in interest in these cases. If the Debtors do not pay the Deposits, then there could be additional harm to the Debtors' business, potentially impacting jobs and Students that rely on the ongoing Schools.

141. Accordingly, through the Customer Programs Motion, the Debtors seek authority to honor all prepetition obligations related to the Deposits and to continue to honor the Deposit Programs in the ordinary course of their businesses on a postpetition basis without disruption. For the avoidance of doubt, the Debtors do not seek to pay any prepetition Deposits to any Student in excess of the $3,800 priority deposit cap imposed by section 507(a)(7) of the Bankruptcy Code.

142. I believe that the relief requested in the Customer Programs Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to continue to operate the Schools in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Customer Programs Motion should be approved.

D. Operational Motion—Insurance Motion.

1. In the Debtors' current operational structure, the Debtors maintain eight (8) insurance policies (collectively, the "**Insurance Policies**," a schedule of which is attached as Exhibit B to the Insurance Motion, that are administered collectively as part of a program

(the "**Insurance Program**") by various third-party insurance carriers (collectively, the "**Insurance Carriers**").

2. The Insurance Policies provide coverage for, among other things, commercial liability, excess liability, commercial property liability, general liability, professional / directors and officers liability, professional liability, blanket student accident policy, blanket travel accident, and workers compensation liability. The Insurance Policies are essential to the ongoing operation of the Debtors' remaining business operations.

3. Due to the changes in the Debtors' operations, the Insurance Policies reflect operations through the anticipated pendency of these Chapter 11 Cases. Based on the scope of the Insurance Policies, the Debtors will be paying the full amount of the insurance premiums and are not financing the insurance premiums over a period of time. As of the Petition Date, the Debtors owe approximately $612,846 in insurance premiums for the Insurance Policies (the "**Outstanding Premiums**"). The Debtors seek authority to pay all prepetition amounts due and owing (if any) on account of the insurance premiums and to continue honoring all payment obligations under the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage thereunder.

143. Under certain Insurance Policies, the Debtors are required to pay various deductibles (the "**Insurance Deductibles**") or self-insured retentions (the "**Self-Insured Retentions**"). Generally, if a claim is made against the Insurance Policies that is subject to an Insurance Deductible, the applicable insurance carrier will administer the claim and make payments in connection therewith and then invoice the Debtors for any Insurance Deductibles. A Self-Insured Retention is the required portion of the insured claim to be paid or incurred by the Debtors before the insurance policy will be effected and is a condition precedent to coverage for

payment of the portion of a loss in excess of the Self-Insured Retentions. As of the Petition Date, the Debtors do not believe that there are any material prepetition obligations owed to Insurance Carriers relating to Insurance Deductibles or Self-Insured Retentions, but, out of an abundance of caution, the Debtors seek authority, but not direction, to satisfy any outstanding prepetition Insurance Deductibles and Self-Insured Retentions owed in connection with the Insurance Policies, and to continue to honor their obligations under the Insurance Policies as they come due in the ordinary course of business on a postpetition basis.

144. Further, I understand that the maintenance of the Insurance Program is essential to the preservation of the value of the Debtors' businesses and operations. In many instances, insurance coverage is required by the regulations, laws, credit agreements, and contracts that govern the Debtors' commercial activities, including the requirement by the U.S. Trustee that a debtor maintain adequate coverage given the circumstances of its chapter 11 case.

145. ***Debtors' Insurance Broker.*** The Marsh & McLennan Agency LLC (the "**Broker**") is retained by the Debtors to help manage, among other things, the Debtors' portfolios of risk. The Broker, among other things, (a) assists the Debtors in obtaining comprehensive insurance coverage for the Debtors' operations in a cost-effective manner, (b) manages renewal data, (c) markets the Insurance Policies, (d) provides all interactions with carriers including negotiating policy terms, provisions, and premiums, and (e) provides ongoing support throughout the applicable policy periods. The Broker collects commission payments for its services as part of the premiums paid on account of the Insurance Policies.

146. The Broker is typically paid a commission directly from the Insurance Carriers, although in some instances the Broker is paid a commission or brokerage fee directly at the time

of a purchase or payment (collectively, the "**Broker Fees**"). As of the Petition Date, the Debtors do not believe there are any amounts due or outstanding on account of the Broker Fees.

147. As described above, I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to continue to operate the Schools in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Insurance Motion should be approved.

E. Operation Motion—Foreign Vendors Motion.

148. As of the Petition Date, the Debtors operate one Foreign School in Canada and three (3) in Paris, France. The Debtors intend to transition the operations of the Foreign Schools to new entities on or around June 30, 2025. The Debtors, in transferring the Foreign Schools' operations, believe that they will have prepetition amounts outstanding and owed to vendors and other parties related to the Foreign Schools (the "**Foreign Vendors**"). Payment of the outstanding balances to the Foreign Vendors (i.e., the Foreign School Claims) will allow for the Debtors to cleanly cease all obligation at the Foreign Schools and ensure that the transition of the Foreign Schools to the new operators is consummated—alleviating any potential long-term obligations that may affect the Debtors.

149. In addition to the potential risks related to the interference in the transition of operations and obligations related to the Foreign Schools, without the assurance of payment, the Foreign Vendors may also take swift action based on a mistaken belief that they are not subject to the automatic stay provisions of section 362(a) of the Bankruptcy Code. Although, as a matter of law, the automatic stay applies to protect the Debtors' assets wherever they are located in the world, attempting to enforce the Bankruptcy Code in foreign countries is often challenging and will consume meaningful estate personnel and resources. Moreover, it is my

understanding that the automatic stay by itself would not protect assets of the Debtors' non-Debtor affiliates, which could remain at risk of seizure and setoff. Again, the Debtors have foreign affiliates in France and Canada, against which the Foreign Vendors also may take action.

150. As such, the Debtors believe that the request to pay the Foreign Vendor Claims as requested herein is appropriate and warranted under the circumstances. *First*, the Debtors believe that paying the Foreign Vendors is critical to preserving the Debtors' estates and is necessary for a successful reorganization. Indeed, absent such payment, the Foreign Vendors could take adverse actions against the Debtors, their affiliates, and their property, thereby delaying (or preventing) the transition of Foreign Schools to the new operators. *Second*, and to that end, the Debtors believe payment of the Foreign Vendor Claims is essential to avoid irreparable harm to the Debtors' estates in the event the Debtors' efforts to transition current Foreign School operations to a new operator are scuttled—resulting in additional monies being paid by the Debtors' estates. Again, failure to pay the Foreign Vendors could result in adverse actions against the Debtors or their affiliates that could not be quickly or inexpensively remedied, such as by exercising self-help remedies in far-flung jurisdictions. The Debtors' failure to pay such suppliers could also jeopardize the financial viability of those Foreign Vendors themselves. *Third*, and finally, the Debtors submit that there is no practical or legal alternative by which they can deal with the Foreign Vendors other than by payment of the Foreign Vendor Claims.

151. In sum, the amount of the Foreign Vendor Claims pales in comparison to the potential damage to the Debtors' businesses. Therefore, the Debtors and their stakeholders would benefit from the relief requested herein. The Debtors seek to pay the Foreign Vendor Claims in the ordinary course on such terms and conditions as are appropriate, in the Debtors' business judgment, to avoid disruptions in their businesses. Accordingly, the Debtors seek

authority, but not direction, to pay the Foreign Vendor Claims in an amount not to exceed $80,000.

152. I believe that the relief requested in the Foreign Vendors Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to orderly wind down and transition the Foreign Schools, without an impact on these Chapter 11 Cases. Accordingly, on behalf of the Debtors, I respectfully submit that the Foreign Vendors Motion should be approved.

F. Operational Motion—Taxes Motion.

153. The Debtors collect, withhold, and incur certain income taxes ("**Income Taxes**"), business property taxes ("**Property Taxes**"), and various other taxes and fees associated with operating their Schools ("**Other Taxes and Fees**," collectively the "**Taxes**"). The Debtors collect (as applicable) and remit the Taxes to various local, state, and federal taxing authorities, including those identified in the schedule attached as Exhibit B in the Taxes Motion (collectively, the "**Taxing Authorities**"). Taxes are remitted or paid by the Debtors through checks and electronic funds transfers that are processed through their banks and other financial institutions.

154. The Debtors pay the Taxes to the Taxing Authorities on a periodic basis, remitting them monthly, quarterly, or annually depending on the nature, jurisdiction, and incurrence of a particular Tax or Fee. Through the Taxes Motion, the Debtors seek to pay approximately $140,000 in prepetition Taxes, representing certain unpaid Taxes and which accrued or were incurred prepetition and become due postpetition. Additionally, the Debtors request the authority to pay any Taxes that arise or accrue postpetition in the ordinary course of business, consistent with prepetition practices.

155. The Taxes that the Debtors believe are owed as of the Petition Date are summarized as follows:

Category	Description	Estimated Aggregate Amount Accrued as of the Petition Date	Amount Requested to Pay Through this Motion
Income Taxes	Taxes imposed on income at the State and Federal level.	$20,000	$20,000
Property Taxes	Ad Valorem Taxes incurred by the Debtors in various states.	$80,000	$80,000
Other Taxes and Fees	Taxes and fees required for the Debtors to operate their business, such certain excise taxes as well as business licenses and permits and other fees associated with conducting business.	$40,000	$40,000
	Total	**$140,000**	**$140,000**

156. ***Income Taxes.*** The Debtors are required to pay various state Income Taxes to continue operating their Schools in accordance with state and federal laws. The Debtors believe that as of the Petition Date, they will owe approximately $20,000 in Income Taxes, which will become due and payable postpetition. The Debtors seek authority, but not direction, to pay this amount, as well as to continue paying Income Taxes postpetition in the ordinary course of their business.

157. ***Property Taxes.*** State and local laws in the jurisdictions where the Debtors operate generally grant Taxing Authorities the power to levy Property Taxes based on the assessed value of the Debtors' assets, goods, or services. To avoid the imposition of statutory liens on their personal property,

158. Based on historical expenses for the Remaining Schools, the Debtors believe that, as of the Petition Date, they will owe approximately $80,000 in Property Taxes, but may incur additional Property Taxes, which will become due and payable, postpetition. The Debtors seek the authority to pay this amount, as well as to continue paying Property Taxes postpetition in the ordinary course of their business. For the avoidance of doubt, the Debtors are not seeking to pay any Property Taxes that they are contractually obligated to pay under their leases, which such taxes are not owed to the Taxing Authorities.

159. ***Other Taxes and Fees.*** In the ordinary course of business, the Debtors also pay various other taxes, such as certain excise taxes and franchise taxes, in connection with the operations of their Schools (collectively, the "**Other Taxes**"). In addition, the Debtor pay various business and licensing fees associated with conducting business in certain jurisdictions (the "**Fees**"). Those Fees may include fees and assessments for, among other things, business licenses, annual reports, and permits. The Other Taxes and Fees are paid on a monthly, quarterly, or annual basis, depending on the requirements of the particular jurisdiction. The Debtors estimate that there is approximately $40,000 of Other Taxes that is accrued and unpaid as of the Petition Date. The Debtors seek the authority to pay this amount as they become due as well as paying any other Fees postpetition as they become due in the ordinary course of their business.

160. I believe that the relief requested in the Taxes Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to continue to operate the Schools in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Taxes Motion should be approved.

G. Operational Motion—the Wages Motion.

161. Through the Wages Motion, the Debtors are (a) authorizing, *but not directing*, the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses on account of the Workforce Programs (as defined herein) and (ii) continue to administer the Workforce Programs in the ordinary course of business, including payment of prepetition obligations related thereto; and (b) granting related relief.

162. Prior to June 1, 2025, the Debtors employed a vast network of employees (the "**Workforce**"), with the Debtors employing approximately 1,848 Employees (collectively, the "**Employees**").[28] The Employees have shifted employment due to the Foreclosures. On June 1, 2025, substantially all of the Debtors' Employees at the Foreclosed Assets (i.e., the foreclosed Schools) and the corporate workforce ceased employment at HGE and began employment at GGE (the "**GGE Employees**").

163. The Debtors still maintain operations at seven (7) Schools that were not foreclosed upon (the "**Remaining Schools**"), with the Debtors employing 73 Employees (the "**Remaining Employees**") as of the Petition Date. I believe the Debtors intend to operate the Remaining Schools through, at a minimum, the end of June 30, 2025, with certain of the Remaining Schools transitioning to new operators. In addition to the Remaining Employees, the Debtors also contract with fourteen (14) independent contractors as of the Petition Date.

164. While the GGE Employees are no longer employed by the Debtors, they are still performing a wide variety of functions that are critical to the administration of these Chapter 11 Cases and the Debtors' restructuring pursuant to the MSA. These functions include the

[28] The Employees are neither represented by a union nor employed pursuant to a collective bargaining agreement or similar agreement.

performance of the human resources function for the Debtors through the pendency of these Chapter 11 Cases.

165. In the ordinary course of business, the Debtors (a) pay standard wage compensation and paid time off to their Workforce, (b) maintain reimbursement programs, and (c) maintain certain benefits for their Workforce (collectively, the "**Workforce Programs**"), as provided below. As of the Petition Date, the Debtors estimate the aggregate total amount outstanding on account of the Workforce Programs is approximately $238,941 (the "**Workforce Obligations**"). The Workforce Obligations consist of the following:

Workforce Obligations	Estimated Prepetition Amount Outstanding Per Pay Period
Unpaid Wages	$214,000
Independent Contractor Payments	$11,000
Non-Insider Incentive Plans	$0
Withholding and Deduction Obligations (i.e., Deductions)	$0
Employee Reimbursements	$0
Health Benefit Plans	$11,226
FSA	$0
HSA	$315
401K Plan (Principal)	$0
Workers Compensation Obligations	$2,400
TOTAL	**$238,941**

166. The Debtors do not have Employees who are owed prepetition amounts in excess of the $17,150 priority wage cap imposed by sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code. Through this Motion, the Debtors are not seeking authority to pay any amounts in excess of such cap at this time. Subject to the Court's approval of the relief requested herein, the Debtors, through the MSA, intend to continue their prepetition Workforce Programs for the Remaining Employees in the ordinary course of business. I believe that without the continued

service and dedication of the Employees, it will be difficult, if not impossible, to operate the Debtors' businesses without interruption, and resulting prejudice to the Debtors' ability to maximize the value of their estates. Thus, to successfully accomplish the foregoing, to minimize the personal hardship that the Employees will suffer if prepetition employee-related obligations are not paid when due or as otherwise expected, and to maintain employee morale and a focused workforce during this critical time.

167. ***Compensation and Wage Obligations.*** Employees are paid semi-monthly in arrears on or around the tenth and twenty-fifth of each month. For example, the Debtors' most recent payroll was paid on June 10, 2025, and covered the pay period from May 16, 2025, through May 31, 2025. As of the Petition Date, the Debtors will have outstanding payroll obligations from June 1, 2025, to the Petition Date for the Remaining Employees (the "**June Stub Pay Period**"). The June Stub Pay Period, along with wages earned from the Petition Date to June 15, 2025, will be paid on June 25, 2025.[29] Therefore, as of the Petition Date, the Debtors will have amounts owed to the Remaining Employees for standard wages and payment of overtime to their non-exempt Employees[30] who work in excess of forty (40) hours in a workweek.

168. Concurrently with the transition of employment for the GGE Employees, GGE took over and assumed operations of the Debtors' historical human resources and payroll processing systems. Historically, the Debtors' payroll processing functions were performed by BambooHR dba Trax Payroll ("**Trax**"). The Debtors' internal human resources team managed

[29] The Debtors' next payroll for the Remaining Employees will be paid on July 10, 2025 for the pay period of June 16, 2025 through June 30, 2025.

[30] Non-Exempt employees are employees whose work is covered by the Fair Labor Standards Act (FLSA).

the payroll processing function with Trax. As such, GGE will process the Debtors' payroll with Trax pursuant to the MSA and the Debtors will reimburse GGE for the related costs.

169. ***Independent Contractors.*** Debtors employ independent contractors and substitutes who are not employees of the company and do not receive company benefits. As of the Petition Date, the Debtors estimate that they owe approximately $11,000 on account of accrued but unpaid services to their independent contractors.

170. ***Non-Insider Incentive Plans.*** Historically and in order to encourage and reward outstanding performance, certain Employees may earn bonuses under various bonus programs (the "**Employee Incentive Programs**"). The Employee Incentive Programs included, among other, programs that provided incentives for referral of talented employees, enrollment-specific bonuses, financial-based bonuses, and operational-based bonuses.

171. Effective June 1, 2025, GGE assumed the operation of the Employee Incentive Programs and the potential obligations thereunder. As of the Petition Date, the Debtors do not believe that any obligations remain outstanding for the Remaining Employees under the Employee Incentive Obligations. However, the Debtors request the authority, but not the direction, to pay any amounts owing to the Remaining Employees under the Employee Incentive Programs, subject to the limitations set forth in section 507(a) of the Bankruptcy Code.

172. ***Expense Reimbursements***. In the ordinary course of their business, the Debtors reimbursed their Workforce for a variety of ordinary, necessary, and reasonable expenses that Employees incurred within the scope of their job duties. Such expenses include costs for travel, lodging, transportation, meals, classroom supplies, and other general business-related expenses. Employees are expected to use sound judgment when incurring business expenses for which they seek reimbursement. To be reimbursed, an Employee must submit his or her receipts to the

Debtors within two weeks of purchase, but no later than sixty (60) days after purchase for approval. If approved, the Debtors reimburse the Employee for the reimbursed business expenses through its payroll in the ordinary course of the Debtors' businesses. As of the Petition Date, the Debtors only have limited expense reimbursement obligations for the Remaining Employees and the Debtors do not believe that such amounts are immaterial.

173. Again, on June 1, 2025, GGE assumed the reimbursement obligations for the GGE Employees. As of the Petition Date, the Debtors only have limited expense reimbursement obligations for the Remaining Employees and the Debtors do not believe that such amounts are material. Moreover, as of the Petition Date, the Debtors do not believe there are any outstanding expense reimbursements owed to Remaining Employes. By this Motion, the Debtors seek authority to pay the Remaining Employees' expense reimbursements and to continue the expense reimbursements in the ordinary course of the Debtors' business for the Remaining Employees.

174. ***Withholding and Deduction Obligations.*** In the ordinary course of business, the Debtors process deductions from Employees' compensation for federal, state, and local income taxes, FICA, court-ordered garnishments, child support, and other pretax deductions payable pursuant to certain of the health, welfare, and retirement savings programs detailed herein (collectively, the "**Deductions**") and forwards those amounts to various third-party recipients, including federal, state, and local taxing authorities. Some Deductions are made from each paycheck, while other Deductions are made less frequently. As of the Petition Date, the Debtors do not believe there are any outstanding Deductions. The Debtors seek to continue remitting the Deductions postpetition in the ordinary course for the Remaining Employees.

175. ***Paid Time Off, Vacation, and Sick Days.*** All full time Employees are entitled to paid time off ("**PTO**") that accrues on a monthly basis, which accounts for PTO, holidays,

vacation and sick days. The PTO policy for Employees depends on whether the employee is a regular or temporary worker, and the Debtors also provide Employees with additional paid medical, parental, or expanded family and medical leave. Effective June 1, 2025, GGE assumed the PTO obligations for the GGE Employees. The Debtors request authority, but not direction, to allow the Remaining Employees to continue to use their accrued and/or carried-over PTO in the ordinary course of the Debtors' businesses. The Debtors also request authority, but not direction, to pay outstanding PTO obligations to the Remaining Employees upon the completion of their employment.

176. ***Employee Benefits Program.*** The Debtors offered their Employees the ability to participate in a number of insurance and benefits programs, including, among other programs, medical, vision, dental, disability, life insurance, pet insurance, and other employee benefit plans (collectively, the "**Employee Benefits Programs**"). The Employee Benefits Programs were assumed by GGE on June 1, 2025 and the Remaining Employees continue to have access to the Employee Benefit Programs pursuant to the terms of the MSA.

177. Failure to continue the Employee Benefits Program could cause the Remaining Employees to experience severe hardship. In light of the substantial benefit the Remaining Employees have provided and will continue to provide to the Debtors' estates, the Debtors wish to avoid imposing such a hardship. Accordingly, by this Motion, the Debtors seek authority, but not direction, to: (a) pay any unpaid amounts due with respect to the Employee Benefits Programs for the Remaining Employees; and (b) continue to provide their Employee Benefits Programs in the ordinary course during the administration of these Chapter 11 Cases for the Remaining Employees, as necessary. As the Petition Date, the Debtors estimate that they owe approximately $11,541 on account of the Employee Benefits Programs for the Remaining

Employees, all of which will come due within the first 21 days of these Chapter 11 Cases. The Employee Benefits Programs are described in greater detail below.

178. The Debtors offered eligible Employees basic medical, dental, and vision insurance (collectively, the "**Health Benefit Plans**"). The Debtors pay monthly premiums for medical, vision, and dental insurance through the third-party administrator, Personify. Specifically, the Debtors provided the following:

a. Medical Plan: The Debtors' offer Employees and their families medical plans (collectively, the "**Medical Plans**") offered through Anthem c/o Personify Health ("**Anthem**"). The Medical Plans offered through Anthem include options such as PPO Plan and HDHP/HSA Plan.

b. Dental Plan: Additionally, the Debtors offer their Employees the option of participating in a dental plan (the "**Dental Plan**"), which is administered by MetLife. The Dental Plan offered through MetLife includes a high or low plan through a basic preferred provider organization ("**PPO**") that covers both in and out of office network care.

c. Vision Plan: In addition to the eye exam offered under the Medical Plans, the Debtors also offer their Regular Employees the option of participating in a vision plan (the "**Vision Plan**") administer by EyeMed. The Vision Plan only provides in-network care.

179. As of June 1, 2025, GGE assumed the operations of the Health Benefit Plans and the obligations thereunder for the GGE Employees. The Debtors' Remaining Employees are still included in the Health Benefit Plans and the Debtors will reimburse GGE for the costs specific to the Remaining Employees. As of the Petition Date, the Debtors estimate that they owe approximately $11,226 on account of accrued but unpaid amounts for the Health Benefit Plans related to the Remaining Employees. The Debtors seek authority to remit amounts on account of their Health Benefit Plans as they become due and to continue doing so postpetition in the ordinary course for the Remaining Employees.

180. ***Flexible Spending Accounts.*** The Debtors also provided their Employees who participate in the Medical Plans with access to a flexible spending account (the "**FSA**"),

administered by Better Business Planning Administration ("**Better Business**"). The FSA allows qualified Employees with the opportunity to contribute pre-tax dollars for eligible healthcare and/or dependent care expenses, depending on the participant's Medical Plans. The Debtors do not make any FSA contributions on behalf of the Employees.

181. Since the Debtors' do not contribute to the Regular Employees' FSAs, the Debtors believe the FSA amounts are generally held in trust at Better Business and are not property of their estates. Employees utilized their FSA amounts through either a debit card at the point of purchase or the submission for reimbursement from Better Business after providing proof of purchase. Those amounts are paid by Better Business from the individual employee's FSA account. All costs related to the FSAs are paid by the Employees who participate in the FSA program. Effective June 1, 2025, GGE assumed the Debtors' FSA program and all Remaining Employees who participate in the FSA program will have access to continue making FSA contributions pursuant to the MSA.

182. As of the Petition Date, the Debtors do not believe there are any outstanding amounts to remit on account of the FSA with respect to the Remaining Employees. By this Motion, the Debtors seek authority, but not direction, pursuant to the Order to continue the FSA in the ordinary course of business on a postpetition basis solely with respect to the Remaining Employees.

183. ***Health Saving Accounts.*** For qualified Employees who participate in a high deductible health plan ("**HDHP**"), the Debtors offered access to a health savings account (the "**HSA**") through Better Business. Participating employees can opt to make pre-tax contributions to their individual HSA through payroll deductions to cover reimbursements under the program up to one-twelfth of the applicable maximum contribution set by the IRS – the limit amount

depends on whether the employee has an individual or family HDHP. The Debtors contribute a total amount of $840 annually ($35 per pay period) to each employees HSA. The Employees who participate in the HSA program pay any fees under the HSA program from their accounts. On June 1, 2025, GGE assumed all operations for the HSA program and all HSA obligations for the GGE Employees.

184. As of the Petition Date, the Debtors believe they owe approximately $315 in unremitted HSA amounts to the Remaining Employees (collectively, the "**HSA Amounts**"), all of which becomes due within 21 days of the Petition Date. Pursuant to the Order, the Debtors seek authority, but not direction, to pay and/or remit the HSA Amounts and to continue the HSA, including the Company HSA Contributions, in the ordinary course of business on a postpetition basis solely for the Remaining Employees.

185. ***Retirement Savings Plan.*** The Debtors provided all full-time Employees with the ability to participate in a 401(k) program (the "**401(k) Plan**"). The 401(k) Plan generally provides for pretax salary deductions of compensation up to limits set by the Internal Revenue Code, and an Employee's 401(k) contributions are deducted automatically from his or her wages. The Debtors do not make matching contributions. The 401(k) Plan was administered by the Debtors and, effective June 1, 2025, GGE assumed all operations for the 401(k) Plan and became the official plan sponsor. After GGE become the plan sponsor for the 401(k) Plan, the Remaining Employees were no longer eligible to participate in the 401(k) Plan.

186. As of the Petition Date, the Debtors estimate they owe approximately $6,000 on account of accrued but unpaid amounts for the 401(k) Plan for the Remaining Employees (the "**401(k) Plan Obligations**"), all of which will become due within 21 days of the Petition Date. The Debtors request the authority, but not the direction, to remit amounts on account of

the 401(k) Plan as they become due and to continue doing so postpetition in the ordinary course, solely with respect to the Remaining Employees.

187. ***Other Workforce Benefits.*** The Debtors offer tuition discounts to their full-time employees (the "**Tuition Discount**"). All School leadership (e.g., heads of Schools, assistant head of school, administrative director, program director, admissions director, etc.) receive a 100% tuition discount, while other full-time employees receive a 75% tuition discount. The tuition discount applies for up to two children and is only applied to the base tuition cost. The Debtors request the authorization, but not the obligation, to continue the Tuition Discount program for the Remaining Employees in the ordinary course of business.

188. ***Workers' Compensation.*** The Debtors maintain workers' compensation insurance for Employees at the levels statutorily required by law for claims arising from or related to their employment with the Debtors (collectively, the "**Workers' Compensation Program**," and any obligations thereto, the "**Workers' Compensation Obligations**"). The Debtors maintain the Workers' Compensation Program through The Hartford. As of the Petition Date, the Debtors have approximately $2,400 in prepetition premiums outstanding for the Workers' Compensation Program, all of which will become due within 21 days of the Petition Date. As such, by this Motion, the Debtors seek the authority to remit amounts on account of the Workers' Compensation Program as they become due and to continue honoring their obligations with respect to the Workers' Compensation Program in the ordinary course of business. It is critical that the Debtors be permitted to continue their Workers' Compensation Program and to pay outstanding claims, taxes, charges, assessments, premiums, and third-party administrator fees in the ordinary course of business because alternative arrangements for workers' compensation

coverage would most certainly be more costly, and the failure to provide coverage may subject the Debtors and/or their officers to severe penalties.

189. I believe that the relief requested in the Wages Motion is in the best interests of the Debtors' estates, the creditors, and all other parties in interest and will enable the Debtors to continue to operate the Schools in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Wages Motion should be approved.

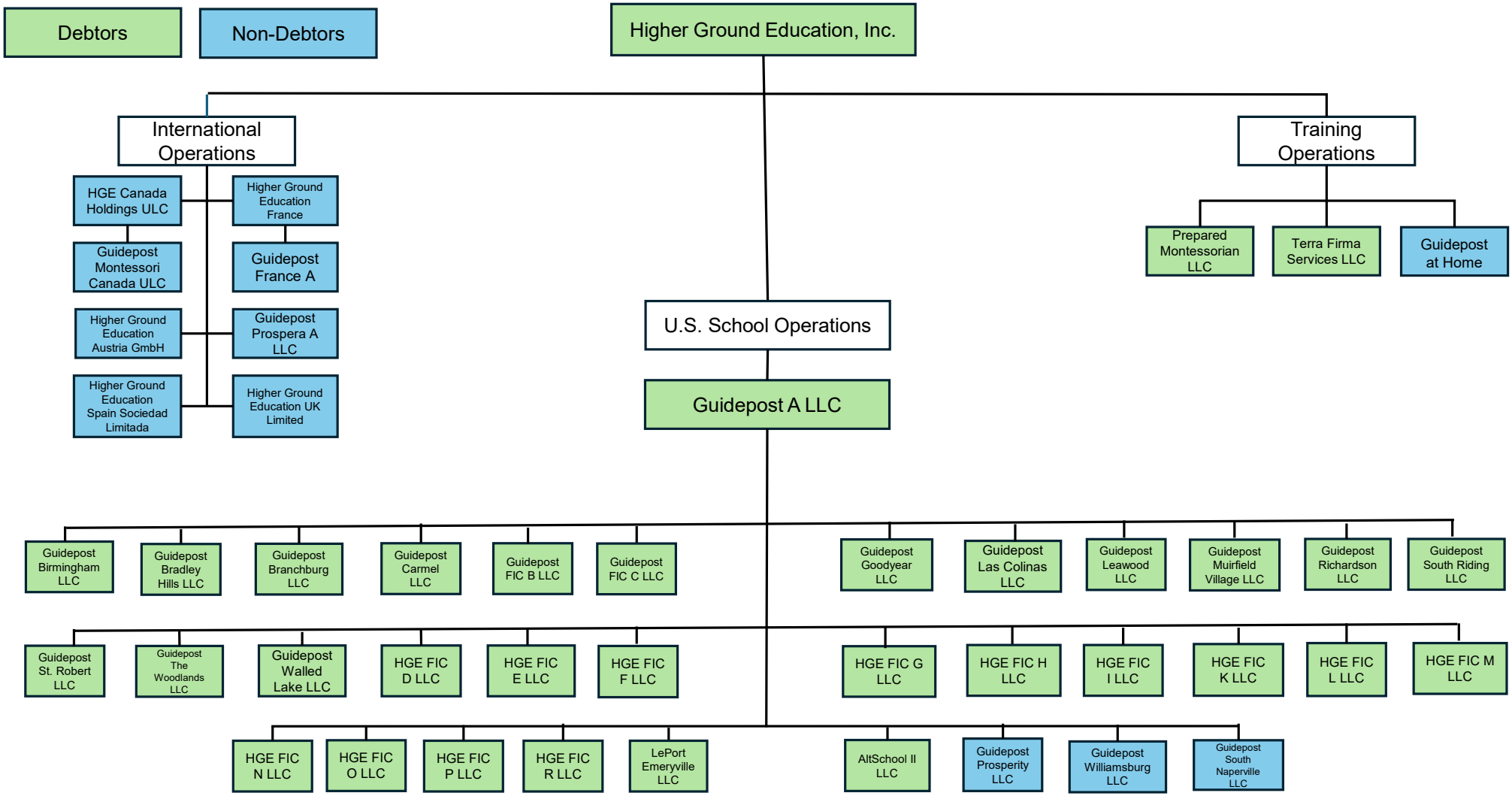
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

DATED: June 18, 2025

/s/ Jonathan McCarthy
Jonathan McCarthy

Exhibit A

Org Chart


Debtors
Non-Debtors
Higher Ground Education, Inc.
International Operations
Training Operations
HGE Canada Holdings ULC
Higher Ground Education France
Guidepost Montessori Canada ULC
Guidepost France A
Higher Ground Education Austria GmbH
Guidepost Prospera A LLC
Higher Ground Education Spain Sociedad Limitada
Higher Ground Education UK Limited
Prepared Montessorian LLC
Terra Firma Services LLC
Guidepost at Home
U.S. School Operations
Guidepost A LLC
Guidepost Birmingham LLC
Guidepost Bradley Hills LLC
Guidepost Branchburg LLC
Guidepost Carmel LLC
Guidepost FIC B LLC
Guidepost FIC C LLC
Guidepost Goodyear LLC
Guidepost Las Colinas LLC
Guidepost Leawood LLC
Guidepost Muirfield Village LLC
Guidepost Richardson LLC
Guidepost South Riding LLC
Guidepost St. Robert LLC
Guidepost The Woodlands LLC
Guidepost Walled Lake LLC
HGE FIC D LLC
HGE FIC E LLC
HGE FIC F LLC
HGE FIC G LLC
HGE FIC H LLC
HGE FIC I LLC
HGE FIC K LLC
HGE FIC L LLC
HGE FIC M LLC
HGE FIC N LLC
HGE FIC O LLC
HGE FIC P LLC
HGE FIC R LLC
LePort Emeryville LLC
AltSchool II LLC
Guidepost Prosperity LLC
Guidepost Williamsburg LLC
Guidepost South Naperville LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtors.	§	(Jointly Administered)

JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC. AND ITS AFFILIATED DEBTORS

Dated: June 26, 2025

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PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

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Higher Ground Education, Inc. together with its affiliated Debtors, as debtors and debtors in possession, propose this joint pre-negotiated plan of reorganization for the resolution of outstanding Claims against and Interests in the Debtors pursuant to Chapter 11 of the Bankruptcy Code. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in Article I. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, projections of future operations, a liquidation analysis, as well as a summary and description of the Plan and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. NO MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND ANY EXHIBITS AND SCHEDULES ATTACHED THERETO OR REFERENCED THEREIN, HAVE BEEN APPROVED BY THE PROPONENTS FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

FOR AVOIDANCE OF DOUBT, THE PLAN APPLIES AND PRESERVES THE MAXIMUM GLOBAL JURISDICTION POSSIBLE UNDER APPLICABLE U.S. LAW, INCLUDING, WITHOUT LIMITATION, OVER THE ASSETS OF THE DEBTORS WHEREVER LOCATED.

ARTICLE 1

DEFINITIONS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

1.1 Definitions. As used in the Plan, the following terms shall have the following meanings:

1.1.1 "1125(e) Exculpation Parties" means, collectively, and in each case in its capacity as such: (a) each of the Exculpated Parties; (b) the directors and officers of any of the Debtors; (c) each of the Reorganized Debtors; (d) the Professional Persons retained in these Chapter 11 Cases; and (d) with respect to the foregoing parties, the Related Parties thereof to the extent permitted under section 1125(e) of the Bankruptcy Code.

1.1.2 "Accounts Receivable" means all accounts receivable of the Debtors as of the Effective Date.

1.1.3 "Administrative Expense Claim" means a Claim for costs and expenses of administration of the Estates pursuant to sections 328, 330, 331, 503(b), 507(a)(2), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including without limitation: (a) any actual and necessary expenses of preserving the Debtors' Estates, including wages, salaries or commissions for services rendered after the commencement of the Chapter 11 Cases, certain taxes, fines and penalties, any actual and necessary post-petition expenses of operating the business of the Debtors, including post-petition indebtedness or

obligations, including the Senior DIP Lender Claim and the Junior DIP Lender Claim, incurred by or assessed against the Debtors in connection with the normal, usual or customary conduct of their business, or for the acquisition or payment of goods or lease of property, or for providing of services to the Debtors; (b) expenses pursuant to section 503(b)(9) of the Bankruptcy Code; (c) all Statutory Fees; and (d) Professional Fee Claims. The Disbursing Agent shall timely pay all post-confirmation quarterly fees as they accrue until the date of the closing of the Chapter 11 Cases. For the avoidance of doubt, subject to Article 3.2.2, Ordinary Course Liabilities incurred by the Debtors under the DIP Loans shall be Allowed Administrative Expense Claim.

1.1.4 "Administrative Claims Bar Date" means the first business day that is thirty (30) days following the Effective Date, except as specifically set forth in the Plan or a Final Order.

1.1.5 "Affiliate" has the meaning set forth in section 101(2) of the Bankruptcy Code when used in reference to a Debtor, and when used in reference to an Entity other than a Debtor, means any other Entity that directly or indirectly wholly owns or controls such Entity or any other Entity that is directly or indirectly wholly-owned or controlled by such Entity.

1.1.6 "Allowed" means, with respect to any Claim or Interest, except as otherwise specified herein, any of the following: (a) a Claim or Interest that has been scheduled by the Debtors in their Schedules as other than disputed, contingent or unliquidated and as to which (i) the Debtors or any other party in interest have not filed an objection, and (ii) no contrary Proof of Claim has been filed; (b) a Claim or Interest that is not a Disputed Claim or Disputed Interest, except to the extent that any such Disputed Claim or Disputed Interest has been allowed by a Final Order; or (c) a Claim or Interest that is expressly allowed (i) by a Final Order, (ii) by an agreement between the Holder of such Claim or Interest and the Debtors or the Reorganized Debtors, or (iii) pursuant to the terms of the Plan; provided, however, that unless expressly waived by the Plan, the Allowed amount of a Claim shall be subject to and shall not exceed the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable.

1.1.7 "Approved Budget" means the budget agreed to by the Debtors and the DIP Lenders and attached as Exhibit A to the DIP Order (as may be amended or otherwise modified from time to time pursuant to the terms of the DIP Order).

1.1.8 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, now in effect and as amended by the Bankruptcy Abuse Prevention and Consumer Prevention Act of 2005 or hereafter amended (to the extent any such amendments are applicable to the Chapter 11 Cases).

1.1.9 "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, or any other court having jurisdiction over these Chapter 11 Cases.

1.1.10 "Bankruptcy Rules" means, collectively, the (a) Federal Rules of Bankruptcy Procedure and (b) Local Rules of the Bankruptcy Court, all as now in effect or hereafter amended (to the extent any such amendments are applicable to the Chapter 11 Cases).

1.1.11 "Bridge CN-3 Distribution Agreement" means, so long as the Girns have not materially breached the RSA, the agreement of the Bridge CN-3 Secured Lenders hereunder other than Ramandeep Girn to waive their rights to a distribution under the Plan on the Effective Date in favor of Mr. Girn, such that Mr. Girn shall receive the entirety of the Bridge CN-3 Secured Lender Recovery on account of his Bridge CN-3 Note.

1.1.12 "Bridge CN-3 Notes" means the series CN-3 convertible promissory notes entered into on and after January 15, 2025. The Bridge CN-3 Notes are collateralized by a priming lien over the assets of Higher Ground Education, superior to the liens of WTI in a principal amount of up to $5,000,000, and are deemed to have an Allowed Secured Claim in the outstanding principal amount of at least $4,800,000.

1.1.13 "Bridge CN-3 Secured Lenders" means, individually and collectively, the lenders under the Bridge CN-3 Notes.

1.1.14 "Bridge CN-3 Secured Lender Recovery" means an aggregate recovery of $500,000 by all Holders of Bridge CN-3 Notes.

1.1.15 "Business Day" means any day, excluding Saturdays, Sundays or "legal holidays" as defined in Bankruptcy Rule 9006(a), or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

1.1.16 "Cash" means legal tender of the United States of America including, but not limited to, bank deposits, checks and other similar items.

1.1.17 "Cash-on-Hand" means all Cash reflected on the Debtors' balance sheet as of the Effective Date, including without limitation all drawn and unutilized advances from the DIP Loans, and all Cash in their bank accounts.

1.1.18 "Causes of Action" means any: (a) Claims, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, and franchises; (b) all rights of setoff, counterclaim, or recoupment and Claims on contracts or for breaches of duties imposed by law; (c) rights to object to Claims or Interests; (d) Claims pursuant to sections 362, 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, or 553 of the Bankruptcy Code; and (e) Claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, whether arising before, on, or after the Petition Date including through the Effective Date, in contract, in tort, in law, or in equity, or pursuant to any other theory of law, and whether asserted or assertable directly or derivatively.

1.1.19 "Chapter 11 Cases" means the jointly administered bankruptcy cases of the Debtors commenced under Chapter 11 of the Bankruptcy Code, and jointly administered under *In re Higher Ground Education, Inc., et al.* (Case 25-80121-11 (MVL).

1.1.20 "Claim" means a "claim," as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

1.1.21 "Claims Bar Date" means the date or dates fixed by order of the Bankruptcy Court by which Persons or Entities asserting a Claim against the Debtors, arising prior to the Petition Date, and who are required to file a Proof of Claim on account of such Claim, must file a Proof of Claim or be forever barred from asserting a Claim against the Debtors or their Property and from voting on the Plan and/or sharing in distributions under the Plan.

1.1.22 "Claims Objection Deadline" means the deadline for objecting to Proofs of Claim, which date shall be the date which is 60 days following the Effective Date, provided that the Debtors and the Reorganized Debtors, as applicable, may seek additional extensions of this date from the Bankruptcy Court.

1.1.23 "Class" means a class of Claims or Interests as listed in Article II of the Plan pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code.

1.1.24 "Closing" means the closing of the transactions contemplated under Article IV of the Plan.

1.1.25 "Combined Hearing" means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code and final approval of the Disclosure Statement.

1.1.26 "CN Notes" means, collectively, the series CN-1, CN-2 and CN-3 convertible promissory notes made pursuant to the Note Purchase Agreement. The CN Notes are collateralized by a lien over the assets of Higher Ground Education, subordinate to the liens of WTI, and are deemed to have an Allowed Secured Claim in the outstanding principal amount of at least $117,434,915.

1.1.27 "CN Note Claim" means the Allowed Claims of holders of CN Notes, other than Bridge CN-3 Notes.

1.1.28 "CN Note Recovery" means the funds (if any) contributed to Class 3 on account of the Class 2 distribution pursuant to the Junior Class Distribution Formula.

1.1.29 "Confirmation" means the Bankruptcy Court's confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, following the Debtors' satisfaction of the elements of section 1129.

1.1.30 "Confirmation Date" means the day on which the Confirmation Order is entered by the Bankruptcy Court on its docket.

1.1.31 "Confirmation Order" means the order of the Bankruptcy Court approving Confirmation of the Plan, which shall be in form and substance acceptable to the Debtors, the Plan Sponsor, the DIP Lender, and the Secured Lender.

1.1.32 "Consummation" means the closing of transactions and delivery of payments to be made on or as soon as reasonably practicable after the Effective Date.

1.1.33 "Corporate Documents" means, as applicable, the certificate of incorporation and by-laws (or any other applicable organizational documents) of the Debtors in effect as of the Petition Date, as may be amended.

1.1.34 "D&O Liability Insurance Policies" means any insurance policy to which one or more of the Debtors is a party that provides liability coverage for any of the Debtors' directors and officers.

1.1.35 "Debtor Release" means the release given by the Debtors to the Released Parties as set forth in Article 10.2 of the Plan.

1.1.36 "Debtors" means, collectively, Higher Ground Education, Inc.; Guidepost A LLC; Prepared Montessorian LLC; Terra Firma Services LLC; Guidepost at Home LLC and each of the other Debtors and Debtors in Possession identified on **Schedule 1.1.36** to the Plan.

1.1.37 "Debtors In Possession" means the Debtors when acting in the capacity of representative of each of their Estates in the Chapter 11 Cases.

1.1.38 "Definitive Documents" means, without limitation, (a) the DIP Financing Documents, (b) the Plan (and all exhibits thereto), (c) the Disclosure Statement, (d) the order approving the Disclosure Statement, (e) the Confirmation Order, (f) the RSA; (g) any other substantive motion or request for relief filed with the Bankruptcy Court, and (h) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (g), in each case in form and substance consistent with the Plan, the RSA and, except as otherwise set forth herein or in the RSA, reasonably acceptable to the Debtors and Plan Sponsor.

1.1.39 "Designated EB-5 Entities" means those certain Debtor entities (but not their assets, except as otherwise designated on in the Plan Supplement) designated in the Plan Supplement to be transferred to Guidepost Global on the Effective Date.

1.1.40 "DIP Financing Order" means, together, the interim and final orders approving the Debtors' entry into the Senior DIP Loan and the Junior DIP Loan.

1.1.41 "DIP Financing Documents" means, together, the DIP Financing Order, the Senior DIP Promissory Note and the Junior DIP Promissory Note.

1.1.42 "DIP Lender" means, individually and collectively, Junior Lender and Senior Lender.

1.1.43 "DIP Lender Claim" means, individually and collectively, the Senior DIP Lender Claim and the Junior DIP Lender Claim pursuant to the DIP Financing Documents.

1.1.44 "DIP Loans" means, individually and collectively, (i) the Senior DIP Loan in the aggregate amount of up to five million five hundred thousand dollars ($5,500,000) and (ii) the Junior DIP Loan in the amount of at least two million five hundred thousand dollars ($2,500,000), to be provided by the DIP Lenders to the Debtors on the terms and conditions set forth in the DIP Financing Order, the Senior DIP Promissory Note and the Junior DIP Promissory Note. For the avoidance of doubt, subject to the terms thereof, the purpose of the DIP Loans is to fund the Ordinary Course Liabilities of the Debtors, including (a) working capital and general corporate purposes and (b) bankruptcy-related fees, costs and expenses, in each case with respect to clauses (a) and (b), all in accordance with the Approved Budget.

1.1.45 "Disbursing Agent" means one or more Persons or Entities designated by the Debtors prior to the Combined Hearing to serve as a disbursing agent under the Plan.

1.1.46 "Disbursing Agent Restricted Accounts" means the separate accounts established on or as soon as reasonably practicable after the Effective Date to hold adequate funding from the Plan Consideration to pay (i) all Allowed Administrative Expense Claims, (ii) the Bridge CN-3 Secured Lender Claim, (iii) the WTI Secured Lender Claim, (iv) all Allowed Other Secured Claims, (v) all Allowed Priority Tax Claims, Secured Tax Claims and Non-Tax Priority Claims, (vi) the CN Note Recovery (if any) and (vii) the GUC Recovery (if any).

1.1.47 "Disclosure Statement" means the *Disclosure Statement for the Joint Plan of Reorganization of Higher Ground Education, Inc. and Its Affiliated Debtors*, dated June [•], 2025 and filed by the Debtors with the Bankruptcy Court, including all exhibits and schedules thereto, as may be amended or supplemented.

1.1.48 "Disputed Claim or Interest" means a Claim or Interest, or any portion thereof, as to which any one of the following applies: (a) that is listed on the Schedules as unliquidated, disputed, contingent or unknown; (b) that is the subject of a timely objection or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules, any applicable order of the Bankruptcy Court, the Plan or applicable non-bankruptcy law, which objection or request for estimation has not been withdrawn, resolved or overruled by a Final Order; (c) that is otherwise disputed by the Debtors or any other party in interest in accordance with applicable law, which dispute has not been withdrawn, resolved, or overruled by a Final Order; or (d) that is otherwise treated as a 'Disputed Claim' pursuant to the Plan.

1.1.49 "Distribution Record Date" means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date prior to the Effective Date as may be designated in the Confirmation Order.

1.1.50 "EB5AN" means, collectively, EB5AN Investment Management, LLC and EB5AN, LLC.

1.1.51 "Effective Date" means the date selected by the Debtors that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article 11 hereof and (b) no stay of the Confirmation Order is in effect.

1.1.52 "Entity" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

1.1.53 "Estate" or "Estates" means, individually, the estate of each Debtor in the Chapter 11 Cases, or, collectively, the estates of all of the Debtors in the Chapter 11 Cases, created pursuant to section 541 of the Bankruptcy Code.

1.1.54 "Equity" means any interest in Higher Ground Education, Inc. represented by ownership of common or preferred stock, including, to the extent provided by applicable law, any purchase right, warrant, stock option or other equity or debt security (convertible or otherwise) evidencing or creating any right or obligation to acquire or issue any of the foregoing the common stock of Higher Ground Education, including all unissued and/or authorized shares of such common or preferred stock; provided that Subsidiary Equity Interests shall be excluded from the definition of Equity, and shall not be treated as Equity or Equity Interests under the Plan.

1.1.55 "Exculpated Claim" means any Claim related to any postpetition act (*i.e.*, on and after the Petition Date), taken or omitted to be taken in connection with, relating to, or arising out of the Debtors' post-petition business operations, the Debtors' out-of-court restructuring efforts, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement or the Plan, the RSA or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the preparation or filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, and the administration and implementation of the Plan, including, without limitation, the issuance of the Reorganized HGE Common Stock, or the distribution of Property under the Plan or any other agreement.

1.1.56 "Exculpated Parties" means collectively, and in each case in its capacity as such: (a) the Debtors; (b) the independent directors of the Debtors; and (c) any other statutory committee appointed in the Chapter 11 Cases and each of their respective members, solely in their respective capacities as such.

1.1.57 "Final Order" means, as applicable, an order or judgment entered by the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or motion or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which

any right to appeal, petition for certiorari, move for a new trial, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtors or, in the event that an appeal, writ of certiorari, new trial or reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court or other applicable court shall have been affirmed by the highest court to which such order or judgment was appealed, or certiorari has been denied, or from which a new trial, reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under section 502(j) of the Bankruptcy Code, Rules 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules may be but has not then been filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.1.58 "General Unsecured Claim" means any prepetition Claim against the Debtors that is not an Administrative Expense Claim, Priority Tax Claim, Secured Tax Claim, Bridge CN-3 Secured Lender Claim, WTI Secured Lender Claim, CN Note Claim, Other Secured Claim, Non-Tax Priority Claim, Intercompany Claim, Equity Interest, or Subsidiary Equity Interest.

1.1.59 "Girn" means, individually and collectively, Ramandeep Girn and Rebecca Girn.

1.1.60 "Governing Body" means, in each case in its capacity as such, the board of directors, board of managers, manager, managing member, general partner, investment committee, special committee, or such similar governing body of any of the Debtors or the Reorganized Debtors, as applicable.

1.1.61 "GUC Recovery" means the funds (if any) contributed to Class 6 on account of the Class 2 distribution pursuant to the Junior Class Distribution Formula.

1.1.62 "Guidepost Global" means Guidepost Global Education, Inc.

1.1.63 "Guidepost Global Assets" means Guidepost Global's (a) entire rights and interests in its current elementary, middle and high school curriculum assets, including associated instructional videos (the "Curriculum Assets") and the Montessorium brand and trademarks and (b) an "as is" fully paid up, perpetual "right to use" license to its intellectual property, including the Altitude learning management system (the "Guidepost Global IP License").

1.1.64 "Higher Ground Education" means Higher Ground Education, Inc.

1.1.65 "Holder" means the beneficial holder of any Claim or Interest.

1.1.66 "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.1.67 "Insider" has the meaning set forth in section 101(31) of the Bankruptcy Code.

1.1.68 "Instrument" means any share of stock, security, promissory note, bond, or any other 'Instrument,' as that term is defined in section 9-102(47) of the Uniform Commercial Code in effect on the Petition Date.

1.1.69 "Intercompany Claim" means any Claim held by a Debtor against another Debtor.

1.1.70 "Interest" means the interest of any holder of an "equity security" (as defined in section 101(16) of the Bankruptcy Code) represented by any issued and outstanding shares of Equity, Subsidiary Equity Interests, or other Instrument evidencing a present ownership interest in any of the Debtors, whether or not transferable, or any option, warrant or right, contractual or otherwise, to acquire any such interest and any redemption, conversion, exchange, voting, participation and dividend rights and liquidation preferences relating to any such equity securities.

1.1.71 "Judicial Code" means title 28 of the United States Code, 28 U.S.C §§1-4001.

1.1.72 "Junior Class Distribution Formula" means, (a) if both Class 3 and Class 6 vote to accept the Plan, then following distributions on account of all Allowed Class 5 Claims, the Class 2 distribution shall be contributed to Class 3 and Class 6 on a *pari passu* basis in proportion to their Allowed Claims, excluding Allowed Claims held by the Released Parties (except as otherwise expressly set forth in this Plan); and (b) if only one of Class 3 and Class 6 vote to accept the Plan, then the Class 2 distribution shall be contributed exclusively to such accepting Class. For the avoidance of doubt, if Class 3 or Class 6 does not vote to accept the Plan, then such Class is not entitled to the Class 2 distribution.

1.1.73 "Junior DIP Financing Documents" means, together, the DIP Financing Order and the Junior DIP Promissory Note.

1.1.74 "Junior DIP Lender" means Guidepost Global, in its capacity as lender under the Junior DIP Financing Documents, upon Bankruptcy Court approval of the DIP Financing Order.

1.1.75 "Junior DIP Lender Claim" means any and all Claims arising from, under or in connection with the Junior DIP Financing Documents.

1.1.76 "Junior DIP Loan" means the loans made by Junior DIP Lender pursuant to the Junior DIP Financing Documents.

1.1.77 "Junior DIP Promissory Note" means the Junior Debtor In Possession Promissory Note, in form and substance attached to the DIP Financing Order, as executed by the Debtors following the approval of the DIP Financing Order by the Bankruptcy Court.

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

1.1.79 "Mutual Release" means the release provision set forth in Article 10.4 of the Plan.

1.1.80 "Non-Tax Priority Claim" means a Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.1.81 "Note Purchase Agreement" means the Note Purchase Agreement (together with the related exhibits, schedules and transaction documents) by and between Higher Ground Education, as borrower, and each lender on the Schedule of Lenders thereto, dated May 31, 2024, as amended by the Amendment to Note Purchase Agreement, effective as of June 10, 2024 , as amended by the Second Amendment to Note Purchase Agreement, effective as of September 30, 2024, as amended by the Third Amendment to Note Purchase Agreement, effective as of December 31, 2024 (as amended, supplemented or otherwise modified).

1.1.82 "Ordinary Course Liability" means indebtedness arising in the ordinary course of the Debtors' business operations, solely to the extent provided for in the Approved Budget, and the post-petition financing incurred to fund such business operations following Bankruptcy Court approval.

1.1.83 "Other Secured Claim" means any Secured Claim other than the DIP Lender Claims, Bridge CN-3 Lender Claim, WTI Secured Lender Claims and Secured Tax Claims.

1.1.84 "Pass-Through Assets" shall have the meaning set forth in Article 9.4 of the Plan.

1.1.85 "Person" has the meaning set forth in section 101(41) of the Bankruptcy Code.

1.1.86 "Petition Date" means June 17, 2025, the date on which each of the Debtors filed their voluntary petitions under Chapter 11 of the Bankruptcy Code commencing these Chapter 11 Cases.

1.1.87 "Plan" means this joint pre-negotiated plan of reorganization and any schedules, exhibits, and other attachments hereto, as it may be amended, modified, or supplemented from time to time.

1.1.88 "Plan Consideration" means $4.5 million *minus* the Senior DIP Lender Claim.

1.1.89 "Plan Sponsor" means 2HR Learning, Inc.

1.1.90 "Plan Supplement" means the compilation of documents, including any exhibits to this Plan not included herewith, that the Debtors shall file with the Bankruptcy Court.

1.1.91 "Plan Supplement Deadline" means such date that is seven (7) days prior to the deadline to object to confirmation of the Plan (or such later date as may be authorized by the Bankruptcy Court) or if such date is not a Business Day, the first date proceeding that date that is a Business Day.

1.1.92 "Priority Tax Claim" means a Claim that is entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

1.1.93 "Professional Fee Claims" means the Claims of (a) Professional Persons and (b) any Person making a Claim for compensation or expense reimbursement under section 503(b) of the Bankruptcy Code, in each case for reasonable compensation or reimbursement of reasonable costs and expenses relating to services performed during the period commencing on the Petition Date and ending on (and including) the Confirmation Date.

1.1.94 "Professional Fee Order" means *the Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief entered by the Bankruptcy Court in these Chapter 11 Cases* at Docket No. [•].

1.1.95 "Professional Holdback Amount" means the aggregate holdback of those fees of Professional Persons billed to the Debtors during the Chapter 11 Cases that are held back pursuant to the Professional Fee Order or any other order of the Bankruptcy Court, which amount is to be deposited in the Professional Holdback Escrow Account as of the Effective Date. The Professional Holdback Amount shall not be considered Property of the Debtors or the Reorganized Debtors. When all Professional Fee Claims have been paid, amounts remaining in the Professional Holdback Escrow Account, if any, shall be remitted to the Disbursing Agent for distribution in accordance with the Plan.

1.1.96 "Professional Holdback Escrow Account" means the escrow account established by the Disbursing Agent into which Cash equal to the Professional Holdback Amount shall be deposited on the Effective Date for the payment of Allowed Professional Fee Claims to the extent not previously paid or disallowed.

1.1.97 "Professional Person" means a Person or Entity who is employed pursuant to a Final Order in accordance with sections 327, 328, 363 or 1103 of the Bankruptcy Code and is to be compensated for services rendered prior to the Confirmation Date pursuant to sections 327, 328, 329, 330, 331 or 363 of the Bankruptcy Code.

1.1.98 "Proof of Claim" means any proof of claim that is filed by a Holder of a Claim filed in these Chapter 11 Cases.

1.1.99 "Property" means any and all right, title and interest in and to all property of any kind or nature whatsoever owned by the any of the Debtors or their Estates on the

Effective Date as defined by 11 U.S.C. § 541, whether real, personal, or mixed, and whether tangible or intangible.

1.1.100 "Reinstated" means either (a) leaving unaltered the legal, equitable, and contractual right to which a Claim entitles the Holder of such Claim so as to leave such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than the Debtors or an Insider) for any actual pecuniary loss incurred by such holder as a result of such failure; or (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim.

1.1.101 "Related Parties" means, with respect to any Entity, in each case in its capacity as such with respect to such Entity, (a) such Entity's current and former Affiliates and (b) such Entity's and such Entity's current and former Affiliates' directors, managers, officers, members of any Governing Body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, successors, assigns (whether by operation of Law or otherwise), direct or indirect parent entities and/or subsidiaries, current, former, and future associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, fiduciaries, employees, agents (including any disbursing agent), financial advisors, attorneys, accountants, consultants, investment bankers, representatives, and other professionals.

1.1.102 "Released Parties" means each of, and in each case in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global, including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) the Releasing Parties; (l) all Holders of Claims or Interests who do not affirmatively opt out of the releases provided by this Plan; (m) each current and former Affiliates of each Entity in clause (a) through the following clause (l); and each Related Party of each Entity in clause (a) through (l); provided that, in each case, an Entity shall not be a Released Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation.

1.1.103 "Releasing Parties" means each of, and in each case in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) all Holders of Claims or Interests that vote to accept or reject this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (l) all Holders of Claims or Interests that are deemed to accept or reject this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (m) all Holders of Claims or Interests who abstain from voting on this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (n) current and former Affiliates of each entity in clause (a) through the following clause (m) for which such Entity is legally entitled to bind such Affiliates to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; and (o) each Related Party of each Entity in clause (a) through this clause (m) for which such Entity is legally entitled to bind such Related Party to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; *provided that*, in each case, an Entity shall not be a Releasing Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation. Notwithstanding the foregoing, and for the avoidance of doubt, no party shall be a Releasing Party to the extent that such party did not receive proper notice and service of the Opt-Out Form.

1.1.104 "Reorganized HGE" means Higher Ground Education, Inc., on and after the Effective Date, together with any and all Subsidiary Equity Interests obtained or retained by Higher Ground Education pursuant to the Plan, each as vested with the Property of their respective Estates. Except as otherwise set forth herein, on the Effective Date, Reorganized HGE shall retain all Subsidiary Equity Interests in the Reorganized HGE Subsidiaries.

1.1.105 "Reorganized HGE Assets" means all (a) School Assets, (b) Guidepost Global Assets, (c) Reorganized HGE Contracts or Leases, (d) all Pass-Through Assets identified on the Schedule of Reorganized HGE Assets, (d) all Subsidiary Equity Interests in the Reorganized HGE Subsidiaries and (e) all corporate documentation and corporate records identified on the Schedule of Reorganized HGE Assets. The Schedule of Reorganized HGE Assets shall be included in the Plan Supplement. The Debtors may amend the Schedule of Reorganized HGE Assets at any time prior to the Effective Date with the consent of Plan Sponsor.

1.1.106 "Reorganized HGE Common Stock" means 100% of the equity interests in Reorganized HGE issued on the Effective Date to the Plan Sponsor in exchange for the Plan Consideration, and to the Senior DIP Lender under and subject to the Subscription Option, if exercised, in the total amount of 1,000 shares, free and clear

of all Liens, Claims, Equity Interests and encumbrances of any kind, except as provided in the Plan.

1.1.107 "Reorganized HGE Contracts or Leases" means those executory contracts and unexpired leases that are identified as a Reorganized HGE Contract or Lease on the Schedule of Assumed Contracts and Unexpired Leases attached hereto as Exhibit [ ].

1.1.108 "Reorganized HGE Subsidiaries" shall mean the reorganized Debtors identified as Reorganized HGE Subsidiaries in the Plan Supplement.

1.1.109 "Reorganized Debtors" means each of the Debtors, as vested with the Property of the Estates on and after the Effective Date.

1.1.110 "RSA" means the Restructuring Support Agreement, dated June 17, 2025 (as amended, supplemented or otherwise modified from time to time).

1.1.111 "RSA Parties" means the signatories to the RSA, including (a) the Debtors, (b) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (c) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (d) Guidepost Global including without limitation in its capacity as Junior DIP Lender; (e) Learn Capital, LLC; (f) Yu Capital; (g) WTI; (h) Girn; (i) Venn; and (j) with respect to the foregoing Entities, the Related Parties thereof to the extent permissible under applicable federal and state law.

1.1.112 "Schedule of Retained Causes of Action" means a schedule of certain Claims and Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan; *provided*, in no instance shall Claims or Causes of Action against any Released Party or any Exculpated Party that is released pursuant to Article 10 of the Plan be retained.

1.1.113 "Schedules" means the schedules of assets and liabilities, the list of equity interests, and the statement of financial affairs filed by the Debtors with the Bankruptcy Court pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b), as the same may be amended or supplemented from time to time.

1.1.114 "Schedule of Assumed Contracts and Unexpired Leases" means the schedule identifying the executory contracts and unexpired leases to be assumed under the Plan. The Schedule of Assumed Contracts and Unexpired Leases is attached as Exhibit [•] to the Plan, which Exhibit may be amended with such amendment being included in the Plan Supplement.

1.1.115 "School Assets" means any and all tangible and intangible personal property of every kind and nature utilized for the operation of Debtors' school businesses and operations.

1.1.116 "Secured" means when referring to a Claim: (a) secured by a Lien on Property in which the Estate has an interest, which Lien is valid, perfected, and

enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to the Plan.

1.1.117 "Secured Tax Claim" means any Secured Claim which, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

1.1.118 "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, together with the rules and regulations promulgated thereunder.

1.1.119 "Security" means a security as defined in section 2(a)(1) of the Securities Act.

1.1.120 "Senior DIP Financing Documents" means, together, the DIP Financing Order and the Senior DIP Promissory Note.

1.1.121 "Senior DIP Lender" means YYYYY, LLC, in its capacity as lender under the Senior DIP Financing Documents, upon Bankruptcy Court approval of the DIP Financing Order.

1.1.122 "Senior DIP Lender Claim" means any and all Claims arising from, under or in connection with the Senior DIP Loan.

1.1.123 "Senior DIP Loan" means loans made by Senior DIP Lender pursuant to the Senior DIP Financing Documents.

1.1.124 "Senior DIP Promissory Note" means the Senior Debtor In Possession Promissory Note, in form and substance attached to the DIP Financing Order, as executed by the Debtors following the approval of the DIP Financing Order by the Bankruptcy Court.

1.1.125 "Statutory Fees" mean the fees payable pursuant to section 1930 of the Judicial Code in the manner set forth in Article 3.4 of the Plan.

1.1.126 "Subclass" means a subdivision of any Class described herein.

1.1.127 "Subscription Option" means the right of the DIP Lender to, at its option, convert a portion of the outstanding Allowed DIP Lender Claim into shares of Reorganized HGE Common Stock at a rate of 10% of the Allowed DIP Lender Claim for 60 shares of Reorganized HGE Common Stock, up to a maximum of 100% of the Allowed DIP Lender Claim for 600 shares out of the total 1000 shares of Reorganized HGE Common Stock. The Plan Sponsor reserves the right to modify the Subscription Option, provided that (a) no such modification shall adversely impact the Plan treatment of other creditors and (b) such modification is approved by the DIP Lender.

1.1.128 "Subsidiary Equity Interest" means any Interest of the Debtors other than the Equity Higher Ground Education, including any Interest of such Debtors in subsidiaries or Affiliates.

1.1.129 "Third-Party Release" means the release set forth in Article 10.3 of this Plan.

1.1.130 "TNC" means TNC Schools, LLC.

1.1.131 "Transferred Executory Contracts / Unexpired Leases" means those executory contracts and/or unexpired leases designated in the Plan Supplement as having been sold or foreclosed upon prior to the Petition Date in connection with the WTI, Learn and/or Yu Capital foreclosures.

1.1.132 "Unimpaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is not Impaired.

1.1.133 "United States Trustee" means the Office of the United States Trustee for Region 6.

1.1.134 "Upper Tier Debtors" means collectively, Higher Ground Education, Guidepost A LLC, Prepared Montessorian LLC and Terra Firma Services LLC.

1.1.135 "Venn" means, collectively, Venn Growth GP Limited, Venn Growth HGE LP and Venn Growth HGE II LP.

1.1.136 "Voting Deadline" means August 25, 2025, at 5:00 p.m. (prevailing Central Time).

1.1.137 "WTI" means, collectively, Venture Lending & Leasing IX, Inc. and WTI Fund X, Inc.

1.1.138 "WTI Secured Lender Claim" means the Allowed Secured post-foreclosure deficiency claim of WTI in the collective amount of at least $4,680,970.83 under: (a) the Loan and Security Agreement, dated as of February 19, 2021 (as the same has been amended, supplemented, restated and modified from time to time, the "2021 Loan Agreement"), among the Upper Tier Debtors, as borrowers, and Venture Lending & Leasing IX, Inc., as lender, in the Allowed amount of at least $153,801.58; and (b) the Loan and Security Agreement, dated as of November 8, 2023 (as the same has been amended, supplemented, restated and modified from time to time, the "2023 Loan Agreement" and together with the 2021 Loan Agreement, the "WTI Loan Agreements"), among the Upper Tier Debtors, as borrowers, and WTI Fund X, Inc., as lender, in the Allowed amount of at least $4,527,169.25.

1.1.139 "Yu Capital" means, collectively, Yu Capital, LLC YuATI LLC, YuFICB LLC, YuHGE A LLC, NTRC Equity Partners, LP.

1.2 Interpretation, Rules of Construction, Computation of Time, Settlement and Governing Law.

1.2.1 Defined Terms. Any term used in the Plan that is not defined in the Plan, either in Article 1.1 or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.2.2 Rules of Interpretation. For purposes of the Plan: (a) whenever from the context it is appropriate, 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) any reference in the Plan to a contract, Instrument, release 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, but if there exists any inconsistency between a summary of, or reference to, any document in the Plan or Confirmation Order and the document itself, the terms of the document as of the Effective Date shall control; (c) any reference in the Plan to an existing document or Plan Supplement that is filed or to be filed means such document or Plan Supplement, as it may have been or may subsequently be amended, modified or supplemented; (d) unless otherwise specified in a particular reference, all references in the Plan to "section," "article" and "Plan Supplement" are references to a section, article and Plan Supplement of or to the Plan; (e) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; (f) captions and headings to articles and sections are inserted for convenience or reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, all references herein to "Articles" are references to Articles of the Plan; (h) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (j) any docket number references in the Plan shall refer to the docket number of any document filed with the Bankruptcy Court in the Chapter 11 Cases; (k) references to "Proofs of Claim," "Holders of Claims," "Disputed Claims," and the like shall include "Proofs of Interest," "Holders of Interests," "Disputed Interests," and the like, as applicable; (l) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; (m) any immaterial effectuating provisions may be interpreted by the Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (n) except as otherwise provided, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; and (o) any reference to an Entity as a Holder of a Claim or Interest includes such Entity's permitted successors and assigns.

1.2.3 Computation of Time. Unless otherwise specifically stated herein, in computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

1.2.4 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Texas, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, Instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); provided, however, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in Delaware shall be governed by the laws of the state of incorporation of the relevant Debtor or Reorganized Debtor, as applicable.

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

ARTICLE 2

DESIGNATION OF CLAIMS AND INTERESTS

2.1 Summary of Designation of Claim and Interests. The following is a designation of the Classes of Claims and Interests under the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest is within the description of that Class and is classified in another Class to the extent that any remainder of the Claim or Interest qualifies within the description of such other Class or Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest is an Allowed Claim or Allowed Interest and has not been paid, released or otherwise satisfied before the Effective Date.

Class	Claims and Interests	Status	Voting Rights
Class 1:	Bridge CN-3 Secured Lender Claim	Impaired	Entitled to Vote
Class 2:	WTI Secured Lender Claim	Impaired	Entitled to Vote
Class 3	CN Note Claims	Impaired	Entitled to Vote
Class 4:	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 5:	Non-Tax Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 6:	General Unsecured Claims	Impaired	Entitled to Vote
Class 7:	Intercompany Claims	Impaired	Deemed to Reject; Not Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
Class 8:	Equity	Impaired	Deemed to Reject; Not Entitled to Vote
Class 9:	Subsidiary Equity Interests	Unimpaired	Deemed to Accept; Not Entitled to Vote

ARTICLE 3

TREATMENT OF CLAIMS AND INTERESTS

3.1 Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified, are Unimpaired, and are not entitled to vote on the Plan.

3.2 Administrative Expense Claims.

3.2.1 In General. Except to the extent that a Holder of an Allowed Administrative Expense Claim has been paid by the Debtors prior to the Effective Date or such other treatment has been agreed to by the Holder of such Administrative Expense Claim and the Debtors, each Holder of an Allowed Administrative Expense Claim (other than a Professional Fee Claim and other than an Administrative Expense Claim), in full and final satisfaction, release, settlement and discharge of such Administrative Expense Claim, shall be paid in full, in Cash, in such amounts as (a) are incurred in the ordinary course of business by the Debtors when and as such Claim becomes due and owing, (b) are Allowed by the Bankruptcy Court upon the later of the Effective Date, the date upon which there is a Final Order allowing such Administrative Expense Claim or any other date specified in such order, or (c) may be agreed upon between the Holder of such Administrative Expense Claim and the Debtors.

3.2.2 **HOLDERS OF ADMINISTRATIVE EXPENSE CLAIMS THAT ARE REQUIRED TO, BUT DO NOT, FILE AND SERVE A REQUEST FOR PAYMENT OF SUCH ADMINISTRATIVE EXPENSE CLAIMS BY THE ADMINISTRATIVE CLAIMS BAR DATE SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH ADMINISTRATIVE EXPENSE CLAIMS AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES, OR THE PROPERTY OF ANY OF THE FOREGOING, AND SUCH ADMINISTRATIVE EXPENSE CLAIMS SHALL BE DEEMED DISCHARGED AS OF THE EFFECTIVE DATE.**

3.2.3 Professional Compensation.

(a) Final Fee Applications. All final requests for payment of Professional Fee Claims, including the Professional Holdback Amount and Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtors no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and any applicable orders of the Bankruptcy Court, the Allowed

amounts of such Professional Fee Claims shall be determined and paid as directed by the Bankruptcy Court.

(b) Professional Holdback Escrow Account. If the Professional Holdback Amount and Professional Fee Claims are greater than zero, as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Holdback Escrow Account with Cash equal to the Professional Holdback Amount, and no Liens, claims, or interests shall encumber the Professional Holdback Escrow Account in any way.

(c) Post-Effective Date Fees and Expenses. Except as otherwise specifically provided in the Plan, from and after the Effective Date, each of the Reorganized Debtors and the Disbursing Agent shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash their respective reasonable legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by such Reorganized Debtor or Disbursing Agent.

(d) Professional Fee Reserve Amount. No later than one (1) Business Day prior to the Effective Date, holders of Professional Fee Claims shall provide a reasonable estimate of unpaid Professional Fee Claims incurred in rendering services to the Debtors prior to approval by the Bankruptcy Court through and including the Effective Date, including any fees and expenses projected to be outstanding as of the Effective Date, and the Debtors shall escrow such estimated amounts for the benefit of the Holders of the Professional Fee Claims until the fee applications related thereto are resolved by Final Order or agreement of the parties; *provided*, such estimate shall not be deemed to limit the amount of fees and expenses that are the subject of a Professional Person's final request for payment of filed Professional Fee Claims. If a Holder of a Professional Fee Claim does not provide an estimate, the Debtors shall estimate the unpaid and unbilled reasonable and necessary fees and out-of-pocket expenses of such holder of a Professional Fee Claim. When all Professional Fee Claims have been Allowed and paid in full or not Allowed, any remaining amount in such escrow shall be remitted to the Disbursing Agent for distribution in accordance with the Plan.

(e) Post-Effective Date Fees and Expenses. Upon the Effective Date, any requirement that Professional Persons comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors and the Disbursing Agent may employ and pay any Professional Person in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

3.3 Priority Tax Claims and Secured Tax Claims. Except to the extent that a Holder of an Allowed Priority Tax Claim or Secured Tax Claim has been paid by the Debtors prior to

the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim and Secured Tax Claim, in full and final satisfaction, release, settlement and discharge of such Priority Tax Claim or Secured Tax Claim, shall receive on account of such Claim, payment in full in Cash as soon as reasonably practicable after the Effective Date or such other treatment in accordance with the terms set forth in section 1129(a)(9)(c) of the Bankruptcy Code.

3.4 Statutory Fees. All Statutory Fees shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first; provided that all fees attributable to Guidepost Global on account of the transfer of the Designated EB-5 Entities (if any) to Guidepost Global shall be paid by Guidepost Global. For avoidance of doubt, the U.S. Trustee shall not be required to File any Administrative Claim in the Chapter 11 Cases and shall not be treated as providing any release under the Plan in connection therewith.

3.5 Senior DIP Lender Claim. The Senior DIP Lender Claim shall be Allowed in the full amount of all amounts advanced under the Senior DIP Loan, plus accrued interest. Pursuant to the Subscription Option, the Senior DIP Lender shall have the option to convert up to 100% of the principle amount of the Allowed Senior DIP Lender Claim into shares of Reorganized HGE Common Stock at a rate of 10% of the Allowed Senior DIP Lender Claim for 60 shares of Reorganized HGE Common Stock, up to a maximum of 100% of the Allowed Senior DIP Lender Claim for 600 shares out of the total 1000 shares of Reorganized HGE Common Stock.

All amounts of the Allowed Senior DIP Lender Claim that are not exchanged for Reorganized HGE Common Stock on account of an election of the Subscription Option shall be repaid (a) in full in Cash from the Plan Consideration on the Effective Date or (b) by mutual agreement of Plan Sponsor and Senior DIP Lender, deemed repaid via a dollar-for-dollar reduction in funding of the Plan Consideration.

For the avoidance of doubt, the election, partial election or non-election of the Subscription Option will not impact the recovery to the Estates. The Cash available to the Estates for Creditors other than the Senior DIP Lender (after giving effect to the retirement of the Senior DIP Lender Claim (either by exercise of the Subscription Option or payment or deemed repayment of the portion of the Senior DIP Lender Claim for which the Subscription Claim is not exercised)) and the Junior DIP Lender (after giving effect to the forgiveness of its Junior DIP Lender Claims) for which to effectuate the Plan, will be $4.5 million minus the Senior DIP Lender Claims.

3.6 Junior DIP Lender Claim. The Junior DIP Lender Claim shall be Allowed in full. On the Effective Date, in consideration for the Settlement and Releases contained herein, each Holder of an Allowed Junior DIP Lender Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Junior DIP Financing Claim, agrees that its Junior DIP Lender Claim shall be forgiven in its entirety.

3.7 Class 1 (Bridge CN-3 Secured Lender Claims).

(a) *Impairment*. Class 1 consists of the Bridge CN-3 Secured Lender Claims. Class 1 is Impaired, and the Holders of Claims in Class 1 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The Bridge CN-3 Secured Lender Claims are deemed Allowed in the amount of at least $4,800,000. On or as soon as practicable after the Effective Date, the Holders of Bridge CN-3 Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such Bridge CN-3 Secured Lender Claims, shall receive a Cash distribution in the aggregate amount of $500,000, to be distributed in accordance with the Bridge CN-3 Distribution Agreement.

3.8 Class 2 (WTI Secured Lender Claim).

(a) *Impairment*. Class 2 consists of the WTI Secured Lender Claim. Class 2 is Impaired, and the Holders of Claims in Class 2 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The WTI Secured Lender Claim is deemed allowed in the amount of at least $4,680,970.83. On or as soon as practicable after the Effective Date, Holders of WTI Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such WTI Secured Lender Claims, shall receive 100% of all Cash remaining after distributions on account of Allowed Administrative Expense Claims, Priority Tax Claims, Secured Tax Claims and Class 1 Claims; *provided*, *however*, in the event of that Class 3 and/or Class 6 accepts the Plan, the Holders of WTI Secured Lender Claim agree that, following distributions on account of Allowed Class 5 Claims, the WTI Secured Lenders' distributions shall instead be distributed for the benefit of the Holders of Allowed Class 3 and/or Class 6 Claims pursuant to the Junior Class Distribution Formula.

3.9 Class 3 (CN Note Claims).

(a) *Impairment*. Class 3 consists of the CN Note Claims. Class 3 is Impaired, and the Holders of Claims in Class 3 are entitled to vote to accept or reject the Plan.

(b) *Treatment*. The CN Note Claims are deemed Allowed in the principal amount of at least $117,434,915. If Class 3 votes to accept the Plan, then the Holders of Allowed Class 3 Claims (other than the Released Parties, if applicable) shall receive their pro rata share of the CN Note Recovery pursuant to the Junior Class Distribution Formula in accordance with terms of the Note Purchase Agreement. For the avoidance of doubt, Class 3 shall only receive a distribution under the Plan if Class 3 accepts the Plan.

(c) The CN Notes shall not be deemed satisfied, released, settled or discharged under the Plan. As set forth in the Plan Supplement, at the election of Plan Sponsor (i) the CN Note Claims shall be deemed to be assigned to the Plan Sponsor and/or (ii) be converted to a class of equity of the Reorganized Debtor, the entirety of which shall be acquired by Plan Sponsor pursuant to the Plan, and upon request shall execute and deliver all such affidavits, certificates, agreements, instruments and other documents which are usual and customary to facilitate the foregoing assignment, in each case, in form and substance reasonably acceptable to the Plan Sponsor.

3.10 Class 4 (Other Secured Claims).

(a) *Non-Impairment*. Class 4 consists of all Other Secured Claims. Class 4 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 4 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Subclassification*. Each Other Secured Claim, if any, shall constitute and comprise a separate Subclass numbered 4.1, 4.2, 4.3 and so on.

(c) *Treatment*. On the Effective Date, each Allowed Other Secured Claim, in full and final satisfaction, release, settlement and discharge of such Allowed Other Secured Claim, shall be, at the Debtors' option, (a) Reinstated, (b) satisfied by the Debtors' surrender of the collateral securing such Claim (except to the extent such collateral constitutes Reorganized HGE Assets), (c) offset against, and to the extent of, the Debtors' claims against the Holder of such Claim, or (d) otherwise rendered Unimpaired (provided such unimpairment shall not impact the Reorganized HGE Assets without the express consent of Plan Sponsor), except to the extent the Debtors, the Plan Sponsor and such Holder agree to a different treatment.

3.11 Class 5 (Non-Tax Priority Claims).

(a) *Non-Impairment*. Class 5 consists of all Non-Tax Priority Claims. Class 5 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 5 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. The legal, equitable and contractual rights of the Holders of Allowed Non-Tax Priority Claims are unaltered by the Plan. Each Holder of an Allowed Non-Tax Priority Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Non-Tax Priority Claim, shall be paid in full, in Cash, on, or as soon as reasonably practicable after, the Effective Date, or in accordance with the terms of any agreement between the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim or on such other terms and conditions as are acceptable to the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim.

3.12 Class 6 (General Unsecured Claims).

(a) *Impairment*. Class 6 consists of all General Unsecured Claims. Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote on the Plan.

(b) *Treatment*. On or as soon as practicable after the Effective Date, then the Holders of Allowed General Unsecured Claims (other than the Released Parties, if applicable), in full and final satisfaction, release, settlement, and discharge of such Allowed General Unsecured Claim, shall receive their pro rata share of the GUC Recovery pursuant to the Junior Class Distribution Formula. For the avoidance of doubt, Class 6 shall only receive a distribution under the Plan if Class 6 accepts the Plan.

3.13 Class 7 (Intercompany Claims).

(a) *Impairment*. Class 7 consists of all Intercompany Claims. Class 7 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Intercompany Claims in Class 7 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. On the Effective Date, all Intercompany Claims shall be cancelled, and Holders of Intercompany Claims shall not receive or retain any Property under the Plan on account of their Intercompany Claims.

3.14 Class 8 (Equity).

(a) *Impairment*. Class 8 consists of all Equity Interests. Class 8 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Equity Interests in Class 8 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. On the Effective Date, all Equity shall be retired, cancelled, extinguished and discharged, and Holders of Equity Interests shall not receive or retain any Property under the Plan on account of such Equity Interests.

3.15 Class 9 (Subsidiary Equity Interests).

(a) *Non-Impairment*. Class 9 consists of Subsidiary Equity Interests. Class 9 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Subsidiary Equity Interests in Class 9 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

(b) *Treatment*. Except as otherwise set forth in the Plan, the legal, equitable and contractual rights of the Holders of Allowed Subsidiary Equity Interests are unaltered by the Plan.

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

3.17 Voting Classes; Deemed Accepted. If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any Holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then the Debtors shall request the Bankruptcy Court to deem the Plan accepted by the Holders of such Claims or Interests in such Class

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

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

3.20 Nonconsensual Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article 3 of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

The Debtors reserve the right to modify the Plan in accordance with Article 6.3 and Article 13.7 of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

ARTICLE 4

MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

4.1 Plan Funding by Plan Sponsor. On the Effective Date, the Plan Sponsor shall wire the Plan Consideration, as directed by the Debtors, verified receipt of which shall be a condition to effectiveness of this Plan. The Plan Sponsor shall be entitled to rely on the accuracy

and correctness of the directions of the Debtors and Disbursing Agent in connection with any and all such wire transfer(s). In no event shall Plan Sponsor or Reorganized HGE be liable or responsible to the Debtors or the Disbursing Agent for any erroneous wire transfer made at the direction of the Debtors. The Plan Consideration shall be used by the Disbursing Agent to fund all Plan obligations.

For the avoidance of doubt, the Cash available to the Estates for Creditors other than the Senior DIP Lender (after giving effect to the retirement of the DIP Lender Claim (whether by exercise of the Subscription Option and/or payment or deemed repayment of the portion of the DIP Lender Claim for which the Subscription Claim is not exercised)) and the Junior DIP Lender (after giving effect to the forgiveness of its Junior DIP Lender Claims) for which to effectuate the Plan, will be $8 million *minus* the DIP Lender Claims.

4.2 Plan Funding by the Debtors. On the Effective Date, the Debtors shall wire all Property constituting Cash-on-Hand to the Disbursing Agent to fund the Disbursing Agent Restricted Accounts free and clear of all Liens, Claims, interests and encumbrances of any kind free and clear of all Liens, Claims, interests and encumbrances of any kind.

4.3 Authorization and Issuance of Reorganized HGE Common Stock. On the Effective Date, 1,000 shares of the Reorganized HGE Common Stock, representing 100% of the equity of the Reorganized HGE, shall be issued to the Plan Sponsor or an entity designated by the Plan Sponsor, in consideration for the Plan Consideration and, to the Senior DIP Lender, to the extent that it exercises the Subscription Option. The Reorganized HGE Common Stock shall be free and clear of all Liens, Claims, interests, and encumbrances of any kind. All the shares of the Reorganized HGE Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, none of the Reorganized HGE Common Stock will be listed on a national securities exchange. Reorganized HGE may take all necessary actions, if applicable, after the Effective Date to suspend any requirement to (a) be a reporting company under the Securities Exchange Act, and (b) file reports with the Securities and Exchange Commission or any other entity or party.

4.4 Contribution of Guidepost Global Assets. On the Effective Date, Guidepost Global will contribute the Guidepost Global Assets to the Debtors, for the benefit of Plan Sponsor.

4.5 Assignment of Transferred Executory Contracts / Unexpired Leases to Guidepost Global. Unless previously assumed and assigned prior to the Effective Date or otherwise the subject of a motion to assume or assume and assign filed on or before the Effective Date, on the Effective Date, the Transferred Executory Contracts / Unexpired Leases shall be assigned to Guidepost Global, notwithstanding any anti-assignment and/or change of control provisions contained in such executory contracts and leases.

4.6 Transfer of Designated EB-5 Entities to Guidepost Global. On the Effective Date, in consideration for Guidepost Global funding the Junior DIP Loan and contributing the Curriculum Assets and the IP License, the Debtors will transfer the Designated EB-5 Entities (but not their assets, except as otherwise set forth in the Plan Supplement) to Guidepost Global free and clear of all liens, claims, encumbrances and other interests. The Debtors shall cooperate

in good faith and execute, acknowledge, and deliver all such further documents, instruments, and assurances, and take all such further actions as may be reasonably necessary or desirable to effectuate and facilitate the transfer contemplated by this section. Following the Effective Date, the Reorganized Debtors, upon request by GGE, Yu Capital, TNC or EB5AN, shall cooperate in good faith to promptly execute and deliver any additional documents or perform any acts that may be required to carry out the intent and purpose of this section and to complete the transfer in accordance with its terms; provided that the requesting party shall pay for the Reorganized Debtors' documented costs in connection with same.

4.7 Cancellation and Surrender of Securities and Agreements. On the Effective Date, all Equity of Higher Ground Education and each other Debtor identified in the Plan Supplement shall be retired, cancelled, extinguished and/or discharged in accordance with the terms of the Plan. Except as otherwise provided in the Plan or the Plan Supplement, on the Effective Date: (a) the obligations of the Debtors under any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest shall be cancelled as to the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged.

4.8 Release of Liens. Upon request by the Debtors, any of the Reorganized Debtors or the Plan Sponsor, any Person holding a Lien in any of the Debtors' Property shall execute any lien release or similar document(s) required to implement the Plan or reasonably requested by the Debtors, the Reorganized Debtors or the Plan Sponsor in a prompt and diligent manner. Notwithstanding the foregoing, any of the Debtors, the Reorganized Debtors and the Plan Sponsor are authorized to execute any lien release or similar document(s) required to implement the Plan.

4.9 Vesting of Assets and Operation of Businesses. On the Effective Date, except as otherwise expressly provided in the Plan or Confirmation Order, the Reorganized HGE Assets shall vest or re-vest in Reorganized HGE, in each instance free and clear of all Liens, Claims, interests, and encumbrances of any kind. Subsidiary Equity Interests that are not Designated EB-5 Entities shall be retained, and the legal, equitable and contractual rights to which the Holders of such Allowed Subsidiary Equity Interests that are not Designated EB-5 Entities are entitled shall remain unaltered. To the extent not prohibited by applicable non-bankruptcy law, all licenses, permits, certificates of occupancy, and similar rights and privileges in the name of any of the Reorganized HGE Subsidiaries which are required by any federal, state, or local governmental agency in order for Reorganized HGE to conduct education-related operations at the locations operated by Reorganized HGE prior to the Effective Date, shall be deemed assumed by without further action on the Effective Date pursuant to the Confirmation Order.

Neither the issuance of the Reorganized HGE Common Stock nor any transfer of Property through the Plan shall result in Reorganized HGE, or any of its subsidiaries or affiliates, (a) having any liability or responsibility for any Claim against or Interest in the Debtors, the

Debtors' Estates, or any Insider of the Debtors, or (b) having any liability or responsibility to the Debtors, except as expressly provided in the Plan. Without limiting the effect or scope of the foregoing, and to the fullest extent permitted by applicable laws, neither the issuance of the Reorganized HGE Common Stock nor the transfer of assets contemplated in the Plan shall subject Reorganized HGE or its properties, subsidiaries or assets or affiliates, successors, or assigns to any liability for Claims against the Debtors' interests in such assets by reason of such issuance of Reorganized HGE Common Stock or transfer of assets under any applicable laws, including, without limitation, any successor liability, except as expressly provided in the Plan.

On the Effective Date, except as otherwise provided in the Plan, Reorganized HGE may operate its business and may use, acquire, or dispose of any and all of its Estate Property, without supervision of or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, except as expressly provided in the Plan.

4.10 Retention of Causes of Action. Except as otherwise provided in the Plan, the Confirmation Order, or in any settlement agreement approved during the Chapter 11 Cases: (a) any and all rights, Claims, Causes of Action, defenses, and counterclaims of or accruing to the Debtors or their Estates shall remain assets of and vest in the Reorganized Debtors, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, Causes of Action, defenses, and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court; and (b) neither the Debtors nor the Reorganized Debtors waive, relinquish, or abandon (nor shall they be estopped or otherwise precluded from asserting) any right, Claim, Cause of Action, defense, or counterclaim that constitutes Property of the Estates: (i) whether or not such right, Claim, Cause of Action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court, (ii) whether or not such right, Claim, Cause of Action, defense, or counterclaim is currently known to the Debtors, and (iii) whether or not a defendant in any litigation relating to such right, Claim, Cause of Action, defense, or counterclaim filed a Proof of Claim in the Chapter 11 Cases, filed a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, Claim, Cause of Action, defense, or counterclaim, or potential right, Claim, Cause of Action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, or counterclaims that the Debtors or the Reorganized Debtors has, or may have, as of the Confirmation Date. The Reorganized Debtors may commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, and counterclaims in their sole discretion, in accordance with what is in the best interests, and for the benefit, of the Reorganized Debtors.

4.11 Satisfaction of Claims or Interests. Unless otherwise provided in the Plan, any distributions and deliveries to be made on account of Allowed Claims shall be in full and final satisfaction, release, settlement and discharge of such Allowed Claims.

4.12 Settlements and Releases. On the Effective Date, in consideration for, among other things, (a) Guidepost Global (i) funding the Junior DIP Loan (and agreeing to forgive same on the Effective Date) and certain pre-petition bridge loans, (ii) contributing the Curriculum Assets, the Montessorium IP and the IP License to the Debtors for the benefit of Plan Sponsor; (b) 2HR Learning, Inc. funding the Purchase Price, (c) the Released Parties and each of their affiliates waiving their rights to distributions under the Plan (except as otherwise set forth herein), and (d) each of the other contributions to the Bankruptcy Cases being made by the Released Parties, the Plan will provide for broad releases by the Debtors of all estate Claims and Causes of Action against the Released Parties, their affiliates and their respective current and former shareholders or other equity holders, current and former officers, directors, employees, members, managers, partners, principals, agents, attorneys, financial advisors, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such.

4.13 Continuation of Bankruptcy Injunction or Stays. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

4.14 Administration Pending Effective Date. Prior to the Effective Date, the Debtors shall continue to operate their businesses as debtors-in-possession, subject to all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules. After the Effective Date, the Reorganized Debtors may operate their businesses, and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, but subject to the continuing jurisdiction of the Bankruptcy Court as set forth in Article XII hereof.

4.15 Exemption From Securities Laws. Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the Reorganized HGE Common Stock and the offering and issuance thereof by any party, including without limitation the Debtors or the Estate, shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all applicable law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the Reorganized HGE Common Stock does not qualify for an exemption under section 1145 of the Bankruptcy Code, the Reorganized HGE Common Stock shall be issued in a manner, which qualifies for any other available exemption from registration, whether as a private placement under Rule 506 of the Securities Act, Section 4(2) of the Securities Act, and/or the safe harbor provisions promulgated thereunder.

4.16 "Change of Control" Provisions. For purposes of effectuating the Plan, none of the transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtors, or create, or be deemed to create, any right or any other claim in connection therewith based upon a provision related to a "change of control," or comparable term in any executory contract or unexpired lease being assigned and/or assumed pursuant to the Plan.

4.17 Substantive Consolidation of the Debtors for Voting and Distribution Purposes Only. On and after the Effective Date, and solely for purposes of voting on, and making distributions under, the Plan, each and every Claim in the Debtors' Chapter 11 Cases against any of the Debtors shall be deemed filed against the consolidated Debtors and shall be deemed a single consolidated Claim against and obligation of the consolidated Debtors. Such limited consolidation shall in no manner affect or alter (other than for Plan voting and distribution purposes) (a) the legal and corporate structures of the Debtors or Reorganized Debtors, or (b) pre- and post-Petition Date Liens, guarantees, and security interests that are required to be maintained for any reason. From and after the Effective Date, each of the Reorganized Debtors will be deemed a separate and distinct entity, properly capitalized, vested with all of the assets of such Debtor as they existed prior to the Effective Date and having the liabilities and obligations provided for under the Plan. Notwithstanding anything in this Article 4.17 to the contrary, all post-Effective Date Statutory Fees payable to the U.S. Trustee pursuant to 28 U.S.C. §1930, if any, shall be calculated on a separate legal entity basis for each Debtor.

4.18 Transition Services. To the extent deemed necessary or appropriate by the Debtors or the Plan Sponsor, the Debtors may continue to operate post-Effective Date under one or more transition services agreements with Plan Sponsor, Reorganized HGE, Guidepost Global or any other Person.

4.19 Dissolution of Certain Debtors. On or after the Effective Date, certain of the Debtors may be dissolved without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, the board of directors, or similar governing body of the Debtors, Reorganized HGE, or the Disbursing Agent. Reorganized HGE and the Disbursing Agent shall have the power and authority to take any action necessary to wind down and dissolve the foregoing Debtors, and may, to the extent applicable: (a) file a certificate of dissolution for such entities, together with all other necessary corporate and company documents, to effect the dissolution of such entities under the applicable laws of their states of formation; (b) complete and file all final or otherwise required federal, state, and local tax returns and pay taxes required to be paid for such Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of any of such Debtors, as determined under applicable tax laws; and (c) represent the interests of such Debtors before any taxing authority in all tax matters, including any action, proceeding or audit.

ARTICLE 5

CORPORATE GOVERNANCE AND MANAGEMENT OF THE REORGANIZED DEBTORS

5.1 Corporate Action and Existence. The Debtors shall deliver all documents and perform all actions reasonably contemplated with respect to implementation of the Plan. The Debtors, or their designees, are authorized (a) to execute on behalf of the Debtors, in a representative capacity and not individually, any documents or instruments after the Confirmation Date or at the Closing that may be necessary to consummate the Plan and (b) to undertake any other action on behalf of the Debtors to consummate the Plan. Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors will, as of the Effective Date, be deemed to have

occurred and be effective as provided herein, and shall be authorized, approved, and (to the extent taken before the Effective Date) ratified in all respects without any requirement of further action by stockholders, creditors, or directors of the Debtors. On the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and all corporate actions required by the Debtors and the Reorganized Debtors in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Reorganized Debtors.

Upon the Effective Date, and without any further action by the shareholders, directors, or officers of the Reorganized Debtors, the Reorganized Debtors' Corporate Documents shall be deemed amended (a) to the extent necessary, to incorporate the provisions of the Plan, and (b) to prohibit the issuance by the Reorganized Debtors of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such Corporate Documents as permitted by applicable law, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval other than any requisite filings required under applicable state, provincial or federal law. The Corporate Documents shall be filed with the Plan Supplement.

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to its certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). Prior to the Effective Date, the Debtors may engage in such corporate and financial transactions, including mergers, asset transfers, consolidations, amalgamations, separations, series organizations, reorganization and otherwise for the purposes of optimizing the post Effective Date corporate and tax structure of the Reorganized Debtors. If proposed prior to the Effective Date, any such transaction will be subject to Court approval, if such approval would be necessary under the Bankruptcy Code.

5.2 Management and Board of Reorganized HGE. In accordance with Section 1129(a)(5)(A) of the Bankruptcy Code, the Debtors will disclose in the Plan Supplement the identities of those individuals proposed to serve, following the Effective Date, as directors and officers of Reorganized HGE, and the Reorganized HGE Subsidiaries. Upon the Effective Date, the current members of the Debtors' board of directors and officers shall no longer serve in any such capacity with Reorganized HGE or the Reorganized HGE Subsidiaries and shall be discharged of all duties in connection therewith.

5.3 Disclosure of any Insiders to be Employed or Retained by the Reorganized Debtors. In accordance with Section 1129(a)(5)(B) of the Bankruptcy Code, the Debtors will disclose on or before the Confirmation Date the identity of any Insider that will be employed or retained by Reorganized HGE, and the nature of any compensation for such Insider.

5.4 Indemnification of Pre-Effective Date Directors and Officers. Any obligation or agreement of the Debtors to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtors, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtors, relating to any acts or omissions occurring before the Effective Date, whether arising pursuant to corporate, bylaws, contract or applicable state law, shall be deemed to be, and shall be treated as, a General Unsecured Claim and/or Executory Contract and shall be deemed to be rejected, canceled, and discharged pursuant to the Plan as of the Effective Date and any and all Claims resulting from such obligations are disallowed under section 502(e) of the Bankruptcy Code or other applicable grounds, including section 502(d), or if any court of applicable jurisdiction rules to the contrary, such Claim shall be estimated pursuant to section 502(c) of the Bankruptcy Code in the amount of $0 or such other amount as the Bankruptcy Court shall determine.

ARTICLE 6

VOTING

6.1 Voting Generally. Prior to the Voting Deadline, the Debtors delivered ballots and solicited the votes of each holder of an Allowed Claim in an Impaired Class which is entitled to vote under the Plan. Each such holder was entitled to vote separately to accept or reject the Plan and to indicate such vote on a duly executed and delivered ballot.

6.2 Deemed Acceptance. If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any Holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then such Class of Claims shall be deemed to have accepted this Plan.

6.3 Nonconsensual Confirmation. If any Impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in section 1126 of the Bankruptcy Code, or if any Impaired Class is deemed to have rejected the Plan, the Debtors reserve the right (a) to undertake to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code and (b) to amend the Plan to the extent necessary to obtain entry of the Confirmation Order.

ARTICLE 7

DISTRIBUTIONS UNDER THE PLAN

7.1 Distributions to Holders of Allowed Claims Only. Until a Disputed Claim becomes an Allowed Claim, distributions of Cash and/or other Instruments or Property otherwise available to the Holder of such Claim shall not be made. Prior to the Effective Date, Holders of Allowed Claims shall be required to provide the Disbursing Agent an Internal Revenue Service Form W-9 (or, if applicable, an appropriate Internal Revenue Service Form W-8).

7.2 Distribution Record Date. As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims as maintained by the Debtors or their agents shall be deemed closed. The Debtors shall have no obligation to recognize, but may, in their sole and absolute discretion, recognize any transfer of any such Claims occurring on or after the Distribution Record Date. Otherwise, the Debtors or the Reorganized Debtors, as applicable, will recognize only those record holders of such Claims stated on the transfer ledgers as of the close of business on the Distribution Record Date. Subject to the foregoing, the Distribution Record Date shall be the record date for purposes of making distributions under the Plan.

7.3 Disbursing Agent. Except as otherwise expressly set forth herein, the Person(s) designated as a Disbursing Agent, shall make all distributions under the Plan when required by the Plan from the Disbursing Agent Restricted Accounts. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

7.4 Rights and Powers of Disbursing Agent. The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, Instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated by the Plan, and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan. All compensation for the Disbursing Agent shall be paid from the Property (including the Plan Consideration) disbursed to the Disbursing Agent pursuant to the Plan.

7.5 Delivery of Distributions.

7.5.1 In General. Subject to Bankruptcy Rule 9010 and except as otherwise provided in Article 7.5.2 of the Plan, all distributions to any Holder of an Allowed Claim including, without limitation, distributions of Reorganized HGE Common Stock, and, to the extent applicable, Cash, to Holders of Allowed Claims, shall be made at the address of such Holder as set forth in the Debtors' books and records and/or on the Schedules filed with the Bankruptcy Court unless the Debtors or their Disbursing Agent have been notified in writing of a change of address including, without limitation, by the filing of a Proof of Claim by such Holder that contains an address for such Holder different from the address reflected on such books and records or Schedules for such Holder.

7.5.2 Timing of Distributions. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, and if so completed shall be deemed to have been completed as of the required date.

7.5.3 Distributions of Unclaimed Property. In the event that any distribution to any Holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such Holder, but no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of

such Holder, at which time such distribution shall be made to such Holder without interest or accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the six-month anniversary of the date of the attempted delivery of such distribution. After that date, all unclaimed property or interest in property shall revert to Reorganized HGE and the Claim of any Holder to such property or interest in property shall be discharged and forever barred.

7.6 Time Bar to Cash Payments. Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Holders of Allowed Claims shall make all requests for reissuance of checks to the Reorganized Debtors. Any Claim in respect of a voided check must be made on or before the six-month anniversary of the date of issuance. After such date, all Claims and respective voided checks shall be discharged and forever barred and Reorganized HGE shall retain all monies related thereto.

7.7 Setoffs. The Debtors or the Reorganized Debtors may, but shall not be required to, set off or recoup against any Allowed Claim, and the payments or other distributions to be made pursuant to the Plan in respect of such Allowed Claim, any claims, rights or Causes of Action of any nature whatsoever that the Debtors or Reorganized Debtors may have against the Holder of such Claim; *provided, however*, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, rights or Causes of Action.

ARTICLE 8

PROCEDURES FOR DISPUTED CLAIMS

8.1 Resolution of Disputed Claims. Except as set forth in any order of the Bankruptcy Court (including prior bar date orders), any Holder of a Claim against the Debtors shall file a Proof of Claim with the Bankruptcy Court or with the agent designated by the Debtors for this purpose on or before the Claims Bar Date. The Debtors prior to the Effective Date, and thereafter the Reorganized Debtors or Disbursing Agent, shall have the exclusive authority to file objections to Proofs of Claim on or before the Claims Objection Deadline, and to settle, compromise, withdraw or litigate to judgment objections to any and all Claims, regardless of whether classified or otherwise. From and after the Effective Date, the Reorganized Debtors, or Disbursing Agent may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

8.2 Estimation of Claims. Any Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether such Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum

limitation on such Claim, the Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

8.3 No Partial Distributions Pending Allowance. Notwithstanding any other provision in the Plan, except as otherwise agreed by the Debtors or the Reorganized Debtors, no partial payments or distributions shall be made with respect to a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order.

8.4 Distributions After Allowance. To the extent that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan. Any such distributions shall be made in accordance with and at the time mandated by the Plan. No interest shall be paid on any Disputed Claim that later becomes an Allowed Claim.

ARTICLE 9

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Assumption or Rejection of Executory Contracts and Unexpired Leases. As of the Effective Date, all executory contracts and unexpired leases, including the Transferred Executory Contracts / Unexpired Leases, to which any Debtor is a party and which are listed on the Schedule of Assumed Contracts and Unexpired Leases, to be included in the Plan Supplement, shall be and shall be deemed to be assumed or assumed and assigned in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. All executory contracts and unexpired leases not listed on the Schedule of Assumed Contracts and Unexpired Leases, and not assumed or assumed and assigned prior to the Effective Date or otherwise the subject of a motion to assume or assume and assign filed on or before the Effective Date, and that were not previously rejected, shall be rejected as of the Effective Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions or assumptions and assignments and rejections pursuant to sections 365 and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed or assumed and assigned pursuant to the Plan shall vest or re-vest in and be fully enforceable by the applicable Reorganized Debtor, accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or assumption and assignment or applicable federal law.

9.2 Cure of Defaults of Assumed Executory Contracts and Unexpired Leases.

(a) Except as otherwise specifically provided in the Plan, any monetary defaults under each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or in the ordinary course of business, subject to the

limitation described below, or on such other terms as the parties to such executory contracts or unexpired leases may otherwise agree. Any and all cure costs (and other related expenses) related to designation of an executory contract or unexpired lease by the Plan Sponsor shall be paid by the Plan Sponsor in addition to the funding of the Plan Consideration. Any and all cure costs (and other related expenses) related to a Transferred Executory Contracts / Unexpired Leases shall be paid by Guidepost Global. In the event of a dispute regarding: (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the executory contract or unexpired lease to be assumed or assumed and assigned, or (3) any other matter pertaining to assumption and/or assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assumption and assignment; *provided*, *however*, based on the Bankruptcy Court's resolution of any such dispute, the applicable Debtor or Reorganized Debtor shall have the right, within 30 days after the entry of such Final Order and subject to approval of the Bankruptcy Court pursuant to section 365 of the Bankruptcy Code, to reject the applicable executory contract or unexpired lease.

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

9.3 Rejection of Compensation and Benefit Programs. Except as set forth in Article 9.5 of this Plan, all employment, retirement, indemnification, and other compensation or benefits agreements or arrangements shall be rejected, and neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations in connection with any such employment, retirement, indemnification, and other compensation or benefits agreements or arrangements following the Effective Date.

9.4 Pass-Through. Any rights or arrangements or other assets necessary or useful to the operation of the Debtors' business but not otherwise addressed by treatment as a Claim or Interest or by assignment under this Plan (the "Pass-Through Assets"), shall, in the absence of any other treatment, but subject to the further agreement and consent of Plan Sponsor with respect to any such rights or arrangements or other assets, be passed through the bankruptcy proceedings for the benefit of the Reorganized HGE (if constituting Reorganized HGE Assets) and shall otherwise be unaltered and unaffected by the bankruptcy filings or the Chapter 11 Cases.

9.5 D&O Liability Insurance Policy. The obligations of the Debtors, if any, to indemnify and/or provide contribution to its current and former directors, officers, employees, managing agents, and attorneys, and such current and former directors' and officers' respective affiliates, pursuant to the Corporate Documents and/or any employment contracts, applicable statutes or other contractual obligations, in respect of all past, present and future actions, suits and proceedings against any of such directors, officers, employees, managing agents, and attorneys, based on any act or omission related to the service with, for or on behalf of the Debtors after the Petition Date or immediately prior to the Petition Date in connection with the Chapter 11 Cases, will be deemed and treated as executory contracts that are rejected by the Debtors pursuant to the Plan and sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Notwithstanding the foregoing, the D&O Liability Insurance Policy shall be assumed by the Reorganized Debtor as of the Effective Date, and the Reorganized Debtor agrees to remit any and all amounts received, but no amounts in excess of amounts received, net of deductibles and any and all other obligations or amounts payable by the Reorganized Debtor in connection with the D&O Liability Insurance Policy, for the purposes contemplated by the D&O Liability Insurance Policy. For the avoidance of doubt, neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations or personal or direct liability whatsoever in connection with any the foregoing, including without limitation any employment, retirement, indemnification, and other agreements or arrangements, following the Effective Date, and the sole recourse of any and all Persons and the sole source of any recovery in connection therewith (if any) shall be against the D&O Liability Insurance Policy.

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

(a) Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts and unexpired leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

(b) Modifications, amendments, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

9.7 Bar Date for Filing Claims for Rejection Damages. If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim, a Proof of Claim must be served upon the Debtors and the Debtors' counsel within 30 days after notice of entry of the Effective Date. Any such Claim not served within such time period will be forever barred. Each such Claim will constitute a General Unsecured Claim, to the extent such Claim is Allowed by the Bankruptcy Court.

9.8 Reservation of Rights. Nothing contained in the Plan shall constitute an admission by the Debtors that any executory contract or unexpired lease is in fact an executory contract or unexpired lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

9.9 Contracts and Leases Entered Into After the Petition Date. Contracts and leases entered into after the Petition Date by any Debtor, including any executory contracts and unexpired leases assumed by such Debtor, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business and such contracts and leases (including any assumed executory contracts and unexpired leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE 10

SETTLEMENT, RELEASES, INJUNCTIONS, AND DISCHARGE

10.1 Comprise and Settlement of Claims, Interests, and Controversies.

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities. Subject to Article 7 and Article 8 of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

10.2 Releases by the Debtors.

Notwithstanding anything contained in this Plan or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the

Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged by and on behalf of each and all of the Debtors, their Estates, and if applicable, the Reorganized Debtors, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suites, damages, and Causes of Action whatsoever (including any derivative claims and Avoidance Actions, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, and their Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein-after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against or Interest in a Debtor or other Entity, or that any holder of any Claim against or Interest in a Debtor or other Entity could have asserted on behalf of the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the RSA, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, the decision to file the Chapter 11 Cases, any intercompany transactions, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, contract instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loans, the DIP Documents, this Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other

act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the Debtors do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, the Released Parties' contribution to facilitating the transactions contemplated in the Plan and implementing this Plan; (b) a good faith settlement and compromise of the Claims or Causes of Action released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for a hearing; and (f) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

10.3 Releases by Releasing Parties.

Notwithstanding anything contained herein or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, to the maximum extent permitted by applicable law, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably and forever, released, waived, and discharged by each and all of the Releasing Parties, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, and their Estates), obligations, rights, suits, or damages, whether liquidated or unliquidated, fixed, or contingent, matured, or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons

claiming under or through them would have would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the Plan, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the decision to file the Chapter 11 Cases, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date; provided, that the provisions of this Third-Party Release shall not operate to waive, release, or otherwise impair any Causes of Action arising from willful misconduct, actual or criminal fraud, or gross negligence of such applicable Released Party as determined by the Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

Notwithstanding anything to the contrary in the foregoing, the Released Parties do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims or Interests to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the

transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

10.4 Mutual Releases by RSA Parties.

Without duplication of Article 10.3, as of the Effective Date, each of the RSA Parties hereby unconditionally forever releases, waives and discharges all known and unknown Causes of Action of any nature that such RSA Party has asserted, may have asserted, could have asserted, or could in the future assert, directly or indirectly, against any of the other RSA Parties based on any act or omission relating to the Debtors or their business operations (including, without limitation, the organization or capitalization of the Debtors or extensions of credit and other financial services and accommodations made or not made to the Debtors) or the Chapter 11 Cases on or prior to the Effective Date; provided, however, the Mutual Releases shall not apply to Causes of Action that arise post-Effective Date from obligations or rights created under or in connection with the Plan or any agreement provided for or contemplated in the Plan; provided, further, any claims against the Debtors shall not be released under this Article 10.4 but shall be treated in accordance with this Plan. For the avoidance of doubt, Claims or Causes of Action arising out of, or related to, any act or omission of a RSA Party prior to the Effective Date that are determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted willful misconduct, actual or criminal fraud, or gross negligence, including findings after the Effective Date, are not released pursuant to the Plan

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Mutual Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Mutual Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the RSA Parties, including the Released Parties' contributions to facilitating the transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the RSA Parties asserting any Claim or Cause of Action released pursuant to this Mutual Release.

10.5 Exculpation.

To the fullest extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party will be exculpated from, any Claim or Cause of Action arising prior to or on the Effective Date in connection with or arising out of the administration of the Chapter 11 Cases, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the solicitation of votes for, or Confirmation or Consummation of, this Plan, the funding of this Plan, the occurrence of

the Effective Date, the administration of this Plan or the property to be distributed under this Plan, the issuance of Securities under or in connection with this Plan, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, if applicable, in connection with this Plan or the transactions in furtherance of any of the foregoing, other than Claims or Causes of Action in each case arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes actual fraud, willful misconduct, or gross negligence as determined by a Final Order, but in all respects such Persons will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. The Exculpated Parties have acted in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of Securities pursuant to this Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan, including the issuance of Securities thereunder. The exculpation will be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to this Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

Solely with respect to the exculpation provisions, notwithstanding anything to the contrary in this Plan, each of the Exculpated Parties and the 1125(e) Exculpation Parties shall not incur liability for any Cause of Action or Claim related to any act or omission in connection with, relating to, or arising out of, in whole or in part, (a) the solicitation of acceptance or rejection of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code or (b) the participation, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the Plan. No Entity or Person may commence or pursue a Claim or Cause of Action of any kind against any of the Exculpated Parties or 1125(e) Exculpation Parties that arose or arises from, in whole or in part, a Claim or Cause of Action subject to the terms of this paragraph, without this Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim for actual fraud, gross negligence, or willful misconduct against any such Exculpated Party or 1125(e) Exculpation Party and such party is not exculpated pursuant to this provision; and (ii) specifically authorizing such Entity or Person to bring such Claim or Cause of Action against any such Exculpated Party or 1125(e) Exculpation Party. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

10.6 Injunction.

Except as otherwise expressly provided in this Plan or the Confirmation Order or for obligations or distributions issued or required to be paid pursuant to this Plan or the Confirmation Order, effective as of the Effective Date, all Entities that have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties: (a) commencing or continuing in any manner any action, suit, or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action or liabilities; (d) asserting any right of setoff or subrogation, or recoupment, of any kind against any obligation due from such Entities or against the property of such Entities or the Estates on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date or has filed a Proof of Claim or proof of Interest indicating that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities released, settled or subject to exculpation pursuant to this Plan. Notwithstanding anything to the contrary in the foregoing, the injunction set forth above does not enjoin the enforcement of any obligations arising on or after the Effective Date of any Person or Entity under this Plan, any post-Effective Date transaction contemplated by the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, managers, principals, and direct and indirect Affiliates, in their capacities as such, shall be enjoined from taking any actions to interfere with the implementation or Consummation of this Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or reinstatement of such Claim or Interest, as applicable, pursuant to this Plan, shall be deemed to have consented to the injunction provisions set forth in this Article 10.6.

No Person or Entity may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article 10.2, Article 10.3, Article 10.4, and Article 10.5 hereof, without the Bankruptcy Court (1) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable,

represents a colorable Claim of any kind, and (2) specifically authorizing such Person or Entity to bring such Claim or Cause of Action, as applicable, against any such Debtor, Reorganized Debtor, Exculpated Party, 1125(e) Exculpation Party, or Released Party, as applicable. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

10.6.1 **BY ACCEPTING DISTRIBUTIONS PURSUANT TO THE PLAN, EACH HOLDER OF AN ALLOWED CLAIM OR ALLOWED INTEREST EXTINGUISHED, DISCHARGED, OR RELEASED PURSUANT TO THE PLAN WILL BE DEEMED TO HAVE AFFIRMATIVELY AND SPECIFICALLY CONSENTED TO BE BOUND BY THE PLAN, INCLUDING, WITHOUT LIMITATION, THE INJUNCTIONS SET FORTH IN THIS ARTICLE 10.6.**

10.6.2 **THE INJUNCTIONS IN THIS ARTICLE 10.6 SHALL EXTEND TO ANY SUCCESSORS OF THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, THE EXCULPATED PARTIES, AND THE 1125(E) EXCULPATED PARTIES, AND THEIR RESPECTIVE PROPERTY AND INTERESTS IN PROPERTY.**

10.6.3 Violation of Injunctions. **Any Person injured by any willful violation of such injunction may seek to recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may seek to recover punitive damages from the willful violator.**

10.7 Discharge of Claims and Termination of Interests**.**

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall

be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

ARTICLE 11

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

11.1 Conditions Precedent to Confirmation. It shall be a condition precedent to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11.3 hereof:

(a) The RSA shall not have been terminated;

(b) No termination event or continuing event of default under the DIP Loan Facility Order shall have occurred;

(c) the Confirmation Order shall be in a form and substance acceptable to the Debtors, the Plan Sponsor, and for the avoidance of doubt, shall provide for Plan Sponsor and Senior DIP Lender, subject to its exercise of the Subscription Option, to be issued 100% of the Reorganized HGE Common Stock free and clear of all liens, claims, rights, interests, security interests and encumbrances of any kind (other than those expressly identified in writing as acceptable to Plan Sponsor in its sole and absolute discretion);

(d) the Plan shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor;

(e) the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed with the Bankruptcy Court and the same shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor; and

(f) no termination event, breach or failure to company with the terms of the Definitive Documents, the Confirmation Order or any other material final order of the Bankruptcy Court shall have occurred and be continuing.

11.2 Conditions Precedent to the Effective Date. It shall be a condition precedent to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article 11.3:

(a) all conditions to Confirmation in Article 11.1 of the Plan shall have been either (and shall continue to be) satisfied or waived pursuant to Article 11.3 of the Plan;

(b) all documents required under the Plan, including lien releases, shall have been delivered;

(c) the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Plan Sponsor and shall have been entered and shall have become a Final Order;

(d) the Plan Consideration, together with the Cash-on-Hand, shall be sufficient to fund all Plan obligations;

(e) the Debtors and Insiders shall not have caused or permitted to occur an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(f) the Plan Sponsor shall have wired the Plan Consideration to the Disbursing Agent, as applicable;

(g) the Debtors shall have wired the Cash-on-Hand to the Disbursing Agent;

(h) all actions, documents, certificates, and agreements necessary to implement the Plan, including documents contained in the Plan Supplement, shall have been effected or executed and delivered, as the case may be, to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws;

(i) the Reorganized HGE Common Stock and any and all agreements and documents relating thereto shall have been executed, issued and delivered by the Reorganized Debtors; and

(j) the Professional Holdback Escrow Account shall have been fully funded as required pursuant to the Plan.

11.3 Waiver of Conditions. The conditions to Confirmation and the Effective Date set forth in this Article XI may be waived by the Debtors (with the express written consent of the Plan Sponsor) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

11.4 Effect of Failure of Conditions. If Consummation does not occur, the Plan shall be null and void in all respects, and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any claims by the Debtors, any Holders of Claims or Interests, or any other Entity; (b) prejudice in any manner the rights of the Debtors, any Holders of Claims or Interests, or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders of Claims or Interests, or any other Entity in any respect.

11.5 Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

ARTICLE 12

RETENTION OF JURISDICTION

12.1 Retention of Jurisdiction. Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the Plan's Confirmation and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction (except with respect to the purposes described under clauses (a) and (n) below, with respect to which jurisdiction shall not be exclusive) over all matters arising out of or related to the Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including jurisdiction to:

(a) determine any and all objections to the allowance of Claims or Interests;

(b) determine any and all motions to estimate Claims at any time, regardless of whether the Claim to be estimated is the subject of a pending objection, a pending appeal, or otherwise;

(c) determine any and all motions to subordinate Claims or Interests at any time and on any basis permitted by applicable law;

(d) hear and determine all Administrative Expense Claims;

(e) hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which one or more of the Debtors are parties or with respect to which a one or more of the Debtors may be liable, including, if necessary, the nature or amount of any required cure or the liquidation of any Claims arising therefrom;

(f) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases;

(g) enter such orders as may be necessary or appropriate in aid of the Consummation hereof and to execute, implement, or consummate the provisions hereof and all contracts, Instruments, releases, and other agreements or documents created in connection with the Plan or the Confirmation Order;

(h) hear and determine disputes arising in connection with the interpretation, implementation, Consummation, or enforcement hereof and all contracts, Instruments, and other agreements executed in connection with the Plan;

(i) hear and determine any request to modify the Plan or to cure any defect or omission or reconcile any inconsistency herein or any order of the Bankruptcy Court;

(j) issue and enforce injunctions or other orders, or take any other action that may be necessary or appropriate to restrain any interference with or compel action for the implementation, Consummation, or enforcement hereof or the Confirmation Order;

(k) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(l) hear and determine any matters arising in connection with or relating to the Plan, the Confirmation Order or any contract, Instrument, release, or other agreement or document created in connection with the Plan or the Confirmation Order;

(m) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;

(n) recover all assets of the Debtors and Property of the Debtors' Estates, wherever located;

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

(p) hear and determine all disputes involving the existence, nature, or scope of the discharge of the Debtors;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine all other motions, applications and contested or litigated matters which were pending but not resolved as of the Effective Date including, without limitation, any motions, applications and contested or litigated matters to sell or otherwise dispose of assets and/or grant related relief; and

(s) enter a final decree closing the Chapter 11 Cases.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Immediate Binding Effect. Subject to Article 11.2 hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring

Property under the Plan, and any and all parties to executory contracts and unexpired leases with the Debtors.

13.2 Effectuating Documents; Further Transactions. The Debtors and/or the Reorganized Debtors (as the case may be) are authorized to execute, deliver, file, or record such contracts, Instruments, releases, indentures, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms, conditions and transactions contemplated by the Plan. The secretary or any assistant secretary of the Debtors or the Reorganized Debtors is authorized to certify or attest to any of the foregoing actions. Each of the Debtors and/or the Reorganized Debtors shall take such actions and execute such documents as may be reasonably requested by one of the foregoing to effectuate and further evidence the terms, conditions and transactions contemplated by the Plan so long as such action does not require more than *de minimus* out-of-pocket expense by the Person for which action is requested. In the event that there is a dispute between Reorganized HGE and Guidepost Global regarding whether a particular asset constitutes a Reorganized HGE Asset or a Transferred Executory Contract / Unexpired Leases, the Reorganized Debtors will work in good faith to resolve such dispute.

13.3 Entire Agreement. On the Effective Date, except as otherwise indicated, the Plan and the Plan Supplement shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

13.4 Exhibits. All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address below or by downloading such exhibits and documents from the Debtors' restructuring website at www.veritaglobal.net/HigherGround or the Bankruptcy Court's website at www.txnb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

13.5 Exemption From Certain Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from the Debtors to the Reorganized Debtors or any other Person or Entity pursuant to or in connection with the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing Instruments or other documents without the payment of any such tax or governmental assessment.

13.6 Amendment, Modification and Severability of Plan Provisions. If, prior to Confirmation, any term or provision hereof is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the express written consent of the Plan Sponsor), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original

purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

(a) The Plan may be amended or modified before the Effective Date by the Debtors (with the express written consent of the Plan Sponsor) to the extent provided by section 1127 of the Bankruptcy Code.

(b) The Debtors reserve the right to modify or amend the Plan (with the express written consent of the Plan Sponsor) upon a determination by the Bankruptcy Court that the Plan, in its current form, is not confirmable pursuant to section 1129 of the Bankruptcy Code. To the extent such a modification or amendment is permissible under section 1127 of the Bankruptcy Code, without the need to resolicit acceptances, the Debtors reserve the right to sever any provisions of the Plan that the Bankruptcy Court finds objectionable.

(c) The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void, and nothing contained in the Plan shall: (1) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors; or (2) prejudice in any manner the rights of the Debtors in any further proceedings.

13.7 Withholding and Reporting Requirements. In connection with the Plan and all distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements.

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

13.9 Conflicts. To the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; *provided, however*, in the event of a conflict between the Confirmation Order, on the one hand, and the Plan, on the other hand, the Confirmation Order shall govern and control in all respects.

13.10 Notices to Debtors. Any notice, request, or demand required or permitted to be made or provided under the Plan or any Plan-related document shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows, and shall also be sent to those Persons on the Post-Confirmation Service List as it is adopted by the Bankruptcy Court at the hearing on confirmation of the Plan, as such list may be amended from time-to-time by written notice from the Persons on the Post-Confirmation Service List:

If to the Debtors, at:

HIGHER GROUND EDUCATION, INC.
1321 Upland Drive, PMB 20442
Houston, TX 77043
Attn: Jon McCarthy
Email: board@tohigherground.com

with a copy to:

FOLEY & LARDNER
2021 McKinney Ave., Suite 1600
Dallas, TX 75201
Attn: Holland O'Neil, Esq.
Telephone: 214-999-4961
Email: honeil@foley.com

and

FOLEY & LARDNER
1144 15th St, Suite 2200
Denver, CO 80202
Attn: Timothy Mohan
Telephone: 720-437-2014
Email: tmohan@foley.com

If to the Plan Sponsor or Reorganized HGE, at:

2HR Learning, Inc.
2028 E. Ben White Blvd, Ste 240-2650
Austin, TX 78741
Attn: Andrew Price
Chief Financial Officer
Email: andy.price@trilogy.com

With a copy to:

COZEN O'CONNOR
3 WTC, 175 Greenwich Street
New York, NY 10007
Attn: Trevor R. Hoffmann
Telephone: (212) 453-3735
Email: thoffmann@cozen.com

13.11 Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims against and Interests in the Debtors, their respective successors and assigns, including the Reorganized Debtors, and all other parties-in-interest in the Chapter 11 Cases.

13.12 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by the Debtors with respect to any matter set forth herein including, without limitation, liability on any Claim.

13.13 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

[Remainder of page intentionally left blank.]

Dated: June 26, 2025

HIGHER GROUND EDUCATION, INC., *et al.*,
Debtors and Debtors in Possession

By: */s/ Jonathan McCarthy*
Jonathan McCarthy
Interim President & Secretary

FOLEY & LARDNER

/s/ Holland N. O'Neil

Holland N. O'Neil (TX 14864700)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
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Facsimile: (214) 999-4667
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-and-

Timothy C. Mohan (*pro hac vice* forthcoming)
FOLEY & LARDNER LLP
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Denver, CO 80202
Telephone: (720) 437-2000
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-and-

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nora.mcguffey@foley.com
qtruong@foley.com

PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

Schedule 1.1.36

List of Debtors

1. Higher Ground Education, Inc. (Delaware)
2. Guidepost A LLC (Delaware)
3. Prepared Montessorian LLC (Delaware)
4. Terra Firma Services LLC (Delaware)
5. Guidepost Birmingham LLC (Delaware)
6. Guidepost Bradley Hills LLC (Delaware)
7. Guidepost Branchburg LLC (Delaware)
8. Guidepost Carmel LLC (Delaware)
9. Guidepost FIC B LLC (Delaware)
10. Guidepost FIC C LLC (Delaware)
11. Guidepost Goodyear LLC (Delaware)
12. Guidepost Las Colinas LLC (Delaware)
13. Guidepost Leawood LLC (Delaware)
14. Guidepost Muirfield Village LLC (Delaware)
15. Guidepost Richardson LLC (Delaware)
16. Guidepost South Riding LLC (Delaware)
17. Guidepost St Robert LLC (Delaware)
18. Guidepost The Woodlands LLC (Delaware)
19. Guidepost Walled Lake LLC (Delaware)
20. HGE FIC D LLC (Delaware)
21. HGE FIC E LLC (Delaware)
22. HGE FIC F LLC (Delaware)
23. HGE FIC G LLC (Delaware)
24. HGE FIC H LLC (Delaware)
25. HGE FIC I LLC (Delaware)
26. HGE FIC K LLC (Delaware)
27. HGE FIC L LLC (Delaware)
28. HGE FIC M LLC (Delaware)
29. HGE FIC N LLC (Delaware)
30. HGE FIC O LLC (Delaware)
31. HGE FIC P LLC (Delaware)
32. HGE FIC Q LLC (Delaware)
33. HGE FIC R LLC (Delaware)
34. LePort Emeryville LLC (Delaware)
35. AltSchool II LLC (Delaware)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
Debtors.	§	(Jointly Administered)

DISCLOSURE STATEMENT FOR THE JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC. AND ITS AFFILIATED DEBTORS

Holland N. O'Neil (TX 14864700)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
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Telephone: (214) 999-3000
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honeil@foley.com

Timothy C. Mohan
(admitted *pro hac vice*)
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Houston, TX 77002
Telephone: (713) 276-5500
Facsimile: (713) 276-5555
nora.mcguffey@foley.com
qtruong@foley.com

PROPOSED COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

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

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO CERTAIN HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC, TOGETHER WITH ITS AFFILIATED DEBTORS (COLLECTIVELY, THE "DEBTORS") PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE (AS MAY BE AMENDED, MODIFIED, OR SUPPLEMENTED FROM TIME TO TIME, AND INCLUDING ALL EXHIBITS AND SUPPLEMENTS THERETO, THE "PLAN"). A COPY OF THE PLAN TO WHICH THIS DISCLOSURE STATEMENT RELATES IS ATTACHED HERETO AS EXHIBIT A. FOR THE AVOIDANCE OF DOUBT, THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR THE PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION OF THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED HEREIN. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE PLAN SHALL GOVERN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF.

HOLDERS OF CLAIMS OR INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT (WHEN AND IF APPROVED) DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

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

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

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

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

THE DEBTORS (I) HAVE NOT AUTHORIZED ANYONE TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ABOUT THE DEBTORS OR THE PLAN THAT IS DIFFERENT FROM, OR IN ADDITION TO, THOSE CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY OF THE MATERIALS THAT HAS BEEN INCORPORATED INTO THIS DISCLOSURE STATEMENT OR PLAN, AS APPLICABLE, AND (II) DO NOT TAKE RESPONSIBILITY FOR, OR CAN PROVIDE ANY ASSURANCE AS TO THE RELIABILITY OF, ANY OTHER INFORMATION THAT OTHERS MAY GIVE YOU. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE VALUE OF THE DEBTORS' PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, OR ANY PLAN SUPPLEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, THOSE HOLDERS OF CLAIMS WHO VOTE TO REJECT THE PLAN, OR THOSE

HOLDERS OF CLAIMS AND INTERESTS WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN, ANY PLAN SUPPLEMENT, AND THIS DISCLOSURE STATEMENT, INCLUDING THE EXHIBITS HERETO, IN THEIR ENTIRETY BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE HEREIN.

ANY DISCUSSION OF FEDERAL, STATE, LOCAL, OR NON-U.S. TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO THE READER OR A HOLDER OF A CLAIM OR INTEREST. READERS AND ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AUTHORITY. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b). THE BANKRUPTCY COURT HAS NOT YET REVIEWED THIS DISCLOSURE STATEMENT OR THE PLAN. THE SECURITIES TO BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL NOT HAVE BEEN THE SUBJECT OF A REGISTRATION STATEMENT FILED WITH THE SEC UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR

ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW (COLLECTIVELY, THE "BLUE SKY LAWS").

THE DEBTORS EXPECT TO RELY ON SECTION 1145 OF THE BANKRUPTCY CODE OR SECTION 4(A)(2) OF THE SECURITIES ACT AND/OR REGULATION D PROMULGATED THEREUNDER TO EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND BLUE SKY LAWS THE OFFER, ISSUANCE, AND DISTRIBUTION, IF APPLICABLE, OF EQUITY INTERESTS UNDER THE PLAN. NEITHER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN (THE "SOLICITATION") NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF UNITED STATES SECURITIES LAWS. STATEMENTS CONTAINING WORDS SUCH AS "ANTICIPATE," "BELIEVE," "ESTIMATE," "EXPECT," "INTEND," "PLAN," "PROJECT," "TARGET," "MODEL," "CAN," "COULD," "MAY," "SHOULD," "WILL," "WOULD," OR SIMILAR WORDS OR THE NEGATIVE THEREOF, CONSTITUTE "FORWARD-LOOKING STATEMENTS." HOWEVER, NOT ALL FORWARD-LOOKING STATEMENTS IN THIS DISCLOSURE STATEMENT MAY CONTAIN ONE OR MORE OF THESE IDENTIFYING TERMS. FORWARD-LOOKING STATEMENTS ARE BASED ON THE DEBTORS' CURRENT EXPECTATIONS, BELIEFS, ASSUMPTIONS, AND ESTIMATES. THESE STATEMENTS ARE SUBJECT TO SIGNIFICANT RISKS, UNCERTAINTIES, AND ASSUMPTIONS THAT ARE DIFFICULT TO PREDICT AND COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY AND ADVERSELY FROM THOSE EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE DEBTORS OR PERSONS OR ENTITIES ACTING ON THEIR BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

YOU ARE CAUTIONED THAT ALL FORWARD-LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE, AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD-LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, FINANCIAL PROJECTIONS, AND OTHER PROJECTIONS AND FORWARD-LOOKING INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ONLY ESTIMATES, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS, AMONG OTHER THINGS, MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. ANY ANALYSES, ESTIMATES, OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

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EXHIBITS

Exhibit A Debtors' Joint Plan of Reorganization[2]

Exhibit B Financial Projections[3]

Exhibit C Liquidation Analysis[4]

[2] *See* Docket No. 94.

[3] To be (a) filed by the Debtors on or before the deadline by which the Debtors must file the Plan Supplement and (b) made available at the website maintained by the Claims and Noticing Agent at https://veritaglobal.net/higherground (free of charge).

[4] To be (a) filed by the Debtors on or before the deadline by which the Debtors must file the Plan Supplement and (b) made available at the website maintained by the Claims and Noticing Agent at https://veritaglobal.net/higherground (free of charge).

ARTICLE I.
Introduction

To implement a comprehensive financial restructuring, on June 17, 2025 and June 18, 2025 (collectively, the "**Petition Date**"), Higher Ground Education, Inc. ("**HGE**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**"), each commenced voluntary cases (the "**Chapter 11 Cases**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The Debtors' Chapter 11 Cases have been jointly administered for procedural purposes and are pending before the Honorable Michelle V. Larson in the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**").

Prior to the Petition Date, the Debtors engaged Foley & Lardner LLP ("**Foley**") as their restructuring counsel and Sierra Constellation Partners LLC ("**SCP**") as their financial advisor to advise and assist the Debtors with their restructuring initiatives. In consultation with their restructuring advisors, the Debtors commenced these Chapter 11 Cases with the broad support of all or substantially all of the Debtors' major stakeholder groups, as evidenced by a restructuring support agreement (the "**Restructuring Support Agreement**" or the "**RSA**").[5] The RSA follows significant diligence, discussions, and negotiations around a value-maximizing restructuring transaction to be effectuated through the pre-arranged joint chapter 11 plan, as further described in this disclosure statement (including all exhibits hereto, the "**Disclosure Statement**"). In consultation with their retained advisors, the Debtors have prepared this Disclosure Statement pursuant to sections 1125 and 1126 of the Bankruptcy Code in connection with the solicitation of acceptances with respect to the *Joint Plan of Reorganization of the Higher Ground Education, Inc. and its Affiliated Debtors* (as may be amended or modified from time to time and including all exhibits and supplements thereto, the "**Plan**"), filed contemporaneously herewith. This Disclosure Statement is intended to provide Holders of Claims and Interests with "adequate information" as that term is defined in section 1125(a)(1) of the Bankruptcy Code, to enable them to make an informed judgment about the Plan. Among other things, the Disclosure Statement describes, in detail, the Debtors' prepetition business operations and corporate structure, the facts and circumstances leading to the Debtors filing of the Chapter 11 Cases, the terms of the Plan, the treatment of Claims and Interests under the Plan, and the alternatives to confirmation of the Plan. The Plan constitutes a separate chapter 11 plan for each of the Debtors, unless otherwise provided for in the Plan. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference.[6]

The Debtors strongly believe that the Plan is in the best interests of the Debtors' estates, their respective creditors and interest holders, and that the Plan represents the best available alternative at this time and will provide material benefits to the stakeholders in these Chapter 11 Cases. For these reasons, the Debtors strongly recommend that holders of Claims entitled to vote to accept or reject the Plan vote to accept the Plan.

As described below, you are receiving this Disclosure Statement because you are a Holder of a Claim entitled to vote to accept or reject the Plan. **Before voting on the Plan, you are encouraged to read this**

[5] On June 26, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Assumption of the Restructuring Support Agreement, and (II) Granting Related Relief* [Docket No. 93] (the "**RSA Assumption Motion**").

[6] Capitalized terms used but not defined in this Disclosure Statement have the meaning ascribed to such terms in the Plan. Additionally, this Disclosure Statement incorporates the rules of interpretation located in Article 1.2.2 of the Plan. Any summary provided in this Disclosure Statement of any documents attached to this Disclosure Statement, including the Plan, is qualified in its entirety by reference to the Plan, the exhibits, and other materials referenced in the Plan, the Plan Supplement, and the documents being summarized. In the event of any inconsistencies between the terms of this Disclosure Statement and the Plan, the Plan shall govern.

Disclosure Statement and all documents attached to this Disclosure Statement in their entirety. As reflected in this Disclosure Statement, there are risks, uncertainties, and other important factors that could cause the Debtors' actual performance or achievements to be materially different from those they may project, and the Debtors undertake no obligation to update any such statement. Certain of these risks, uncertainties, and factors are described in this Disclosure Statement.

ARTICLE II.
Executive Summary

From their inception in 2016 through the beginning of 2025, the Debtors grew to over 150 schools, becoming the largest owner and operator of Montessori schools in the world. The Debtors' mission was to modernize and mainstream the Montessori education movement. In addition to owning and operating the schools, the Debtors provided training and consulting services to Montessori schools around the world. The Debtors sought to offer an end-to-end experience that covers the entire lifecycle of a family at school, virtually, and at home, from birth through secondary education—enabled by next-gen, accredited Montessori instruction.

By early 2025, however, the Debtors' defaults on key secured loans resulted in the foreclosure and sale of the vast majority of the Debtors' assets and schools. Unable to secure refinancing or new capital, the Debtors determined that a chapter 11 process was the only viable path to maximize value and continue the Debtors' educational-focused goals. In the months leading up to the Petition Date, the Debtors worked with a majority of their stakeholders to formulate a value-maximizing joint pre-arranged chapter 11 plan.

Now, the Debtors commence these Chapter 11 Cases with the broad support of all or substantially all of the Debtors' major stakeholder groups. Prior to the Petition Date, the Debtors entered into the Restructuring Support Agreement supported by, among others, (a) 2HR Learning, Inc. ("**2HR**"), a prepetition secured creditor and arms-length investor which has agreed to act as plan sponsor; (b) YYYYY, Inc. ("**Five Y**"), which agreed to act as the Junior DIP Lender; (c) Guidepost Global Education, Inc. ("**GGE**"), which has agreed to contribute certain of its assets pursuant to the Plan and to act as the Junior DIP Lender;[7] (d) Ramandeep (Ray) Girn ("**Mr. Girn**") the Debtors' co-founder and former chief executive officer, and Rebecca Girn, the Debtors' co-founder and former general counsel ("**Ms. Girn**" and together with Mr. Girn, the "**Girns**"); (e) Yu Capital, LLC and its affiliated entities that represent a significant number of the Debtors' EB-5 Investors; and (f) the consenting parties thereto (with the other signatories to the RSA, the "**Supporting RSA Parties**"). The RSA follows significant diligence, discussions, and negotiations around a value-maximizing restructuring transaction through this pre-arranged Plan. Among other things, and as more fully described in the RSA, the RSA contemplates the broad support of the Plan that, despite the secured debt in the Debtors' capital structure, anticipates recoveries to unsecured creditors.

At a high level, and as further detailed in this Disclosure Statement, the Plan generally provides, among other things, for (a) the funding of $8 million dollars in new money to fund these Chapter 11 Cases and to fund plan recoveries to the Debtors' prepetition creditors; (b) the contribution by GGE of Curriculum Assets and the Guidepost Global IP License (each as defined in the Plan); (c) the transfer of the Designated EB-5 Entities (as defined in the Plan) by the Debtors to GGE; (d) the assignment of certain executory contracts and unexpired leases to GGE; (e) the treatment of holders of allowed claims in accordance with the Plan and the priority scheme established by the Bankruptcy Code; (e) the mutual release of all claims and causes of action by and among each of the RSA Supporting Parties; and (f) the reorganization of the Debtors by retiring, cancelling, extinguishing and/or discharging the Debtors'

[7] GGE is an affiliated entity of Learn Capital, LLC.

prepetition equity interests or its designee(s) and issuing new equity interests in the reorganized debtor(s) to 2HR.

THE DEBTORS BELIEVE THAT THE TRANSACTIONS, COMPROMISES, AND SETTLEMENTS CONTEMPLATED BY THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, AND MAXIMIZE RECOVERIES TO HOLDERS OF CLAIMS. FOR THE REASON DESCRIBED IN THIS DISCLOSURE STATEMENT, THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

ARTICLE III.
Questions and Answers Regarding this Disclosure Statement and the Plan

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other person or entity, as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such Disclosure Statement with all Holders of Claims whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on the Plan, and your rights, if any, to distribution under the Plan, depend on what type of Claim you hold and whether you held that Claim as of the Voting Record Date. Each category of Holders of Claims or Interests, as set forth in Article 2 and Article 3 of the Plan pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, is referred to as a "Class." Each category of Holders of Claims and Interests, pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth in Article 2 of the Plan and Article VII.B of this Disclosure Statement and is also provided in the chart below.

Class	Claims and Interests	Status	Voting Rights

Class	Claims and Interests	Status	Voting Rights
Class 1:	Bridge CN-3 Secured Lender Claim	Impaired	Entitled to Vote
Class 2:	WTI Secured Lender Claim	Impaired	Entitled to Vote
Class 3	CN Note Claims	Impaired	Entitled to Vote
Class 4:	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 5:	Non-Tax Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 6:	General Unsecured Claims	Impaired	Entitled to Vote
Class 7:	Intercompany Claims	Impaired	Deemed to Reject; Not Entitled to Vote
Class 8:	Equity	Impaired	Deemed to Reject; Not Entitled to Vote
Class 9:	Subsidiary Equity Interests	Unimpaired	Deemed to Accept; Not Entitled to Vote

All Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest, or any portion thereof, is classified in a particular Class only to the extent that any portion of such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest is also classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

All of the potential Classes for the Debtors are set forth herein. Such groupings shall not affect any Debtor's status as a separate legal Entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal Entities, or cause the transfer of any assets, and, except as otherwise provided by or permitted under the Plan, the Debtors shall continue to exist as separate legal Entities after the Effective Date.

D. What will I receive from the Debtors if the Plan is consummated?

A summary of the anticipated recovery to Holders of Claims or Interests under the Plan is set forth in Article VII.B of this Disclosure Statement. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation of the Plan and meet the conditions necessary to consummate the Plan. Further explanation on this topic can be found in Article IX of this Disclosure Statement.

THE PROJECTED RECOVERIES SET FORTH HEREIN ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

E. What will I receive from the Debtors if I hold an Allowed Administrative Claim, Professional Fee Claim, or a Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of

Claims and Interests set forth in Article 2 of the Plan. A description of these Claims and their treatment is included in Article 3.2 and Article 3.3 of the Plan and Article VII.A of this Disclosure Statement.

F. Are any regulatory approvals required to consummate the Plan?

At this time, the Debtors are evaluating which, if any, regulatory approvals are required to consummate the Plan. To the extent any such regulatory approvals or other authorizations, consents, rulings, or documents are necessary to implement and effectuate the Plan, however, it is a condition precedent to the Effective Date that they be obtained.

G. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not become effective, there is no assurance that the Debtors will be able to reorganize their business. It is possible that any alternative plan, if one could be confirmed, may provide Holders of Claims with less than they would have received pursuant to the Plan. The Debtors believe that a liquidation under chapter 7 of the Bankruptcy Code would lead to inferior recoveries for Holders of Claims. For a more detailed description of the consequences of an extended chapter 11 case or a liquidation scenario, see Article IX.E of this Disclosure Statement and the Liquidation Analysis attached hereto as **Exhibit C**.

H. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"**Confirmation**" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the "**Effective Date**"—or as soon as reasonably practicable thereafter, as specified in the Plan. "**Consummation**" of the Plan refers to the occurrence of the Effective Date. See Articles VII.N of this Disclosure Statement for a discussion of conditions precedent to Consummation of the Plan and the Debtors' means for implementation of the Plan.

I. What are the sources of Cash and other consideration required to fund the Plan?

As described in Article 4 of the Plan and Article VI.B of this Disclosure Statement, after the Effective Date, the Disbursing Agent will fund distributions under the Plan from (a) Plan Consideration and (b) Cash-on-Hand, all in accordance with the terms of the Plan.

J. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan, which objections potentially could give rise to litigation. In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting Classes. The Bankruptcy Court may confirm the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, which allows the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code.

K. How will the preservation of the Causes of Action impact my recovery under the Plan?

The Plan provides for the retention of all Causes of Action other than those that are expressly waived, relinquished, exculpated, released, compromised, or settled, as described in greater detail in Article 4.11 of the Plan. The preservation and retention, or compromise or waiver, of Causes of Action pursuant to the Plan will not reduce recoveries that would otherwise be available to Holders of Allowed Claims under the Plan, nor would alternative treatment of Causes of Action lead to improved recoveries for Holders of Allowed Claims under the Plan.

L. Will there be releases and exculpations granted to parties in interest under the Plan?

Yes, the Plan contains certain releases, exculpation, and injunctions, as set forth in Article 10 of the Plan and Article VII.H of this Disclosure Statement. At the Combined Hearing, the Debtors will present evidence to demonstrate the basis for and propriety of the release and exculpation provisions, including that the release, exculpation, and injunction provisions in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Fifth Circuit and the Supreme Court of the United States.

With respect to the Third-Party Releases (which provide for releases of non-debtor third parties), the Plan provides a mechanism for Holders of Claims and Interests to "opt-out" of granting such releases. Holders of Claims or Interests who are entitled to vote have the option to opt out of the Third-Party Releases. However, Holders of Claims or Interests who vote to accept or reject the Plan but do not opt out of the Third-Party Releases in the Plan will be deemed as consenting to the Third-Party Releases contained in Article 10.3 of the Plan and will be a "Releasing Party" (as defined in the Plan and provided below). Holders of Claims and Interests who are not entitled to vote on the Plan also have the option for opting out of the Third-Party Releases by completing an Opt-Out Form. **Notwithstanding the foregoing, and for the avoidance of doubt, Holders of Claims or Interests who abstain from voting or submitting an Opt-Out Form, as applicable (i.e., remain silent) will be deemed to have consented to or bound by the Third-Party Releases**.

Importantly, the Plan includes the following parties in the definition of "Released Parties": means each of, and in each case in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global, including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) the Releasing Parties; (l) all Holders of Claims or Interests who do not affirmatively opt out of the releases provided by this Plan; (m) each current and former Affiliates of each Entity in clause (a) through the following clause (l); and each Related Party of each Entity in clause (a) through (l); provided that, in each case, an Entity shall not be a Released Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation

The Plan includes the following parties in the definition of "Releasing Parties": "(a) the Debtors; (b) the Reorganized Debtors; (c) 2HR Learning, Inc., including without limitation in its capacities as Plan Sponsor; (d) YYYYY, LLC, including without limitation in its capacity as Senior DIP Lender; (e) Guidepost Global including without limitation in its capacity as Junior DIP Lender; (f) Learn Capital, LLC; (g) Yu Capital; (h) WTI; (i) Girn; (j) Venn; (k) all Holders of Claims or Interests that vote to accept or reject this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (l) all Holders of Claims or Interests that are deemed to accept or reject this Plan and who do not affirmatively

opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (m) all Holders of Claims or Interests who abstain from voting on this Plan and who do not affirmatively opt out of the releases by timely completing and submitting the Opt-Out Form before the Voting Deadline; (n) current and former Affiliates of each entity in clause (a) through the following clause (m) for which such Entity is legally entitled to bind such Affiliates to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; and (o) each Related Party of each Entity in clause (a) through this clause (m) for which such Entity is legally entitled to bind such Related Party to the releases contained in this Plan under applicable Law or that have otherwise received proper notice of this Plan; provided that, in each case, an Entity shall not be a Releasing Party if it: (x) elects to opt out of the releases contained in Article 10.3 hereof or (y) timely objects to the releases contained in Article 10.3 hereof and such objection is not resolved before Confirmation. Notwithstanding the foregoing, and for the avoidance of doubt, no party shall be a Releasing Party to the extent that such party did not receive proper notice and service of the Opt-Out Form."

The Plan also includes the following parties in the definition of "Related Parties": "(a) such Entity's current and former Affiliates and (b) such Entity's and such Entity's current and former Affiliates' directors, managers, officers, members of any Governing Body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, successors, assigns (whether by operation of Law or otherwise), direct or indirect parent entities and/or subsidiaries, current, former, and future associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, fiduciaries, employees, agents (including any disbursing agent), financial advisors, attorneys, accountants, consultants, investment bankers, representatives, and other professionals."

M. What is the deadline to vote on the Plan?

The deadline to submit votes to accept or reject the Plan, and complete and submit the Opt-Out Form (the "**Voting Deadline**"), is **August 25, 2025 at 5:00 p.m. (prevailing Central Time)**.

N. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are included with the ballot distributed to Holders of Claims entitled to vote on the Plan (the "**Ballot**"). For your vote to be counted, the Ballot containing your vote must be properly completed and executed as directed, and delivered as directed, so that it is actually received by the Debtors' Claims and Noticing Agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global ("**Verita**," or the "**Claims and Noticing Agent**") on or before the Voting Deadline of **August 25, 2025 at 5:00 p.m. (prevailing Central Time)**.

Certain procedures will be used to collect and tabulate votes on the Plan, as summarized in Article VIII of this Disclosure Statement. Readers should carefully read the voting instructions in Article VIII of this Disclosure Statement.

Under the Debtors' Plan, all Holders of Claims or Interests in Classes 4, 5, and 9 are unimpaired, as they will be paid in full or, if applicable, entitled to retain their collateral or their Claims or Interests, as applicable. As a result, all holders of Claims in Classes 4, 5, and 9 are conclusively deemed to have accepted the Plan. The Holders of Claims or Interests in Classes 7 and 8 are impaired, as they will not receive any distributions on account of their Claims or Interests and are deemed to reject the Plan, and are thus not entitled to vote to accept or reject the Plan. The Holders of Claims in Classes 1, 2, 3, and 6 are

impaired and are entitled to vote to accept or reject the Plan. Thus, only Holders of Claims in Classes 1, 2, 3, and 6 are entitled to vote on the Plan (each a "**Voting Class**" and collectively, the "**Voting Classes**").

O. Why is the Bankruptcy Court holding a Combined Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan. All parties in interest will be served notice of the time, date, and location of the Combined Hearing once scheduled. Because the Debtors' Chapter 11 Cases were administratively consolidated, and because the relief provided in the Plan affects each Debtor and Holders of Claims related to each Debtor, respectively, a combined hearing will provide the most efficient, comprehensive, and clear result for all stakeholders. The nature of the relief provided in the Plan also makes a hearing on adequacy of the Disclosure Statement and confirmation of the Plan the most efficient path to confirmation, which will be consistent with and support the recoveries intended under the Plan.

P. When is the Combined Hearing set to occur?

The Debtors will request that the Bankruptcy Court schedule the Combined Hearing for **September 3, 2025 at 9:30 a.m. (prevailing Central Time)**. The Combined Hearing may be adjourned from time to time without further notice. The Bankruptcy Court, in its discretion and prior to the Combined Hearing, may put in place additional procedures governing the Combined Hearing. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Combined Hearing, without further notice to parties in interest.

Objections to Confirmation of the Plan must be filed and served on the Debtors, and certain other parties, by **August 25, 2025 at 5:00 p.m. (prevailing Central Time)**, in accordance with any forthcoming notice of the Combined Hearing.

Q. What is the purpose of the Combined Hearing?

The purpose of the Combined Hearing is to seek final approval of this Disclosure Statement and Confirmation of the Plan. The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

R. What is the effect of the Plan on the Debtors' ongoing business?

The Debtors are reorganizing under chapter 11 of the Bankruptcy Code. As a result, the occurrence of the Effective Date of the Plan means that the Debtors will ***not*** be liquidated or forced to go out of business. Following Confirmation, the Plan will be Consummated on the Effective Date, which is the date on which all conditions to Consummation have been satisfied and the Plan is declared effective by the Debtors (*see* Article 11 of the Plan). On or after the Effective Date, and unless otherwise provided in the Plan, the Reorganized Debtors may operate their business and, except as otherwise provided by the Plan, may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy

Code or Bankruptcy Rules. Additionally, upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

S. What is the effect of Confirmation and Consummation of the Plan?

Following Confirmation, and subject to satisfaction of each condition precedent in Article 11 of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation, and discharge provisions set forth in Article 10 of the Plan will become effective. **Accordingly, it is important to read the provisions contained in Article I and Article 10 of the Plan very carefully so that you understand how Confirmation and Consummation of the Plan—which effectuates such release, injunction, exculpation, and discharge provisions—will affect you and any Claim or Interest you may hold with respect to the Debtors so that you may cast your vote accordingly.** These provisions are described in Article VII.H of this Disclosure Statement.

T. Will any party have significant influence over the corporate governance and operations of the Reorganized Debtors?

On the Effective Date, the current members of the Debtors' board of directors and officers shall no longer serve in any such capacity with Reorganized HGE or the Reorganized HGE Subsidiaries and shall be discharged of all duties in connection therewith. The Debtors will disclose in their Plan Supplement the identities of those individuals proposed to serve as directors and officers of Reorganized HGE, and the Reorganized HGE Subsidiaries. The deadline for the Debtors to file their Plan Supplement is August 22, 2025.

U. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

The Debtors' Claims and Noticing Agent, Verita, by: (a) calling (888) 733-1431 (U.S./Canada) (toll-free), +1 (310) 751-2632 (International), (b) writing to Higher Ground Education, Inc., et al. Ballot Processing, c/o KCC dba Verita, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 (if by first-class mail, hand delivery or overnight mail), or (c) submitting an inquiry to www.veritaglobal.net/HigherGround/Inquiry (with "HGE Solicitation Inquiry" in the subject line). The Claims and Noticing Agent cannot and will not provide legal advice.

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims and Noticing Agent at the email address above or by downloading the exhibits and documents from the website of the Claims and Noticing Agent at www.veritaglobal.net/HigherGround (free of charge) or the Bankruptcy Court's website at https://txnb.uscourts.gov/ (for a fee).

V. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe that the Plan provides for better distributions and results to the Debtors' creditors and stakeholders than would otherwise result from any other available alternative. The Debtors believe that the Plan is in the best interest of the Debtors' creditors and stakeholders, and that any alternatives (to the extent they exist) would fail to realize or provide the value inherent under the Plan.

ARTICLE IV.
Background and Events Leading to Chapter 11 Cases

A. Overview of the Debtors

HGE was founded in 2016 by a team of educators and business leaders, who had spent their early careers dedicated to creating and scaling LePort Education Inc., a high-quality, high-fidelity Montessori school network headquartered in Southern California. Ramandeep (Ray) Girn founded and led the Debtors as their President and Chief Executive Officer. For many years the team devoted itself to developing, testing, refining, and putting into practice the resources, systems, infrastructure, and pedagogical leadership required to achieve Montessori "at scale," and created a network of schools across the United States. HGE operated its Montessori schools under the Guidepost brand—a brand synonymous with cultivating independent children to "live a life, fully lived."

The Debtors' mission was to modernize and mainstream the Montessori education movement. In addition to owning and operating Montessori schools (the "**Schools**"), the Debtors provided accredited teacher training and licensed content to other Montessori schools. In addition, in 2020, HGE acquired the Altitude platform, a learning management system that HGE believed could be used to operate Guidepost classrooms across the network. Following rapid expansion as the United States emerged from COVID-19 lockdowns, the Debtors offered an end-to-end experience that covered the entire lifecycle of a family at school—virtually and at home—from birth through secondary education, enabled by next-gen, accredited Montessori instruction and programming.

Following the early success of the schools in the United States, HGE sought to expand its mission, dedication to education, and Montessori platform to China, Canada, and countries in Europe. This foreign expansion began in 2019 through the opening of wholly owned schools (the "**Foreign Schools**") in Hong Kong and mainland China and the formation of strategic partnerships with parties that wanted to utilize HGE's brand, programming, and pedagogy.

By the fall of 2024, the Debtors were the largest owner and operator of Montessori schools in the world with over 150 schools in operations and plans for the construction and opening of dozens more schools. These schools were located across the United States, with locations in, among other states, Texas, North Carolina, California, New York, New Jersey, Illinois, Massachusetts, Washington, Maryland, Florida, Michigan, Alabama, Indiana, Ohio, Arizona, Kansas, Missouri, and Virginia. In addition to its core campus network, the Debtors offered virtual school, home school and teacher training, and also licensed its content to independent school partners.

B. The Debtors' Corporate Structure and Operations

Prior to the Petition Date, the Debtors operated the Schools through various structures—all managed by centralized operations at HGE. HGE is the ultimate corporate parent company of the Debtors. HGE owned, directly or indirectly, numerous Debtor and non-debtor subsidiaries that were utilized to operate and/or own the Debtors' Schools and accredited training programs. As of the Petition Date, HGE owns and operates seven (7) Schools.

The Debtors' primary business was and remains owning and operating the Schools. The Schools were either wholly owned by Debtor Guidepost A or were owned by other subsidiary entities (the "**School Subsidiaries**"). The School Subsidiaries were established to own, manage, and/or operate Schools in selected markets in the United States. The School Subsidiaries are either wholly owned by Guidepost A or were majority-owned by Guidepost A with the minority owners consisting of limited interests owned

by non-U.S. person investors ("**EB-5 Investors**") under the Employment Based Immigration Preference program, known as "EB-5" (the "**EB-5 Program**").

Further, as of the Petition Date, the Debtors owned, operated, and managed their accredited training programs at Prepared Montessorian LLC ("**Prepared Montessorian**") and Prepared Montessorian TT LLC ("**Prepared TT**"),[8] Prepared Montessorian's former wholly owned subsidiary. The Debtors were known for their pedagogy and innovative Montessori programming that was utilized by Montessori educators within and outside of the Schools.

In furtherance of their mission, the Debtors offered two Montessori programs and brands: the Guidepost Montessori brand for children in their early years (generally infant through pre-kindergarten) and Guidepost Academy for children and young adolescents (generally grades kindergarten through eighth grade). The Debtors' primary focus, however, was the early childhood education space.

In 2016 and 2017, the Debtors started with a small number of Schools and at the end of each calendar year, maintained the following number of Schools:

Year Ending	Number of Schools
2018	12
2019	27
2020	60
2021	81
2022	101
2023	132
2024	150
Petition Date	7

C. The Debtors' Capital Structure

Prior to the Petition Date, the Debtors entered into various financing arrangements to funds the Debtors' Schools and general operations. As of the Petition Date and following the Foreclosures (which are discussed in detail below), the Debtors maintained the following funded debt obligations:[9]

Debt	Approx. Amount Outstanding[10]
Secured Funded Debt	
Bridge CN-3 Notes	$4,800,000
WTI Loan Agreements	$4,680,970
CN Notes	$117,837,932
Total Secured Funded Debt	**$127,318,902**

8 Prepared TT is not a debtor in these Chapter 11 Cases.

9 A detailed overview of the Debtors' capital structure is set forth in the *Declaration of Jonathan McCarthy in Support of the First Day Motions* [Docket No. 15].

10 The Approximate Amount Outstanding reflects the estimated amount outstanding as of the Petition Date according to the Debtors' books and records. These numbers are a summary and are not intended to reflect the actual amounts outstanding as of the Petition Date. The Debtors continue to reconcile their books and records and reserve all rights as to the correct amounts of these funded debt obligations.

Debt	Approx. Amount Outstanding[10]
Unsecured Funded Debt	
Learn Fund XXXVII Promissory Note	$410,350
NRTC Promissory Note	$289,833
Yu FICB Promissory Notes	$1,182,387
YuATI Promissory Notes	$2,200,000
YuHGEA Loan Agreement	$57,424
Yu Capital Loan	$327,858
LFI Unsecured Notes	$12,454,566
Total Unsecured Funded Debt	**$16,922,418**
Total Funded Debt	**$144,241,320**

1. **The Secured WTI Loans**

HGE, Guidepost A, Prepared Montessorian, Prepared TT, and Terra Firma Services LLC, ("**Terra Firma**," and with HGE, Guidepost A, Prepared Montessorian, and Prepared TT, the "**WTI Borrowers**") are parties to several prepetition financing arrangements with Venture Lending & Leasing IX, Inc., ("**Fund IX**") and WTI Fund X, Inc., ("**Fund X**" together with Fund IX, "**WTI**"). Specifically, WTI and the WTI Borrowers entered into (a) the Loan and Secured Agreement, dated February 19, 2021, by and between Fund IX and the Borrowers in the original principal amount of $12 million (as may have been amended, supplemented, restated, and modified from time to time, the "**Fund IX Loan Agreement**"); (b) that certain Loan and Security Agreement, dated as of November 8, 2023, between Fund X and the WTI Borrowers in the original principal amount of $15 million (as may have been amended, supplemented, restated, and modified from time to time, the "**Fund X Loan Agreement**," and with the Fund IX Loan Agreement, the "**WTI Loan Agreements**").

To secure the WTI Borrowers' obligations under the WTI Loan Agreements, each Borrower granted to WTI a blanket security interests in substantially all of such WTI Borrowers' personal property assets, including certain intellectual property owned by HGE and Terra Firma (collectively, the "**WTI Collateral**"). WTI's security interests in the WTI Collateral were perfected by various UCC-1 Financing Statements and Intellectual Property Security Agreements.

As such, WTI are secured by substantially all of the property of the WTI Borrowers, subject to certain perfected security interests in specific assets held by other secured creditors. Pursuant to that Intercreditor Agreement, dated November 8, 2023, between Fund IX and Fund X, the parties agreed that the liens of WTI shall be of equal rank and priority and all of the rights, interests, and obligations under the WTI Loan Agreements and related loan documents shall be shared by WTI *pro rata*.

As of the Petition Date and following the Foreclosures, WTI maintains a perfected, secured claim against the WTI Borrowers in the approximate amount of $4,680,970 (due to the fact that WTI did not foreclose on all of the WTI Collateral).

2. **The Secured CN Notes**

To further fund the Debtors' Schools and business operations, the Debtors entered into that Note Purchase Notice and Note Purchase Agreement, dated May 31, 2024 (as may have been amended, supplemented, restated, and modified from time to time, the "**NPA**") whereby the Debtors were authorized to issue and sell one or more promissory notes in a first series (the "**CN 1 Notes**"), one or more promissory notes in a second series (the "**CN-2 Notes**"), and one or more promissory notes in a third series (the "**CN-3 Notes**," and with the CN-1 Notes and the CN-2 Notes, the "**CN Notes**"). The CN Notes are secured by a blanket

lien on all HGE assets (the "**CN Notes Collateral**") pursuant to the Security Agreement, dated May 31, 2024 between HGE and Learn Capital Venture Partners IV, L.P., the Collateral Agent for all notes issued under the NPA (the "**NPA Collateral Agent**"), and any security interests in the CN Notes Collateral (other than as expressly provided for the Bridge CN-3 Notes (as defined below)) are expressly subordinated to WTI's liens in the CN Notes Collateral. The NPA Collateral Agent perfected the CN Notes security interest in the CN Notes Collateral pursuant to a filed UCC-1 Financing Statement.

Upon an event of repayment of the CN Notes, the NPA provides that holders of the CN-3 Notes are entitled to receive a recovery in full before any payment may be made to holders of the CN-2 Notes and CN 1 Notes. Once all holders CN-3 Notes have been repaid in full, holders of CN-2 Notes are then entity to receive a recovery in full before any payment may be made to holders of CN-1 Notes.

Pursuant to the NPA, the CN Notes convert into Conversion Shares upon the first to occur of (a) the consent of the Majority Note Holders or (b) the date that is four months following the date of the Initial Closing (provided, that (i) such date may be extended two times by up to three months each and/or (ii) such conversion may be waived entirely, in each case, with the consent and at the sole discretion of the Majority Note Holders). Learn Capital, and its affiliated entities, are the Majority Note Holders for the CN Notes and have waived any conversion of the CN Notes into the Conversion Shares.

As of the Petition Date, there is approximately $43,014,365 in CN-3 Notes, $41,304,320, in CN-2 Notes, and $33,566,465 in CN-1 Notes outstanding.

3. **The Secured Bridge CN-3 Loans**

Beginning on and after January 15, 2025, the Debtors and certain lenders entered into the series CN-3 convertible promissory notes (the "**Bridge CN-3 Notes**") in the aggregate principal amount of $4,800,000 (the "**Bridge CN-3 Loans**"), plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein, issued pursuant to the NPA. The Bridge CN-3 Notes are collateralized by a priming lien over the WTI Loan Agreements in the principal amount of up to $5,000,000, in favor of the NPA Collateral Agent. WTI consented to this treatment pursuant to that Closing Conditions to Note Purchase Agreement and Series E Financing #2, effective February 5, 2025, between HGE, WTI, Learn Capital, Learn Capital Special Opportunities Fund XXXVII, LLC, and 2HR Learning, Inc.

As of the Petition Date, $4,800,000 of Bridge CN-3 Notes remained outstanding and are broken out by the Lenders, as follows:

Lender	Amount
Ramandeep Girn	$500,000
Learn Capital Venture Partners III, L.P.	$2,300,000
2HR Learning, Inc.	$1,000,000
Learn Capital IV Special Opportunities X, LLC	$1,000,000
Total	**$4,800,000**

4. **Learn Capital Debt**

Learn Capital Special Opportunities Fund XXXVII LLC ("**Learn Fund XXXVII**") and HGE, Guidepost FIC A LLC, Guidepost FIC B LLC, Guidepost FIC C LLC, HGE FIC D LLC, HGE FIC E LLC, HGE F LLC, HGE FIC G LLC, HGE FIC I LLC, HGE FIC L LLC, HGE FIC M LLC, HGE FIC N LLC,

Guidepost The Woodlands LLC, Guidepost Goodyear LLC, and LePort Emeryville LLC, as debtors (collectively, the "**Learn Borrowers**") are party to that Second Amended and Restated Secured Convertible Promissory Note, dated March 13, 2025 (as the same has been amended, supplemented, restated and otherwise modified from time to time, the "**Learn Fund XXXVII Promissory Note**"), in the original principal amount of $3,800,000.00. The Learn Fund XXXVII Promissory Note is secured by that Second Amended and Restated Security Agreement, dated March 13, 2025, between Learn Fund XXXVII and the Learn Borrowers. Prior to foreclosure, the Learn Fund XXXVII Promissory Note was secured, up to the secured amount for each School set forth in the Learn Fund XXXVII Promissory Note, by a first lien security interest in substantially all of the assets of the following Schools (the "**Learn Fund XXXVII Collateral**"):

Borrower	School	Secured Amount
Guidepost FIC A LLC	Guidepost Montessori at Spruce Tree	$130,000
Guidepost FIC B LLC	Guidepost Montessori at Timber Ridge	$80,000
Guidepost FIC B LLC	Guidepost Montessori at Wicker Park	$20,000
Guidepost FIC B LLC	Guidepost Montessori at Foothill Ranch	$20,000
Guidepost FIC C LLC	Guidepost Montessori at Copper Hill	$20,000
Guidepost Goodyear LLC	Guidepost Montessori at Goodyear	$20,000
Guidepost The Woodlands LLC	Guidepost Montessori at The Woodlands	$20,000
HGE FIC D LLC	Guidepost Montessori at Flower Mound	$20,000
HGE FIC D LLC	Guidepost Montessori at Magnificent Mile	$70,000
HGE FIC E LLC	Guidepost Montessori at Hollywood Beach	$20,000
HGE FIC E LLC	Guidepost Montessori at Peoria	$2,400,000
HGE FIC F LLC	Guidepost Montessori at Plum Canyon	$20,000
HGE FIC G LLC	Guidepost Montessori at Laurel Oak	$30,000
HGE FIC G LLC	Guidepost Montessori at Mahwah	$30,000
HGE FIC I LLC	Guidepost Montessori at Burr Ridge	$20,000
HGE FIC I LLC	Guidepost Montessori at Deerbrook	$70,000
HGE FIC I LLC	Guidepost Montessori at Downtown Naperville	$20,000
HGE FIC I LLC	Guidepost Montessori at Evanston	$70,000
HGE FIC I LLC	Guidepost Montessori at Hollywood Beach East	$20,000
HGE FIC I LLC	Guidepost Montessori at Palm Beach Gardens	$70,000
HGE FIC I LLC	Guidepost Montessori at Baymeadows	$20,000
HGE FIC L LLC	Guidepost Montessori at Kendall Park	$20,000
HGE FIC L LLC	Guidepost Montessori at Paradise Valley	$30,000
HGE FIC L LLC	Guidepost Montessori at Downtown Boston	$20,000
HGE FIC L LLC	Guidepost Montessori at Legacy	$20,000
HGE FIC L LLC	Guidepost Montessori at Old Town	$30,000
HGE FIC L LLC	Guidepost Montessori at Princeton Meadows	$20,000
HGE FIC L LLC	Guidepost Montessori at Lynnwood	$30,000
HGE FIC L LLC	Guidepost Montessori at San Rafael	$20,000
HGE FIC M LLC	Guidepost Montessori at Downers Grove	$20,000
HGE FIC M LLC	Guidepost Montessori at Leavenworth	$20,000
HGE FIC M LLC	Guidepost Montessori at Celebration Park	$20,000
HGE FIC N LLC	Guidepost Montessori at Kent	$20,000
HGE FIC N LLC	Guidepost Montessori at North Wales	$20,000
LePort Emeryville LLC	Guidepost Montessori at Emeryville	$320,000

Learn Fund XXXVII's security interests in the Learn Fund XXXVII Collateral were perfected by UCC-1 Financing Statements. As of the Petition Date, approximately $419,351 remains outstanding under the Learn Fund XXXVII Promissory Note, which the Debtors consider unsecured due to either the Foreclosures or subsequent sale of the Learn Fund XXXVII Collateral.

5. **The Yu Capital Loans**

Yu Capital, LLC ("**Yu Capital**") and its affiliates entered into a number of project specific loans with the Debtors that were secured by specific assets, which Yu Capital or its affiliates foreclosed upon. As such, the Debtors consider all of the loans between the Debtors and Yu Capital and its affiliates to be unsecured. The unsecured Yu Capital Loans, include the following:

Yu Capital Entity	Unsecured Amount
YuHGE A LLC	$57,425
YuATI LLC	$2,200,000
YuFIC B, LLC	$1,182,387
NTRC Equity Partners, LLC	$289,833
Yu Capital, LLC	$327,858.63

6. **Unsecured LFI Notes**

Guidepost A and Guidepost Financial Partner, LLC ("**LFI**") entered into certain unsecured promissory notes (as the same has been amended, supplemented, restated and otherwise modified from time to time, the "**LFI Notes**"). As of the Petition Date, there is approximately $12,454,566 outstanding under the LFI Notes. The LFI Notes are unsecured loans that were utilized by Guidepost A to fund the startup costs and rental security deposits for certain Schools (the "LFI Schools").11 Pursuant to the LFI Notes, if the LFI Schools achieved a certain level of profitability, then Guidepost A was required to pay a percentage of such profits to LFI (the "**LFI Profit Share**"). As of the Petition Date, the Debtors only made limited LFI Profit Share payments to LFI, and there is approximately $12.4 million outstanding under the LFI Notes

D. The Debtors' Equity Structure

1. **Common Stock**

HGE is authorized to issue 90 million shares of common stock at $0.00001 par value per share, consisting of 80 million shares of Class A common stock ("**Class A**") and 10,000,000 shares of Class B common stock ("**Class B**").[12] As of the Petition Date, there are approximately 22,980,559 Class A shares and 10,000,000 Class B shares issued and outstanding.

2. **Preferred Stock**

HGE is authorized to issue 9 million shares of Series Seed Preferred Stock ("Series Seed"), 12 million shares of Series B Preferred Stock ("Series B"), 15 million shares of Series C Preferred Stock ("Series C"), and 12 million shares of Series D Preferred Stock ("Series D"). All classes of preferred stock have a par value of $0.00001. As of the Petition Date, there are approximately 8,671,641 Series Seed, 3,830,656 Series B, 10,601,355 Series C, and 8,781,030 Series D shares issued and outstanding

[11] The "LFI Schools" consist of the following Schools: Katy, Parker, Schaumburg, Evanston, Briarwood (Deerbrook), Edgewater, Champlin, and Downers Grove.

[12] Learn Capital, Mr. Girn, and Venn own more than five percent (5%) of the equity in HGE.

3. **Common Stock and Preferred Stock Rights**

Each holder of a Class A share is entitled to one vote on all matters subject to vote and each holder of a Class B share is entitled to ten votes on each matter subject to vote. Dividends are at the discretion of the Board but may not be declared without both Class A and Class B sharing in the dividend equally. Each share of Class B, at the option of the holder, may at any time be converted into one fully paid and nonassessable share of Class A.

With the exception of dividends on shares of Class A common stock payable in shares of Class A common stock, no dividends can be declared to the common stockholders without the holders of preferred stock sharing equally in the dividend. Each holder of outstanding shares of preferred stock is entitled to cast the number of votes equal to the number of whole shares of Class A common stock into which the shares of preferred stock held by such holder are convertible as of the record date. In general, preferred stockholders vote together with the holders of common stock as a single class on an as-converted basis.

Each share of preferred shares may be converted, at the option of a majority interest in such series without the payment of additional considerations, into the number of fully paid and nonassessable shares of common Class A as is determined by dividing the original issue price for such series of preferred stock by the conversion price in effect the time of conversion. Original issue price means $0.06 per share for the Series Seed, $2.566879 per share for Series B, $2.8606 for Series C, and $4.275758 for Series D. Conversion price is the original issue price pertaining to such series of preferred stock. The conversion rate is subject to adjustments to reflect stock dividends, stock splits, and other events. Further, preferred stock shares are not subject to redemption from HGE.

For distributions of assets upon liquidation, each series of preferred shares have a 2x liquidation preference and rank senior to Class A and Class B common shares. Dividends and distributions of assets upon liquidation will be paid to preferred shareholders based on the conversion formula as if the holder's shares had been converted into Class A common stock

4. **Subsidiary Equity Structure**

As mentioned above, the School Subsidiaries are either wholly owned by Guidepost A or majority-owned by Guidepost A with the minority owners consisting of the EB-5 Investors. Regardless of ownership structure, HGE was the named "Manager" for each of the School Subsidiaries with broad power and authority.

Pursuant to the EB-5 Program, EB-5 Investors may be able to gain permanent residence in the United States by investing the required minimum amount of capital in a domestic commercial enterprise that will create a specified minimum number of full-time jobs.[13] The Debtors' EB-5 Program was related to the opening of specific Schools and the job creation coming from those Schools. Through the EB-5 Program and from 2017 to the Petition Date, the Debtors raised approximately $50 million from EB-5 Investors, with the proceeds are being used for general purposes.

[13] In particular, the following Debtor entities utilized EB-5 Investors: Guidepost FIC B LLC; Guidepost FIC C LLC; HGE FIC D LLC; HGE FIC E LLC; HGE FIC F LLC; HGE FIC G LLC; HGE FIC I LLC; HGE FIC L LLC; HGE FIC M LLC; HGE FIC N LLC; HGE FIC O LLC; HGE FIC P LLC; HGE FIC Q LLC; Guidepost Birmingham LLC; Guidepost Carmel LLC; Guidepost Goodyear LLC; Guidepost Las Colinas LLC; Guidepost Muirfield Village LLC; Guidepost Richardson LLC; Guidepost St Robert LLC; Guidepost The Woodlands LLC; Guidepost Walled Lake LLC; and LePort Emeryville LLC (collectively, the "**EB-5 School Subsidiaries**").

The Debtors' EB-5 Program is generally split into two distinct groups: (a) EB-5 Investors that designated Yu Capital as their representative and "Associate Manager" (the "**Yu Capital EB-5 Investors**") for those EB-5 School Subsidiaries and (b) EB-5 Investors that designated EB5AN Affiliate Network, LLC ("**EB5AN**") as their representative and "Special Manager" (the "**EB5AN EB-5 Investors**") for those EB-5 School Subsidiaries.[14] Yu Capital EB-5 Investors maintained a Series B membership interest in their respective EB-5 School Subsidiaries and EB5AN EB-5 Investors maintained a Class B membership interest in their respective EB-5 School Subsidiaries (collectively, the "**Limited EB-5 Interests**"). The Limited EB-5 Interests provided for limited management and consent rights with respect to the operations of the EB-5 School Subsidiaries. The Limited EB-5 Interests did, however, provide for a liquidation preference to the Limited EB-5 Interests compared to that of Guidepost A's ownership interests.

E. Significant Prepetition Events Leading to the Chapter 11 Cases

There were various events and factors that lead to the commencement of these Chapter 11 Cases. Simply put, the Debtors have been unable to maintain and generate sufficient liquidity to fund operations. Since 2020, the Debtors have raised over $335 million in funding through various debt and equity instruments, including EB-5 capital and lease incentives. The Debtors utilized these proceeds for the expansion and opening of the Debtors' Schools, development of their educational platform, and the maintenance of the same.

As reflected in the Debtors' financial statements, the Debtors' business has never had positive cash flows from operations—resulting in the continuous need for external funding. In the past year, following a period of significant operational challenges and underperformance relative to budget, the Debtors had very limited sources of external funding. As such, recent cash fundings were from either multiple short-term financing arrangements or the sale of certain School assets.

Indeed, as the various efforts to raise third-party capital (or complete the sale of company assets) did not achieve the desired results, the Debtors were continually forced to go to their current investors and lenders to obtain necessary funding, primarily Learn, which the Debtors repeatedly sought funding from. In addition to the Debtors repeated reliance on Learn, the Debtors also obtained funding from CEA, 2HR, and Mr. Girn to meet extremely short-term operating requirements, including payroll and rent.

Unfortunately, even with multiple short-term commitments from existing lenders and investors, the Debtors ran out of time and capital necessary to effectuate any transaction or reorganization that would have left the Schools under the Debtors' ownership. Because of this, the Debtors focused their efforts on maintaining as many Schools as a going concern, whether owned by the Debtors, the Debtors' secured lenders, or other operators. For a number of unprofitable Schools, the Debtors worked with their landlords to find new operators to ensure that employees remained employed, and students and families could continue to depend on the Schools' continued operations.

1. Financial and Management Issues

The Debtors have experienced massive operating losses that significantly outpaced revenues—cumulating in operating losses of over $440 million in the past five years. For instance, in the fall of 2024, the Debtors operated several Schools that were incurring losses of over $50,000 per month. The Debtors had also committed to a large development pipeline that included over 20 additional campus

[14] LePort Emeryville LLC also contains EB-5 Investors but such EB-5 Investors do not designate an associate/special manager and do not have any rights requiring their consent to file LePort Emeryville LLC's Chapter 11 Case.

openings, with projects generally expected to require $1,000,000 or more in future capital to reach breakeven for these planned openings.

Exacerbating the School-level losses were the substantial monthly corporate G&A expenses in excess of $2,500,000. Given the fact that the Debtors' operations consumed significantly more cash than they generated, the Debtors undertook a number of restructuring initiatives to improve financial performance, to boost liquidity and right-size their businesses. Ultimately, those initiatives did not yield sufficient financial changes in the necessary timeframe to prevent the Foreclosures and avoid these Chapter 11 Cases.

In addition, beginning in 2024 and continuing in 2025 the Debtors experienced significant changes with respect to their Board and management resulting from general disagreements over strategy, growth, capital raising, and leadership. While certain Board directors wanted the Debtors to transition to a mature, stable, and profitable operators, other directors believed the best path forward was continuing the "hyper-growth" strategy that required significant capital to fund expansion. This philosophical disagreement led to a number of changes of the Board and the Debtors' management, resulting in uncertainty regarding the Debtors' future.

At the beginning of 2025, the Board consisted of: Mr. Girn, Greg Mauro ("**Mauro**"), Robert Hutter ("**Hutter**"), Zheng Yu Huang ("**Huang**"), Matthew Bateman ("**Bateman**"), Jack Chorowsky ("**Chorowsky**"), and Jonathan McCarthy ("**McCarthy**"). Chorowsky served as the Board's independent director. Mr. Girn served as the Debtors' Chief Executive Officer and President, and Ms. Girn served as the Debtors' General Counsel and Secretary. This structure, however, was short-lived due to various resignations and other changes to the Board and officers.

On January 31, 2025, Matthew Bateman resigned from the Board and was not replaced by another director. On February 25, 2025, Mr. Girn and Ms. Girn resigned from all of their respective positions as officers and director of the Debtors. The Board elected Mitch Michulka ("**Michulka**"), the Debtors' Chief Financial Officer, and Maris Mendes ("**Mendes**"), the Debtors' Chief Operations Officer, to serve as the Debtors' co-Chief Executive Officers. On March 10, 2025, Chorowsky resigned from his position as independent director and his position remained unfilled until Marc Kirshbaum ("**Kirshbaum**") Kirshbaum's appointment. On March 28, 2025, Mauro and Hutter resigned from the Board due to Learn's foreclosure and were not replaced. On March 31, 2025, Huang resigned from the Board. At Mr. Girn's direction, Mr. Girn appointed himself to serve as a director. Mr. Girn then resigned from the Board again on April 4, 2025.

On May 18, 2025, at Learn Capital's designation and Venn's approval, Kirshbaum was elected to serve as the independent director (the "**Independent Director**").[15] As of the Petition Date, the Board consists of McCarthy and the Independent Director, with the Independent Director having authorized the filing of these Chapter 11 Cases.

On May 31, 2025, Michulka and Mendes, along with certain of the Debtors' other corporate employees ceased employment for the Debtors and began working for GGE.[16] As HGE did not have any elected officers, the Independent Director asked that McCarthy accept, on an interim basis, the delegation of the

[15] John McCarthy is the founder and managing partner of Venn. Venn, and certain of its affiliates, is an equity holder and debt holder in HE.

[16] Michulka, Mendes, and the other corporate employees—who are now employed by GGE—are performing work for the Debtors pursuant to a Management Services Agreement, effective as of June 1, 2025, between GGE and HGE.

duties and powers of the President and Secretary for HGE. Effective June 1, 2025, the Independent Director appointed McCarthy to serve as HGE's Interim President and Secretary, who remains in place to date.

2. **Failed Prepetition Initiatives to Boost Long-Term Viability**

While the Board and management issues created governance and strategic challenges, the primary cause of these Chapter 11 Cases is purely the Debtors' inability to obtain funding necessary to satisfy secured debt obligations and pay amounts owed in the ordinary course of business from continuing operations. Based on their financial performance and operational issues, the Debtors' ability to continue tapping external sources for funding became unfeasible. Without sources of capital and with continuing multi-million dollar monthly operating losses, the Debtors accelerated initiatives to lower costs and improve liquidity. These changes, however, did not result in sufficient long-term financing and operational changes that could enable the Debtors to continue as a going concern.

In the past three years, the Debtors pursued various financing, transactional, and restructuring opportunities through the engagement of three different investment bankers and marketing efforts led by the Board and Mr. Girn. The Debtors engaged Barclays Capital Inc. ("**Barclays**"), Rothschild & Co US Inc. ("**Rothschild**"), and SC&H Capital ("**SC&H**"), as investment bankers, to pursue various opportunities for the Debtors, including, among other things, recapitalization of existing debt; the sale of debt and/or equity instruments; the entry into new debt financing arrangements; a potential sale, merger, or other business and/or strategic combination involving the Debtors.

Specifically, Rothschild was engaged in January 2024 to facilitate an equity raise that was focused on private equity firms (particularly groups with existing education platforms), late-stage growth equity investors, and hybrid capital investors. Rothschild engaged 67 potential investors, which did not lead to any actionable results. Barclays was also retained in January 2024 to focus on new debt funding through outreach to a group of structured debt providers. Barclays engaged 38 total potential investors, with six of those investors executing non-disclosure agreements ("**NDAs**"). Five of those parties then engaged in management meetings and two participated in follow up sessions with the Debtors and their advisors. Unfortunately, no actionable results came from the Rothschild and Barclays engagement at that time. While these third parties provided generally positive feedback on the Debtors' brand and educational product, there were numerous cited concerns that prevented outside parties from investing, including, among other things: continuous negative cash flows and questionable path to profitability, excessive rent costs (as discussed below), large balance of debt on the balance sheet, high level costs of G&A expenses, and questions about the Debtors' management. As no third-party financing was available, the Debtors completed an insider-led financing under the NPA.

Notwithstanding, in December 2024, the Debtors re-engaged Rothschild to pursue transactions for both controlling and minority equity investors. Rothschild led the marketing process with outreach to 18 financial targets and nine strategic targets. Barclays also continued to solicit potential private equity investors for the same opportunities. From these efforts, only one party executed an NDA and no parties engaged in meaningful activities towards consummating an equity transaction. These marketing efforts also did not bring any actionable results for the same reasons as the previous marketing efforts by Rothschild and Barclays.

In February 2025, the Debtors then engaged SC&H to focus on a transaction for the sale of substantially all of the Debtors' assets, with a focus on strategic investors, financial sponsors with existing education platforms, and private equity. SC&H was also tasked with seeking debtor-in-possession financing from parties that would serve as a plan sponsor or potential buyer under a section 363 sale under the

Bankruptcy Code. SC&H performed initial outreach to 89 financial buyers, 30 strategic buyers, and four high-net worth individuals / family offices. Again, no actionable activity came from SC&H's efforts.

While Barclays, Rothschild, and SC&H were performing their marketing efforts, certain members of the Debtors' Board also engaged in direct outreach to select strategic investors through personal relationships and/or prior investments in the Debtors. Following market news that the Debtors were closing certain Schools, a number of strategic investors reached out directly to the Debtors regarding potential acquisition opportunities.

Overall, the Debtors performed numerous thorough marketing processes that yielded no results that the Debtors could pursue. It was only when the Debtors' financial distress became more public that parties became interested. Even then, the proposals received by those interested parties were at fire sale prices and/or with contingencies that raised serious concerns regarding the likelihood of a closing on a potential transaction. Further, **no** party came forward with a proposal that was in excess of secured debt held by WTI or any of the other secured lenders.

3. **Rent Deferrals and Lease Amendments**

Other than payroll costs for School-based employees, the Debtors' main operating costs are the rental expenses (the "**Rent Costs**") associated with the Schools' leases (the "**Leases**"), which prior to the Foreclosures, had a weighted-average remaining lease term of approximately 16 years. As of April 30, 2025, the Debtors had approximately $610,971,888 of long-term Lease liabilities. Indeed, the Rent Costs were historically more than one-third of the Debtors' operating revenues. For context, competitors in the early childcare education sector typically operate with Rent Costs at closer to 20% of Revenue. The Debtors high Rent Costs reflect: (a) many newer Schools that had not yet ramped to mature levels of operating revenue and (ii) above-market rents, driven by lease incentives (*i.e.*, capital contributions from development partners offered in exchange for higher rents).

Recognizing the massive Rent Costs, payment obligations, and the remaining long-term Lease liabilities, the Board executed a unanimous written consent on July 26, 2024 to (a) immediately stop all rent payments for the Leases beginning in August 2024 and (b) direct the Debtors to engage their landlords for the purposes of negotiating a restructuring of the Lease-related payments (the "**Lease Restructuring**"). In September 2024, the Debtors engaged Keen-Summit Capital Partners LLC to assist the Debtors with the Lease Restructuring.

The Lease Restructuring was a comprehensive and multi-faceted approach that presented landlords multiple options for various amendments to the Leases, including, among other things, rent deferrals, rent abatement, extension of Lease terms, and application of amounts owed to the Debtors under the Lease (*i.e.*, TI budget, startup capital, etc.) towards the unpaid rent. The Debtors' real estate team engaged over 100 landlords to pursue the Lease Restructuring, including the structuring of an entire customer-relationship-management-like negotiations-management tool to track the various landlord negotiations. The Lease Restructuring was a success in that the Debtors executed approximately 120 Lease amendments—representing the vast majority of the Debtors' Leases. Further, for those Leases that could not be amended to a financially satisfactory agreement, the Debtors worked with the landlords to transition operations to a new tenant.

While the Lease Restructuring provided short-term benefits for the Debtors' cash flows, it ultimately was not sufficient to offset ongoing losses. Even with the cash flow savings, the Debtors were unable to achieve positive cash flow from operations. Further, the rent deferrals were only for a period of time with the deferred rent obligations becoming payable in September 2025 for continuing operations. For dozens

of other campuses, including certain leases that modified pursuant to the Lease Restructuring, the Debtors have not been paying rent for months and are in default thereunder

4. **Foreclosures and Asset Sales**

As stated above, the Debtors owed a significant amount of secured debt that was collateralized by a number of the Debtors' assets, including, among other things, the Schools, intellectual property, training and teaching programing, and other assets. The Debtors were simply unable to pay the required payments under the various secured debt obligations—whether they be monthly/quarterly interest payments or the payment of principal upon the term of the debt obligations. As a result, numerous secured lenders declared events of default, pursued their statutory remedies, and executed the Foreclosures on the majority of the Debtors' assets.

The Debtors analyzed and investigated potential alternatives to the Foreclosures, including, among other things, obtaining new funding to cure any defaults, negotiating delays to the Foreclosures, and potential transactions that would monetize certain assets. None of these alternatives resulted in any actionable paths for the Debtors. The Debtors then focused on the path that would: (a) keep as many employees with jobs, (b) allow for as many students and families to continue using the Schools, and (c) continue the Debtors' mission of providing the best Montessori education programming in the United States. While the Debtors would have preferred to lead this path, the reality was that the Debtors were financially unable to continue operations for these Schools and delay the Foreclosures. As such, the Debtors worked with their secured lenders and the Foreclosure Buyers (as defined herein) to ensure that Schools that were foreclosed upon were not impacted by the Foreclosures—ensuring that employees kept their jobs and students and families had Schools to attend.

(a) WTI Default and Foreclosure.

On March 10, 2025, WTI sent the Debtors a Notice of Default under Loan Agreements (the "**WTI Default Notice**") whereby WTI notified the Debtors of defaults under the WTI Loan Documents related to, among other things, the Borrowers' failure to pay necessary principal and interest payments, which the Borrowers failed to pay on December 1, 2024 through and including March 1, 2025. The Debtors investigated options to find funding to pay the WTI Cure Payment and were unable to do so.

As a result, on March 22, 2025, WTI foreclosed (the "**WTI Foreclosure**") on certain of the WTI Collateral (the "**WTI Foreclosed Assets**") and, pursuant to a private sale, sold the WTI Foreclosed Assets to GGE pursuant to that Foreclosure Sale Agreement dated March 22, 2025 (the "**WTI Sale Agreement**"). Pursuant to the WTI Sale Agreement, GGE provided consideration of $23,082,335.51 for the acquisition of the WTI Foreclosed Assets, including numerous schools and substantially all of the Debtors' intellectual property, pedagogy, education and training programing, social media assets, and other assets necessary for the continual operations of the Schools.

As WTI did not foreclose on all of the WTI Collateral, WTI maintains a perfected, secured claim against the WTI Borrowers in the amount of $4,680,970.83.

(b) Learn Capital Default and Foreclosure

On March 28, 2025, Learn Fund XXXVII delivered a Default Notice (the "**Learn Fund XXXVII Default Notice**") stating that the Learn Borrowers were in default under the Learn Fund XXXVII Promissory Note and related security agreement due to WTI issuing the WTI Default Notice. Learn Fund XXXVII declared the entire unpaid principal and accrued interest under the Learn Fund XXXVII Promissory Note due and payable in an amount not less than $3,820,194.52. Also on March 28, 2025,

Learn Fund XXXVII delivered to the Learn Borrowers, Yu Capital, and counsel to EB5AN a Notification of Disposition of Collateral advising the Debtors that Learn Fund XXXVII intended to sell right, title and interest of the Learn Borrowers in and to Learn Fund XXXVII Collateral in which Learn Fund XXXVII has a first priority security interest (the "**Learn Fund XXXVII Disposition Sale**").

On April 17, 2025, Learn Fund XXXVII deliver a letter to Yu Capital and EB5AN providing an offer to sell the Learn Fund XXXVII Collateral, other than the LePort Emeryville School, for $3,513,465.21, plus accruing interest (the "**Learn Fund XXXVII Sale Offer**"). Neither Yu Capital nor EB5AN pursued the Learn Fund XXXVII Sale Offer. The Debtors investigated options to find funding to delay the Learn Fund XXXVII Disposition Sale and were unable to do so.

On April 23, 2025, Learn Fund XXXVII foreclosed certain of the Learn Fund XXXVII Collateral (the "**Learn Fund XXXVII Foreclosed Assets**") and, pursuant to a private sale, sold the Learn Fund XXXVII Foreclosed Assets to Cosmic Education Americas Limited ("**CEA**"). Learn Fund XXXVII maintains an unsecured claim against the Learn Borrowers in the approximate principal amount of $410,350.

(c) Yu Capital Default and Foreclosure

Following the WTI Default Notice and the Learn Fund XXXVII Default Notice, Yu Capital and certain of its affiliates issued their own default notices and pursued a foreclosure and sale of their collateral.

YuHGE A Foreclosure. The term of the YuHGE A loan ended on June 30, 2024, at which time all outstanding principal amount and unpaid interest were due and payable in full. Guidepost A did not pay the outstanding amount due and payable upon the term date and, on March 3, 2025, YuHGE A issued a Notice of Event of Default (the "**YuHGE A Default Notice**"). On March 31, 2025, YuHGE A issued of Notice of Events of Default, Acceleration of Loans and Public Auction of Collateral (the "**YuHGE A Foreclosure Notice**") whereby Yu Capital A stated that Guidepost A failed to cure the known events of default under the YuHGE A Loan and it intended to conduct a public auction to sell the YuHGE A Collateral. Because the Debtors were unable to cure all defaults, an auction was conducted at which TNC Schools LLC, as assignee for YuHGE A, submitted a credit bid in the aggregate amount of $1,000,000 and were determined to be the highest bid for the YuHGE A Collateral.

Yu Capital Foreclosure. On March 3, 2025, Yu Capital issued a Notice of Event of Default (the "**Yu Capital Default Notice**") identifying an event of default related to Guidepost A's failure to make required monthly installment payments for February 2025 and stating that Guidepost A had until March 10, 2025 to cure all defaults under the Yu Capital Loan. Guidepost A failed to do so. As a result, on March 31, 2025, Yu Capital issued a Notice of Events of Default, Acceleration of Loans and Public Auction of Collateral (the "**Yu Capital Foreclosure Notice**") whereby Yu Capital stated that Guidepost A failed to cure the known events of default under the Yu Capital Loan and thus, a public action would be conducted to sell the Yu Capital Collateral. Because the Debtors were unable to cure all defaults, an auction was conducted at which TNC Schools LLC, as assignee for NTRC and Yu FICB, submitted a credit bid in the aggregate amount of $5,000,000 and were determined to be the highest bid for the Yu Capital Collateral.

YuFIC B and NRTC Default Notices. The term of the YuFIC B loan ended on June 5, 2021, at which time all outstanding principal amount and unpaid interest were due and payable in full. Guidepost A did not pay the outstanding amount due and payable upon the term date and, on March 31, 2025, YuFIC B issued a Notice of Event of Default (the "**YuFIC B Default Notice**"). The YuFIC B Default Notice stated that if Guidepost A did not pay the YuFIC B Loan in full by April 8, 2025, YuFIC B would exercise its remedies.

On April 11, 2025, NTRC issued a Notice of Event of Default (the "**NTRC Default Notice**") identifying an event of default related to Guidepost A's failure to make required quarterly installment payments on April 10, 2025. The NTRC Default Notice stated that if Guidepost A did not cure the defaults under the NTRC Loan by April 18, 2025, NTRC would exercise its remedies.

Following the Yu Capital Foreclosure, the Debtors still owe approximately $6,257,503 on the various Yu Capital Loans, with (a) $289,833 owed to NTRC, (b) $1,182,387 owed to YuFIC B, (c) $57,424 owed to YuHGEA LLC, (d) $327,858 owed to Yu Capital, and (e) $2,200,000 owed to YuATI. Because all of the collateral securing these obligations were foreclosed upon, the Debtors believe that the outstanding obligations are unsecured.

(d) Sale of Certain Assets

Following the Foreclosures and even with the ability to fund certain operations under the TSAs, the Debtors were still in need of immediate working capital to pay, among other things, rent and payroll for the Schools that were not foreclosed upon and were/are being wound down in an organized manner. The Debtors' options were limited and resulted in the Debtors approaching Learn Capital and CEA for additional funding.

Sale Directly to CEA. To obtain necessary funding, HGE, the subsidiaries listed thereto, and CEA entered into that Asset and Equity Purchase Agreement dated May 7, 2025 (the "**CEA Purchase Agreement**"). Pursuant to the CEA Purchase Agreement, the Debtors sold to CEA (a) the Williamsburg, South Naperville, Bradley Hills, Leadwood, and South Riding Schools, and (b) all equity interests owned by the Debtors in Prepared TT and HGE FIC J LLC[17] for the aggregate consideration of $1,200,000.

Sale Pursuant to Purchase Option. To be able to fund payroll costs on April 8, 2025, HGE and certain other Debtors issued a Secured Convertible Promissory Note in the amount of $2,200,000 to Learn Capital Fund XXXVII (the "**Purchase Option Note**"), secured by that Security Agreement, dated as of April 7, 2025. The Purchase Option Note was secured by substantially all of the assets in the following Schools (1) Guidepost Montessori at Emeryville; (2) Guidepost Montessori at Carmel; (3) Guidepost Montessori at Richardson; (4) Guidepost Montessori at Oak Brook; (5) Guidepost Montessori at Worthington; (6) Guidepost Montessori at Bridgewater; (7) Guidepost Montessori at Brasswood; and (8) Guidepost Montessori at Kentwood (collectively, the "**Purchase Option Notice Collateral**").

5. **Post-Foreclosure and Asset Sales Operations**

Concurrently with the Foreclosures, the Debtors entered into transition services agreements (the "**TSAs**") with GGE, CEA, and TNC (the "**Foreclosure Buyers**"). As stated above, the Debtors could not stop the Foreclosures and wanted to make sure that operations for the foreclosed-upon Schools were not impacted by the Foreclosures—the Debtors' goal was to make sure that as many employees remained employed and students in the Schools, as possible. As such, the Debtors worked with the Foreclosure Buyers to ensure that the foreclosed-upon Schools and the Schools acquired pursuant to the CEA Purchase Agreement and the Purchase Option would continue operating without any harm to the Schools' employees and students—maximizing value for all parties in interest.

With this in mind and knowing that the Foreclosure Buyers required additional time to transfer all operations to themselves, the Debtors entered into three different TSAs, one with each of GGE, CEA, and TNC. Pursuant to the TSAs, the Debtors have been administering various functions on behalf of the Foreclosure Buyers, including, among other things, the transfer of licenses, leases, student deposit

[17] Guidepost A owned a 49% interest HGE FIC J LLC, an entity that owns the Marlborough School.

processing, cash management systems, and employees (the "**Transition Services**"). In exchange for the performance of the Transition Services, the Foreclosure Buyers are required to make the Debtors' net-zero – meaning that the Foreclosure Buyers reimburse and pay the Debtors for all expenses related to the Schools that the Foreclosure Buyers acquired and their respective share of the Debtors' overhead costs. In performing the Transition Services, GGE and CEA also allowed the Debtors to utilize tuition receipts for the Schools GGE and CEA acquired to offset against the costs of the Transition Services.

On June 1, 2025, substantially all of the Debtors' corporate employees ceased employment with the Debtors and began employment with GGE. As a result, the Debtors no longer had the staffing necessary to perform the Transition Services for the benefit the Foreclosure Buyers. Therefore, the TSAs with GGE, CEA, and TNC were terminated, effective June 1, 2025. The Debtors will continue to work with the Foreclosure Buyers to transfer necessary executory contracts, unexpired leases, and other documents to the Foreclosure Buyers to assist the Foreclosure Buyers in the ongoing operations of the Schools.

As the Debtors have ongoing operations and the need to perform several business functions, the Debtors and GGE entered into a Management Services Agreement, effective as of June 1, 2025 (the "**MSA**"). The MSA is necessary for the Debtors to continue operating during the pendency of these Chapter 11 Cases and to continue utilizing several business functions, including, among others, financing and accounting, human resources, and real estate matters. The Debtors will compensate GGE for the reasonable costs of the services performed by GGE under the MSA.

ARTICLE V.
Events in the Chapter 11 Cases

The Debtors commenced these Chapter 11 Cases by filing voluntary chapter 11 petitions on June 17, 2025 and June 18, 2025. The Chapter 11 Cases are pending before the Honorable Michelle V. Larson in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. The Court has not appointed a trustee, and no official committee has been established.

A. First Day Motions

On the Petition Date, the Debtors filed multiple motions seeking various relief from the Bankruptcy Court to enable the Debtors to facilitate a smooth transition into chapter 11 (the "**First Day Motions**"). The Bankruptcy Court granted substantially all of the relief requested in the First Day Motions and entered various orders authorizing the Debtors to, among other things:

- Pay certain prepetition insurance premiums and continue insurance programs in the ordinary course [Docket No. 43];
- Pay certain prepetition taxes and assessments and continue paying taxes in the ordinary course [Docket No. 109];
- Honor certain prepetition obligations under the Debtors' customer programs and continue the Debtors' customer programs in the ordinary course [Docket No. 59];
- Establish procedures for future rejection of any additional burdensome leases [Docket No. 60]; and
- Pay certain prepetition workforce obligations and continue paying employee wages and benefits [Docket No. 61];

- Continue the use of the Debtors' cash management system, bank accounts, and business forms, on an interim basis [Docket No. 62]

- Obtain postpetition financing, on an interim basis [Docket No. 63].

Copies of the First Days Motions and related orders can be found on the website managed by Verita, the Debtor's Claims and Noticing Agent. *See* www.veritaglobal.net/HigherGround.

B. Retention of Professionals

As part of first day relief, the Bankruptcy Court authorized the retention of Verita, as the claims, noticing, and solicitation agent of the Debtors. Docket No. 58. In the upcoming weeks, the Debtors intend to seek authorization to retain Foley, as bankruptcy counsel, and SCP, as financial advisors.

C. Bar Dates

The General Claims Bar Date for all creditors, other than Governmental Units, to file proofs of claim against the Debtors is August 7, 2025. The Governmental Bar Date for Governmental Units is December 15, 2025. Any references in the Plan or Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the existence, nature, extent, or enforceability thereof. Notices of the Bar Dates will be served on all known creditors and interested parties by June 27, 2025. Under the circumstances, the Debtors believe they have complied with applicable due process requirements for providing notice to all known creditors in these Chapter 11 Cases.

Pursuant to Article 1.1.3 of the Plan, the Administrative Claims Bar Date for Holders of Administrative Claims is the first business day that is thirty (30) days following the Effective Date of the Plan, except as specifically set forth in the Plan or a Final Order of the Court. As set forth in Article 1 of the Plan, Administrative Expense Claim means a Claim for costs or expenses of administration of the Chapter 11 Cases pursuant to sections 364(c)(1), 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary expenses of preserving the Debtors' Estates, including wages, salaries or commissions for services rendered after the commencement of the Chapter 11 Cases, certain taxes, fines and penalties, any actual and necessary post-petition expenses of operating the business of the Debtors, including post-petition indebtedness or obligations, including the Senior DIP Lender Claim and the Junior DIP Lender Claim, incurred by or assessed against the Debtors in connection with the normal, usual or customary conduct of their business, or for the acquisition or payment of goods or lease of property, or for providing of services to the Debtors; (b) expenses pursuant to section 503(b)(9) of the Bankruptcy Code; (c) all fees and charges assessed against the Estates pursuant to sections 1911 through 1930 of Chapter 123 of the Judicial Code; and (d) Professional Fee Claims.

ARTICLE VI.
The Restructuring Support Agreement

A. Overview

The Restructuring Support Agreement is the lynchpin of the Debtors' prearranged restructuring, providing a clear path towards a value-maximizing reorganization and emergence from chapter 11. As detailed above, the Debtors' restructuring became necessary after years of rapid, debt-fueled expansion left them with unsustainable lease obligations, mounting secured debt, and persistent operating losses. By early 2025, defaults on key secured loans, including the WTI Loans and Yu Capital Loans, resulted in the foreclosure and sale of vast majority of the Debtors' assets and schools. Unable to secure refinancing or

new capital, the Debtors determined that a chapter 11 process was the only viable path to maximize value and continue the Debtors' educational-focused goals.

To that end, for approximately two (2) months prior to the Petition Dates, the Debtors began negotiating the terms of the Restructuring Support Agreement with 2HR and GG. Once the framework of the Restructuring Support Agreement was negotiated by the Debtors, 2HR, and GGE, the Debtors communicated with the other RSA Parties (the Girns, Yu Capital, and the Supporting RSA Parties) to request their support and negotiate any additional changes to the Restructuring Support Agreement and Plan.

As detailed below, the RSA specifically contemplates that the Debtors, 2HR, GGE, the Girns, Yu Capital, and the Supporting RSA Parties will support these Chapter 11 Cases and confirmation of the Plan. Indeed, each RSA Party support these Chapter 11 Cases based on the belief that a reorganization of the Debtors' remaining business will continue the Debtors' mission of providing the best early childhood education to students and families throughout the United States, whether utilizing the Debtors' current platform or modifying or supplementing that platform with new educational programing. The Debtors believe that the Restructuring Support Agreement provides the most value to creditors and parties in interest under the circumstances. Importantly, however, in the event that a better alternative to the proposed Restructuring Transaction was to present itself, the Restructuring Support Agreement provides that the Debtors may terminate the Restructuring Support Agreement in the exercise of their fiduciary duties relating to such event

B. Material Transactions Contemplated in the Restructuring Support Agreement

The restructuring transactions contemplated by the Restructuring Support Agreement will allow the Debtors to maximize value for creditors and parties in interest, keep the largest number of employees employed, and provide students and families with ongoing access to the Remaining Schools. Through the Restructuring Support Agreement, these Chapter 11 Cases are supported by up to $8 million of new money in the form of the DIP Facilities, which also includes a dollar-for-dollar roll-up of up to $2 million of the pre-petition bridge loans. Any amounts not utilized under the DIP Facilities will be used to fund recoveries to the Debtor's prepetition creditors. 2HR has also agreed to serve as the Plan Sponsor and provide the Debtors with the ability to effectuate their value-maximizing Plan.

Importantly, with the exception of a $500,000 payment being made to Ray Girn on account of his Bridge CN-3 claims, the Plan provides that the RSA Parties are waiving their rights to Plan distributions in an effort to ensure some recoveries for the Debtors' unsecured creditors. Notably, absent these concessions, unsecured creditors would receive no recovery under the Plan.

Further, the Restructuring Support Agreement and Plan contemplate the reorganization of the Debtors' businesses to allow for 2HR to acquire the Debtors for future operations. This reorganization will right-size the Debtors' balance sheet and provide for 2HR to effectuate its educational mission through the Reorganized Debtors. On June 26, 2025, the Debtors filed the RSA Assumption Motion.

C. Material Terms of the Restructuring Support Agreement

Through the Restructuring Support Agreement, the Debtors have agreed to take or forego certain actions, including, but not limited to the following:

- Support and take all commercially reasonable actions necessary, or requested by 2HR, Five Y, or GGE, to obtain entry of the Order and implement and consummate the Restructuring Support Agreement in a timely manner (including, but not limited to, obtaining and/or supporting, as the

case may be, the Bankruptcy Court's approval of the Definitive Documents, Solicitation of votes on and confirmation of the Plan and the consummation of the Restructuring Support Agreement pursuant to the Plan) consistent with the terms of the Restructuring Support Agreement and in accordance with the DIP Milestones (attached as Exhibit B to the Senior DIP Note in the Interim DIP Order);

- File Schedules of Assets and Liabilities and Statement of Financial Affairs no later than twenty-one (21) days after the Petition Dates;

- Use commercially reasonable efforts to obtain an order from the Bankruptcy Court that establishes a deadline no later than three (3) days prior to the Confirmation Hearing to file proofs of claim;

- Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order (A) directing the appointment of an examiner with expanded powers or a trustee, (B) converting the Chapter 11 Case to case under chapter 7 of the Bankruptcy Code or (C) dismissing the Chapter 11 Case;

- Timely file a formal objection to any motion filed with the Bankruptcy Court by any party seeking the entry of an order modifying or terminating the Debtors' exclusive right to file and/or solicit acceptances of a plan of reorganization;

- Use commercially reasonable efforts to obtain any and all governmental, regulatory, licensing or other approvals (if any) necessary to the implementation or consummation of the Restructuring Transaction or the approval by the Bankruptcy Court of the Definitive Documents;

- Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction (as defined in the Restructuring Support Agreement);

- Oppose, delay, impede, or take any other action that is materially inconsistent with the Restructuring Support Agreement, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Support Agreement (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

- Enter into any commitment or agreement with respect to debtor-in-possession financing, cash collateral usage, exit financing and/or other financing arrangements, other than the DIP Financing or otherwise, without the consent of 2HR, Five Y, and GGE;

- In the future, take any action, or as to insiders, permit any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

- Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Consenting Party Termination Event.

In exchange for the Debtors' promises under the Restructuring Support Agreement, among other things, the RSA Parties agreed to:

- Support and take all actions reasonably requested by the Debtors, 2HR, Five Y, or GGE to obtain entry of the Order and facilitate the implementation and consummation of the Restructuring Transaction in a timely manner, including without limitation supporting approval of the DIP Financing, the filing of the Plan, an accompanying Disclosure Statement and other documents and consents reasonably required to be filed in connection with the Solicitation of votes on, and confirmation of, the Plan;

- (A) To the extent permitted by sections 1125 and 1126 of the Bankruptcy Code, (I) timely vote, or cause to be voted, all of the Claims and any other claims and interests held by such Consenting Party, which are in classes entitled to vote, by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation and (II) not "opt out" of, or object to, any releases or exculpations provided under the Plan, including without limitation any third-party releases (and, to the extent required by the ballot, affirmatively "opt in" to such releases and exculpations), and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); and

- Timely vote or cause to be voted its Claims against any Alternative Transaction.

- Seek, support, encourage, propose, assist, consent to, file, or vote for, or enter or participate in any discussions or any agreement with any Person regarding, directly or indirectly, any Alternative Transaction;

- Seek, support, encourage, propose, assist, consent to, or enter into any agreement with any Person regarding, directly or indirectly, a Challenge Proceeding;

- Oppose, delay, impede, or take any other action that is materially inconsistent with the Restructuring Support Agreement or any of the Definitive Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring Transaction (including, but not limited to, the Bankruptcy Court's approval of the Definitive Documents (if applicable), the Solicitation, and confirmation of the Plan);

- Sell, assign or transfer any portion of its Claim, or cause or permit to occur the sale, assignment or transfer of any claims or interests in the Debtors held directly or indirectly by it, unless to 2HR, Five Y, or to an affiliate of such Consenting Party; or

- Take any action that would result (or that with the giving of notice or the passage of time, or both, would result) in a 2HR/Five Y Termination Event or a Company Termination Event.

Importantly, the Restructuring Support Agreement provides that the Debtors may terminate the Restructuring Support Agreement under the following circumstances:

- Termination of the Restructuring Support Agreement by 2HR, Five Y, or GGE;

- 2HR's, Five Y's, or GGE's material breach of any agreements, covenants, representations, or warranties in this Restructuring Support Agreement;

- HGE's board of directors determines in good faith that continued performance under Restructuring Support Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;

- Five Y or GGE fails to provide or terminates its commitment to provide the DIP Financing;

- the Bankruptcy Court grants relief that is materially inconsistent with the Restructuring Support Agreement or would reasonably be expected to materially frustrate the purpose of the Restructuring Support Agreement;

- 2HR or Five Y files for approval of or otherwise supports any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Support Agreement;

- any of the orders approving the DIP Financing, the Plan, or the Disclosure Statement are reversed, stayed, dismissed, vacated, reconsidered, modified, or amended without the consent of the Debtors; or

- the Bankruptcy Court's approval of any Alternative Transaction or other transaction that is inconsistent with the Plan or the Restructuring Support Agreement.

In sum, the Restructuring Support Agreement presents the most cost-effect path to a timely emergence of these Chapter 11 Cases path to a timely emergency from chapter 11 through settlement and compromise. The signing of the Restructuring Support Agreement was undertaken only after careful consideration by the Debtors and the Board. Critically, the Debtors' obligations under the Restructuring Support Agreement remain subject to their fiduciary duties as debtors and debtors in possession to maximize the value of their estates. Based on the foregoing, the Debtors believe they have exercised reasonable business judgment in their decision to execute the Restructuring Support Agreement, and that such execution is in the best interest of all creditors and parties in interest

ARTICLE VII.
Overview of the Plan

THIS SECTION OF THE DISCLOSURE STATEMENT IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE KEY TERMS, STRUCTURE, CLASSIFICATION, TREATMENT, AND IMPLEMENTATION OF THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE ENTIRE PLAN AND EXHIBITS TO THE PLAN. ALTHOUGH THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN, THIS DISCLOSURE STATEMENT DOES NOT PURPORT TO BE A PRECISE OR COMPLETE STATEMENT OF ALL RELATED TERMS AND PROVISIONS, AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. INSTEAD, REFERENCE IS MADE TO THE PLAN AND ALL SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF (INCLUDING ATTACHMENTS) AND THE PLAN SUPPLEMENT WILL CONTROL THE TREATMENT OF HOLDERS OF CLAIMS AND INTERESTS UNDER THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THIS SECTION VII AND THE PLAN (INCLUDING ANY ATTACHMENTS TO THE PLAN) AND THE PLAN SUPPLEMENT, THE PLAN AND PLAN SUPPLEMENT, AS APPLICABLE, SHALL GOVERN.

A. Administrative and Priority Tax Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article 3.2 and Article 3.3 of the Plan.

1. **Administrative Claims**

Except to the extent that a Holder of an Allowed Administrative Expense Claim has been paid by the Debtors prior to the Effective Date or such other treatment has been agreed to by the Holder of such Administrative Expense Claim and the Debtors, each Holder of an Allowed Administrative Expense Claim (other than a Professional Fee Claim), in full and final satisfaction, release, settlement and discharge of such Administrative Expense Claim, shall be paid in full, in Cash, in such amounts as (a) are incurred in the ordinary course of business by the Debtors when and as such Claim becomes due and owing, (b) are Allowed by the Bankruptcy Court upon the later of the Effective Date, the date upon which there is a Final Order allowing such Administrative Expense Claim or any other date specified in such order, or (c) may be agreed upon between the Holder of such Administrative Expense Claim and the Debtors.

Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claim by the Administrative Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, the Wind-Down Entity, the Estates, or the Property of any of the foregoing, and such Administrative Claims shall be deemed discharged as of the Effective Date.

2. **Professional Fee Claims**

(a) Final Professional Fee Applications

All final requests for payment of Professional Fee Claims, including the Professional Holdback Amount and Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtors no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and any applicable orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined and paid as directed by the Bankruptcy Court.

(b) Post-Effective Dates Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, each of the Reorganized Debtors and the Disbursing Agent shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash their respective reasonable legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by such Reorganized Debtor or Disbursing Agent.

(c) Professional Fee Reserve

No later than one (1) Business Day prior to the Effective Date, holders of Professional Fee Claims shall provide a reasonable estimate of unpaid Professional Fee Claims incurred in rendering services to the Debtors prior to approval by the Bankruptcy Court through and including the Effective Date, including any fees and expenses projected to be outstanding as of the Effective Date, and the Debtors shall escrow such estimated amounts for the benefit of the Holders of the Professional Fee Claims until the fee applications related thereto are resolved by Final Order or agreement of the parties; *provided*, such estimate shall not be deemed to limit the amount of fees and expenses that are the subject of a Professional Person's final request for payment of filed Professional Fee Claims. If a Holder of a Professional Fee Claim does not provide an estimate, the Debtors shall estimate the unpaid and unbilled reasonable and necessary fees and out-of-pocket expenses of such holder of a Professional Fee Claim. When all Professional Fee Claims have been Allowed and paid in full or not Allowed, any remaining

amount in such escrow shall be remitted to the Disbursing Agent for distribution in accordance with the Plan.

3. **Priority Tax Claims**

Except to the extent that a Holder of an Allowed Priority Tax Claim or Secured Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim and Secured Tax Claim, in full and final satisfaction, release, settlement and discharge of such Priority Tax Claim or Secured Tax Claim, shall receive on account of such Claim, payment in full in Cash as soon as reasonably practicable after the Effective Date or such other treatment in accordance with the terms set forth in section 1129(a)(9)(c) of the Bankruptcy Code.

4. **Senior DIP Lender Claim**

The Senior DIP Lender Claim shall be Allowed in the full amount of all amounts advanced under the Senior DIP Loan, plus accrued interest. Pursuant to the Subscription Option, the Senior DIP Lender shall have the option to convert up to 100% of the principle amount of the Allowed Senior DIP Lender Claim into shares of Reorganized HGE Common Stock at a rate of 10% of the Allowed Senior DIP Lender Claim for 60 shares of Reorganized HGE Common Stock, up to a maximum of 100% of the Allowed Senior DIP Lender Claim for 600 shares out of the total 1000 shares of Reorganized HGE Common Stock.

All amounts of the Allowed Senior DIP Lender Claim that are not exchanged for Reorganized HGE Common Stock on account of an election of the Subscription Option shall be repaid (a) in full in Cash from the Plan Consideration on the Effective Date or (b) by mutual agreement of Plan Sponsor and Senior DIP Lender, deemed repaid via a dollar-for-dollar reduction in funding of the Plan Consideration. **For the avoidance of doubt, the election, partial election or non-election of the Subscription Option will not impact the recovery to the Estates**.

5. **Junior DIP Lender Claim**

The Junior DIP Lender Claim shall be Allowed in full. On the Effective Date, in consideration for the Settlement and Releases contained herein, each Holder of an Allowed Junior DIP Lender Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Junior DIP Financing Claim, agrees that its Junior DIP Lender Claim shall be forgiven in its entirety.

6. **Statutory Fees**

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first; provided that all fees attributable to Guidepost Global on account of the transfer of the Designated EB-5 Entities (if any) to Guidepost Global shall be paid by Guidepost Global. For avoidance of doubt, the U.S. Trustee shall not be required to File any Administrative Claim in the Chapter 11 Case and shall not be treated as providing any release under the Plan in connection therewith.

B. Classification of Claims and Interests

This Plan constitutes a separate Plan proposed by each Debtor. Except for the Claims addressed in Article 3 of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance

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

Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis as set forth above.

Class	Claims and Interests	Status	Voting Rights
Class 1:	Bridge CN-3 Secured Lender Claim	Impaired	Entitled to Vote
Class 2:	WTI Secured Lender Claim	Impaired	Entitled to Vote
Class 3	CN Note Claims	Impaired	Entitled to Vote
Class 4:	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 5:	Non-Tax Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 6:	General Unsecured Claims	Impaired	Entitled to Vote
Class 7:	Intercompany Claims	Impaired	Deemed to Reject; Not Entitled to Vote
Class 8:	Equity	Impaired	Deemed to Reject; Not Entitled to Vote
Class 9:	Subsidiary Equity Interests	Unimpaired	Deemed to Accept; Not Entitled to Vote

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Debtor, the classification of Allowed Claims and Allowed Interests is specified below.

Class 1—Bridge CN-3 Secured Lender Claims

a. *Impairment:* Class 1 consists of the Bridge CN-3 Secured Lender Claims. Class 1 is Impaired, and the Holders of Claims in Class 1 are entitled to vote to accept or reject the Plan.

b. *Treatment*: The Bridge CN-3 Secured Lender Claims are deemed Allowed in the amount of at least $4,800,000. On or as soon as practicable after the Effective Date, the Holders of Bridge CN-3 Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such Bridge CN-3 Secured Lender Claims, shall receive a Cash distribution in the aggregate amount of $500,000, to be distributed in accordance with the Bridge CN-3 Distribution Agreement.

Class 2—WTI Secured Lender Claims

a. *Impairment*: Class 2 consists of the WTI Secured Lender Claim. Class 2 is Impaired, and the Holders of Claims in Class 2 are entitled to vote to accept or reject the Plan.

b. *Treatment*: The WTI Secured Lender Claim is deemed allowed in the amount of at least $4,680,970.83. On or as soon as practicable after the Effective Date, Holders of WTI Secured Lender Claims, in full and final satisfaction, release, settlement, and discharge of such WTI Secured Lender Claims, shall receive 100% of all Cash remaining after distributions on account of Allowed Administrative Expense Claims, Priority Tax Claims, Secured Tax Claims and Class 1 Claims; *provided, however*, in the event of that Class 3 and/or Class 6 accepts the Plan, the Holders of WTI Secured Lender Claim agree that, following distributions on account of Allowed Class 5 Claims, the WTI Secured Lenders' distributions shall instead be distributed for the benefit of the Holders of Allowed Class 3 and/or Class 6 Claims pursuant to the Junior Class Distribution Formula:

Class 3—CN Note Claims

a. *Impairment*: Class 3 consists of the CN Note Claims. Class 3 is Impaired, and the Holders of Claims in Class 3 are entitled to vote to accept or reject the Plan.

b. *Treatment*: The CN Note Claims are deemed Allowed in the principal amount of at least $117,434,915. If Class 3 votes to accept the Plan, then the Holders of Allowed Class 3 Claims (other than the Released Parties, if applicable) shall receive their pro rata share of the CN Note Recovery pursuant to the Junior Class Distribution Formula in accordance with terms of the Note Purchase Agreement. For the avoidance of doubt, Class 3 shall only receive a distribution under the Plan if Class 3 accepts the Plan.

c. The CN Notes shall not be deemed satisfied, released, settled or discharged under the Plan. As set forth in the Plan Supplement, at the election of Plan Sponsor (i) the CN Note Claims shall be deemed to be assigned to the Plan Sponsor and/or (ii) be converted to a class of equity of the Reorganized Debtor, the entirety of which shall be acquired by Plan Sponsor pursuant to the Plan, and upon request shall execute and deliver all such affidavits, certificates, agreements, instruments and other documents which are usual and customary to facilitate the foregoing assignment, in each case, in form and substance reasonably acceptable to the Plan Sponsor.

Class 4 — Other Secured Claims

a. *Non-Impairment*: Class 4 consists of all Other Secured Claims. Class 4 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 4 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

b. *Subclassification:* Each Other Secured Claim, if any, shall constitute and comprise a separate Subclass numbered 4.1, 4.2, 4.3 and so on.

c. *Treatment*: On the Effective Date, each Allowed Other Secured Claim, in full and final satisfaction, release, settlement and discharge of such Allowed Other Secured Claim, shall be, at the Debtors' option, (a) Reinstated, (b) satisfied by the Debtors' surrender of the collateral securing such Claim (except to the extent such collateral constitutes Reorganized HGE Assets), (c) offset against, and to the extent of, the Debtors' claims against the Holder of such Claim, or (d)

otherwise rendered Unimpaired (provided such unimpairment shall not impact the Reorganized HGE Assets without the express consent of Plan Sponsor), except to the extent the Debtors, the Plan Sponsor and such Holder agree to a different treatment.

Class 5—Non-Tax Priority Claims

a. *Non-Impairment:* Class 5 consists of all Non-Tax Priority Claims. Class 5 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Claims in Class 5 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

b. *Treatment*: The legal, equitable and contractual rights of the Holders of Allowed Non-Tax Priority Claims are unaltered by the Plan. Each Holder of an Allowed Non-Tax Priority Claim, in full and final satisfaction, release, settlement, and discharge of such Allowed Non-Tax Priority Claim, shall be paid in full, in Cash, on, or as soon as reasonably practicable after, the Effective Date, or in accordance with the terms of any agreement between the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim or on such other terms and conditions as are acceptable to the Debtors, the Plan Sponsor and the Holder of an Allowed Non-Tax Priority Claim.

Class 6—General Unsecured Claims

a. *Impairment:* Class 6 consists of all General Unsecured Claims. Class 6 is Impaired, and the Holders of Class 6 Claims are entitled to vote on the Plan.

b. *Treatment:* On or as soon as practicable after the Effective Date, then the Holders of Allowed General Unsecured Claims (other than the Released Parties, if applicable), in full and final satisfaction, release, settlement, and discharge of such Allowed General Unsecured Claim, shall receive their pro rata share of the GUC Recovery pursuant to the Junior Class Distribution Formula. For the avoidance of doubt, Class 6 shall only receive a distribution under the Plan if Class 6 accepts the Plan.

Class 7—Intercompany Claims

a. *Impairment:* Class 7 consists of all Intercompany Claims. Class 7 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Intercompany Claims in Class 7 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

b. *Treatment:* On the Effective Date, all Intercompany Claims shall be cancelled, and Holders of Intercompany Claims shall not receive or retain any Property under the Plan on account of their Intercompany Claims.

Class 8 — Equity

a. *Impairment:* Class 8 consists of all Equity Interests. Class 8 is Impaired, and pursuant to section 1126(g) of the Bankruptcy Code, the Holders of Equity

Interests in Class 8 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

b. *Treatment:* On the Effective Date, all Equity shall be retired, cancelled, extinguished and discharged, and Holders of Equity Interests shall not receive or retain any Property under the Plan on account of such Equity Interests.

Class 9—Subsidiary Equity Interests

a. *Non-Impairment:* Class 9 consists of Subsidiary Equity Interests. Class 9 is Unimpaired, and pursuant to section 1126(f) of the Bankruptcy Code, the Holders of Subsidiary Equity Interests in Class 9 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

b. *Treatment:* Except as otherwise set forth in the Plan, the legal, equitable and contractual rights of the Holders of Allowed Subsidiary Equity Interests are unaltered by the Plan.

C. Elimination of Vacant Classes

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

D. Voting Classes; Deemed Acceptance

If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any Holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then the Debtors shall request the Bankruptcy Court to deem the Plan accepted by the Holders of such Claims or Interests in such Class.

E. Subordinated Claims

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

F. Controversy Concerning Impairment

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

1. **Nonconsensual Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code**

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article 3 of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

The Debtors reserve the right to modify the Plan in accordance with Article 6.3 and Article 13.7 of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

G. Means for Execution and Implementation of the Plan

1. **Plan Funding by Plan Sponsor**

On the Effective Date, the Plan Sponsor shall wire the Plan Consideration, as directed by the Debtors, verified receipt of which shall be a condition to effectiveness of this Plan. The Plan Sponsor shall be entitled to rely on the accuracy and correctness of the directions of the Debtors and Disbursing Agent in connection with any and all such wire transfer(s). In no event shall Plan Sponsor or Reorganized HGE be liable or responsible to the Debtors or the Disbursing Agent for any erroneous wire transfer made at the direction of the Debtors. The Plan Consideration shall be used by the Disbursing Agent to fund all Plan obligations.

For the avoidance of doubt, the Cash available to the Estates for Creditors other than the Senior DIP Lender (after giving effect to the retirement of the DIP Lender Claim (whether by exercise of the Subscription Option and/or payment or deemed repayment of the portion of the DIP Lender Claim for which the Subscription Claim is not exercised)) and the Junior DIP Lender (after giving effect to the forgiveness of its Junior DIP Lender Claims) for which to effectuate the Plan, will be $8 million *minus* the DIP Lender Claims

2. **Plan Funding by the Debtors**

On the Effective Date, the Debtors shall wire all Property constituting Cash-on-Hand to the Disbursing Agent to fund the Disbursing Agent Restricted Accounts free and clear of all Liens, Claims, interests and encumbrances of any kind free and clear of all Liens, Claims, interests and encumbrances of any kind.

3. **Authorization and Issuance of Reorganized HGE Common Stock**

On the Effective Date, 1,000 shares of the Reorganized HGE Common Stock, representing 100% of the equity of the Reorganized HGE, shall be issued to the Plan Sponsor or an entity designated by the Plan Sponsor, in consideration for the Plan Consideration and, to the Senior DIP Lender, to the extent that it exercises the Subscription Option. The Reorganized HGE Common Stock shall be free and clear of all Liens, Claims, interests, and encumbrances of any kind. All the shares of the Reorganized HGE Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, none of the Reorganized HGE Common Stock will be listed on a national securities exchange.

4. **Contribution of Guidepost Global Assets**

On the Effective Date, Guidepost Global will contribute the Guidepost Global Assets to the Debtors, for the benefit of Plan Sponsor and the Reorganized Debtors.

5. **Transfer of Designated EB-5 Entities to Guidepost Global**

On the Effective Date, in consideration for Guidepost Global funding the Junior DIP Loan and contributing the Curriculum Assets and the IP License, the Debtors will transfer the Designated EB-5 Entities (but not their assets, except as otherwise set forth in the Plan Supplement) to Guidepost Global free and clear of all liens, claims, encumbrances and other interests. The Debtors shall cooperate in good faith and execute, acknowledge, and deliver all such further documents, instruments, and assurances, and take all such further actions as may be reasonably necessary or desirable to effectuate and facilitate the transfer contemplated by this section. Following the Effective Date, the Reorganized Debtors, upon request by GGE, Yu Capital, TNC or EB5AN, shall cooperate in good faith to promptly execute and deliver any additional documents or perform any acts that may be required to carry out the intent and purpose of this section and to complete the transfer in accordance with its terms; provided that the requesting party shall pay for the Reorganized Debtors' documented costs in connection with same.

6. **Cancellation and Surrender of Securities and Agreements**

On the Effective Date, all Equity of Higher Ground Education and each other Debtor identified in Schedule 4.8 of the Plan Supplement shall be retired, cancelled, extinguished and/or discharged in accordance with the terms of the Plan. Except as otherwise provided in the Plan or the Plan Supplement, on the Effective Date: (a) the obligations of the Debtors under any certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest shall be cancelled as to the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged.

7. **Release of Liens**

Upon request by the Debtors, any of the Reorganized Debtors or the Plan Sponsor, any Person holding a Lien in any of the Debtors' Property shall execute any lien release or similar document(s) required to implement the Plan or reasonably requested by the Debtors, the Reorganized Debtors or the Plan Sponsor in a prompt and diligent manner. Notwithstanding the foregoing, any of the Debtors, the Reorganized Debtors and the Plan Sponsor are authorized to execute any lien release or similar document(s) required to implement the Plan.

8. **Vesting of Assets and Operation of Business**

On the Effective Date, except as otherwise expressly provided in the Plan or Confirmation Order, the Reorganized HGE Assets shall vest or re-vest in Reorganized HGE, in each instance free and clear of all Liens, Claims, interests, and encumbrances of any kind. Subsidiary Equity Interests that are not Designated EB 5 Entities shall be retained, and the legal, equitable and contractual rights to which the Holders of such Allowed Subsidiary Equity Interests that are not Designated EB-5 Entities are entitled shall remain unaltered. To the extent not prohibited by applicable non-bankruptcy law, all licenses,

permits, certificates of occupancy, and similar rights and privileges in the name of any of the Reorganized HGE Subsidiaries which are required by any federal, state, or local governmental agency in order for Reorganized HGE to conduct education-focused operations at the locations operated by Reorganized HGE prior to the Effective Date, shall be deemed assumed by without further action on the Effective Date pursuant to the Confirmation Order.

Neither the issuance of the Reorganized HGE Common Stock nor any transfer of Property through the Plan shall result in Reorganized HGE, or any of its subsidiaries or affiliates, (a) having any liability or responsibility for any Claim against or Interest in the Debtors, the Debtors' Estates, or any Insider of the Debtors, or (b) having any liability or responsibility to the Debtors, except as expressly provided in the Plan. Without limiting the effect or scope of the foregoing, and to the fullest extent permitted by applicable laws, neither the issuance of the Reorganized HGE Common Stock nor the transfer of assets contemplated in the Plan shall subject Reorganized HGE or its properties, subsidiaries or assets or affiliates, successors, or assigns to any liability for Claims against the Debtors' interests in such assets by reason of such issuance of Reorganized HGE Common Stock or transfer of assets under any applicable laws, including, without limitation, any successor liability, except as expressly provided in the Plan.

On the Effective Date, except as otherwise provided in the Plan, Reorganized HGE may operate its business and may use, acquire, or dispose of any and all of its Estate Property, without supervision of or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, except as expressly provided in the Plan.

9. **Retention of Causes of Action**

Except as otherwise provided in the Plan, the Confirmation Order, or in any settlement agreement approved during the Chapter 11 Cases: (a) any and all rights, Claims, Causes of Action, defenses, and counterclaims of or accruing to the Debtors or their Estates shall remain assets of and vest in the Reorganized Debtors, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, Causes of Action, defenses, and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court; and (b) neither the Debtors nor the Reorganized Debtors waive, relinquish, or abandon (nor shall they be estopped or otherwise precluded from asserting) any right, Claim, Cause of Action, defense, or counterclaim that constitutes Property of the Estates: (i) whether or not such right, Claim, Cause of Action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court, (ii) whether or not such right, Claim, Cause of Action, defense, or counterclaim is currently known to the Debtors, and (iii) whether or not a defendant in any litigation relating to such right, Claim, Cause of Action, defense, or counterclaim filed a Proof of Claim in the Chapter 11 Cases, filed a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, Claim, Cause of Action, defense, or counterclaim, or potential right, Claim, Cause of Action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, or counterclaims that the Debtors or the Reorganized Debtors has, or may have, as of the Confirmation Date. The Reorganized Debtors may commence, prosecute, defend against, settle, and realize upon any rights, Claims, Causes of Action, defenses, and counterclaims in their sole discretion, in accordance with what is in the best interests, and for the benefit, of the Reorganized Debtors.

10. **Satisfaction of Claims or Interests**

Unless otherwise provided in the Plan, any distributions and deliveries to be made on account of Allowed Claims shall be in full and final satisfaction, release, settlement and discharge of such Allowed Claims.

11. **Settlement and Releases**

On the Effective Date, in consideration for, among other things, (a) Guidepost Global (i) funding the Junior DIP Loan (and agreeing to forgive same on the Effective Date) and certain pre-petition bridge loans, (ii) contributing the Curriculum Assets, the Montessorium IP and the IP License to the Debtors for the benefit of Plan Sponsor and the Reorganized Debtors; (b) 2HR Learning, Inc. funding the Purchase Price, (c) the Released Parties and each of their affiliates waiving their rights to distributions under the Plan (except as otherwise set forth herein), and (d) each of the other contributions to the Bankruptcy Cases being made by the Released Parties, the Plan will provide for broad releases by the Debtors of all estate Claims and Causes of Action against the Released Parties, their affiliates and their respective current and former shareholders or other equity holders, current and former officers, directors, employees, members, managers, partners, principals, agents, attorneys, financial advisors, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such.

12. **Exemption from Securities Laws**

Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the Reorganized HGE Common Stock and the offering and issuance thereof by any party, including without limitation the Debtors or the Estate, shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all applicable law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the Reorganized HGE Common Stock does not qualify for an exemption under section 1145 of the Bankruptcy Code, the Reorganized HGE Common Stock shall be issued in a manner, which qualifies for any other available exemption from registration, whether as a private placement under Rule 506 of the Securities Act, Section 4(2) of the Securities Act, and/or the safe harbor provisions promulgated thereunder.

13. **"Change of Control" Provisions**

For purposes of effectuating the Plan, none of the transactions contemplated herein shall constitute a change of control under any agreement, contract, or document of the Debtors, or create, or be deemed to create, any right or any other claim in connection therewith based upon a provision related to a "change of control," or comparable term in any executory contract or unexpired lease being assigned and/or assumed pursuant to the Plan.

14. **Substantive Consolidation of the Debtors for Voting and Distribution Purposes Only**

On and after the Effective Date, and solely for purposes of voting on, and making distributions under, the Plan, each and every Claim in the Debtors' Chapter 11 Cases against any of the Debtors shall be deemed filed against the consolidated Debtors and shall be deemed a single consolidated Claim against and obligation of the consolidated Debtors. Such limited consolidation shall in no manner affect or alter (other than for Plan voting and distribution purposes) (a) the legal and corporate structures of the Debtors or Reorganized Debtors, or (b) pre- and post-Petition Date Liens, guarantees, and security interests that

are required to be maintained for any reason. From and after the Effective Date, each of the Reorganized Debtors will be deemed a separate and distinct entity, properly capitalized, vested with all of the assets of such Debtor as they existed prior to the Effective Date and having the liabilities and obligations provided for under the Plan. Notwithstanding anything in Section 4.18 of the Plan to the contrary, all post-Effective Date fees payable to the United States Trustee pursuant to 28 U.S.C. §1930, if any, shall be calculated on a separate legal entity basis for each Debtor.

15. **Transition Services**

To the extent deemed necessary or appropriate by the Debtors or the Plan Sponsor, the Debtors may continue to operate post-Effective Date under one or more transition services agreements with Plan Sponsor, Reorganized HGE, Guidepost Global or any other Person.

16. **Dissolution of Certain Debtors**

On or after the Effective Date, certain of the Debtors may be dissolved without further action under applicable law, regulation, order, or rule, including any action by the stockholders, members, the board of directors, or similar governing body of the Debtors, Reorganized HGE, or the Disbursing Agent. Reorganized HGE and the Disbursing Agent shall have the power and authority to take any action necessary to wind down and dissolve the foregoing Debtors, and may, to the extent applicable: (a) file a certificate of dissolution for such entities, together with all other necessary corporate and company documents, to effect the dissolution of such entities under the applicable laws of their states of formation; (b) complete and file all final or otherwise required federal, state, and local tax returns and pay taxes required to be paid for such Debtors, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of any of such Debtors, as determined under applicable tax laws; and (c) represent the interests of such Debtors before any taxing authority in all tax matters, including any action, proceeding or audit.

H. Corporate Governance and Management of the Reorganized Debtors

1. **Corporate Action and Existence**

The Debtors shall deliver all documents and perform all actions reasonably contemplated with respect to implementation of the Plan. The Debtors, or their designees, are authorized (a) to execute on behalf of the Debtors, in a representative capacity and not individually, any documents or instruments after the Confirmation Date or at the Closing that may be necessary to consummate the Plan and (b) to undertake any other action on behalf of the Debtors to consummate the Plan. Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors will, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized, approved, and (to the extent taken before the Effective Date) ratified in all respects without any requirement of further action by stockholders, creditors, or directors of the Debtors. On the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and all corporate actions required by the Debtors and the Reorganized Debtors in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Reorganized Debtors.

Upon the Effective Date, and without any further action by the shareholders, directors, or officers of the Reorganized Debtors, the Reorganized Debtors' Corporate Documents shall be deemed amended (a) to the extent necessary, to incorporate the provisions of the Plan, and (b) to prohibit the issuance by the Reorganized Debtors of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such Corporate Documents as permitted by applicable

law, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval other than any requisite filings required under applicable state, provincial or federal law. The Corporate Documents shall be filed with the Plan Supplement.

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to its certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). Prior to the Effective Date, the Debtors may engage in such corporate and financial transactions, including mergers, asset transfers, consolidations, amalgamations, separations, series organizations, reorganization and otherwise for the purposes of optimizing the post Effective Date corporate and tax structure of the Reorganized Debtors. If proposed prior to the Effective Date, any such transaction will be subject to Court approval, if such approval would be necessary under the Bankruptcy Code.

2. **Management and Board of Reorganized HGE**

In accordance with Section 1129(a)(5)(A) of the Bankruptcy Code, the Debtors will disclose in the Plan Supplement the identities of those individuals proposed to serve, following the Effective Date, as directors and officers of Reorganized HGE, and the Reorganized HGE Subsidiaries. Upon the Effective Date, the current members of the Debtors' board of directors and officers shall no longer serve in any such capacity with Reorganized HGE or the Reorganized HGE Subsidiaries and shall be discharged of all duties in connection therewith.

3. **Disclosure of any Insiders to be Employed or Retained by the Reorganized Debtors**

In accordance with Section 1129(a)(5)(B) of the Bankruptcy Code, the Debtors will disclose on or before the Confirmation Date the identity of any Insider that will be employed or retained by Reorganized HGE, and the nature of any compensation for such Insider.

4. **Indemnification of Pre-Effective Date Directors and Officers**

Any obligation or agreement of the Debtors to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtors, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtors, relating to any acts or omissions occurring before the Effective Date, whether arising pursuant to corporate, bylaws, contract or applicable state law, shall be deemed to be, and shall be treated as, a General Unsecured Claim and/or Executory Contract and shall be deemed to be rejected, canceled, and discharged pursuant to the Plan as of the Effective Date and any and all Claims resulting from such obligations are disallowed under section 502(e) of the Bankruptcy Code or other applicable grounds, including section 502(d), or if any court of applicable jurisdiction rules to the contrary, such Claim shall be estimated pursuant to section 502(c) of the Bankruptcy Code in the amount of $0 or such other amount as the Bankruptcy Court shall determine

I. Distributions Under the Plan

1. Distributions to Holders of Allowed Claims Only

Until a Disputed Claim becomes an Allowed Claim, distributions of Cash and/or other Instruments or Property otherwise available to the Holder of such Claim shall not be made. Prior to the Effective Date, Holders of Allowed Claims shall be required to provide the Disbursing Agent an Internal Revenue Service Form W-9 (or, if applicable, an appropriate Internal Revenue Service Form W-8).

2. Distribution Record Date

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims as maintained by the Debtors or their agents shall be deemed closed. The Debtors shall have no obligation to recognize, but may, in their sole and absolute discretion, recognize any transfer of any such Claims occurring on or after the Distribution Record Date. Otherwise, the Debtors or the Reorganized Debtors, as applicable, will recognize only those record holders of such Claims stated on the transfer ledgers as of the close of business on the Distribution Record Date. Subject to the foregoing, the Distribution Record Date shall be the record date for purposes of making distributions under the Plan.

3. Disbursing Agent

Except as otherwise expressly set forth herein, the Person(s) designated as a Disbursing Agent, shall make all distributions under the Plan when required by the Plan from the Disbursing Agent Restricted Accounts. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

4. Rights and Powers of Disbursing Agent

The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, Instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated by the Plan, and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan. All compensation for the Disbursing Agent shall be paid from the Property (including the Plan Consideration) disbursed to the Disbursing Agent pursuant to the Plan.

5. Delivery of Distributions

(a) In General

Subject to Bankruptcy Rule 9010 and except as otherwise provided in Section 7.5.2 of the Plan, all distributions to any Holder of an Allowed Claim including, without limitation, distributions of Reorganized HGE Common Stock, and, to the extent applicable, Cash, to Holders of Allowed Claims, shall be made at the address of such Holder as set forth in the Debtors' books and records and/or on the Schedules filed with the Bankruptcy Court unless the Debtors or their Disbursing Agent have been notified in writing of a change of address including, without limitation, by the filing of a Proof of Claim by such Holder that contains an address for such Holder different from the address reflected on such books and records or Schedules for such Holder.

(b) Timing of Distributions

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, and if so completed shall be deemed to have been completed as of the required date.

(c) Distributions of Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such Holder, but no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest or accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the six-month anniversary of the date of the attempted delivery of such distribution. After that date, all unclaimed property or interest in property shall revert to Reorganized HGE and the Claim of any Holder to such property or interest in property shall be discharged and forever barred.

6. **Time Bar to Cash Payments**

Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Holders of Allowed Claims shall make all requests for reissuance of checks to the Reorganized Debtors. Any Claim in respect of a voided check must be made on or before the six-month anniversary of the date of issuance. After such date, all Claims and respective voided checks shall be discharged and forever barred and Reorganized HGE shall retain all monies related thereto.

7. **Setoffs**

The Debtors or the Reorganized Debtors may, but shall not be required to, set off or recoup against any Allowed Claim, and the payments or other distributions to be made pursuant to the Plan in respect of such Allowed Claim, any claims, rights or Causes of Action of any nature whatsoever that the Debtors or Reorganized Debtors may have against the Holder of such Claim; *provided*, *however*, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, rights or Causes of Action.

J. Procedures for Disputed Claims

1. **Resolution of Disputed Claims.**

Except as set forth in any order of the Bankruptcy Court (including prior bar date orders), any Holder of a Claim against the Debtors shall file a Proof of Claim with the Bankruptcy Court or with the agent designated by the Debtors for this purpose on or before the Claims Bar Date. The Debtors prior to the Effective Date, and thereafter the Reorganized Debtors or Disbursing Agent, shall have the exclusive authority to file objections to Proofs of Claim on or before the Claims Objection Deadline, and to settle, compromise, withdraw or litigate to judgment objections to any and all Claims, regardless of whether classified or otherwise. From and after the Effective Date, the Reorganized Debtors, or Disbursing Agent may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

2. **Estimation of Claims**

Any Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether such Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

3. **No Partial Distributions Pending Allowance**

Notwithstanding any other provision in the Plan, except as otherwise agreed by the Debtors or the Reorganized Debtors, no partial payments or distributions shall be made with respect to a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order.

4. **Distributions After Allowance**

To the extent that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan. Any such distributions shall be made in accordance with and at the time mandated by the Plan. No interest shall be paid on any Disputed Claim that later becomes an Allowed Claim.

K. Executory Contracts and Unexpired Leases

1. **Assumption of Executory Contracts and Unexpired Leases**

As of the Effective Date, all executory contracts and unexpired leases, including the Transferred Executory Contracts / Unexpired Leases, to which any Debtor is a party and which are listed on the Schedule of Assumed Contracts and Unexpired Leases, to be included in the Plan Supplement, shall be and shall be deemed to be assumed or assumed and assigned in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. All executory contracts and unexpired leases not listed on the Schedule of Assumed Contracts and Unexpired Leases, and not assumed or assumed and assigned prior to the Effective Date or otherwise the subject of a motion to assume or assume and assign filed on or before the Effective Date, and that were not previously rejected, shall be rejected as of the Effective Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions or assumptions and assignments and rejections pursuant to sections 365 and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed or assumed and assigned pursuant to the Plan shall vest or re-vest in and be fully enforceable by the applicable Reorganized Debtor, accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or assumption and assignment or applicable federal law.

2. **Cures of Defaults of Assumed Executory Contracts or Unexpired Leases**

Except as otherwise specifically provided in the Plan, any monetary defaults under each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or in the ordinary course of business, subject to the limitation described below, or on such other terms as the parties to such executory contracts or unexpired leases may otherwise agree. Any and all cure costs (and other related expenses) related to designation of an executory contract or unexpired lease by the Plan Sponsor shall be paid by the Plan Sponsor in addition to the funding of the Plan Consideration. Any and all cure costs (and other related expenses) related to a Transferred Executory Contracts / Unexpired Leases shall be paid by Guidepost Global. In the event of a dispute regarding: (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the executory contract or unexpired lease to be assumed or assumed and assigned, or (3) any other matter pertaining to assumption and/or assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assumption and assignment; provided, however, based on the Bankruptcy Court's resolution of any such dispute, the applicable Debtor or Reorganized Debtor shall have the right, within 30 days after the entry of such Final Order and subject to approval of the Bankruptcy Court pursuant to section 365 of the Bankruptcy Code, to reject the applicable executory contract or unexpired lease.

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

3. **Rejection of Compensation and Benefit Programs**

Except as set forth in Section 9.5 of this Plan, all employment, retirement, indemnification, and other compensation or benefits agreements or arrangements shall be rejected, and neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations in connection with any such employment, retirement, indemnification, and other compensation or benefits agreements or arrangements following the Effective Date.

4. **Pass-Through**

Any rights or arrangements or other assets necessary or useful to the operation of the Debtors' business but not otherwise addressed by treatment as a Claim or Interest or by assignment under this Plan (the "**Pass-Through Assets**"), shall, in the absence of any other treatment, but subject to the further agreement and consent of Plan Sponsor with respect to any such rights or arrangements or other assets, be passed through the bankruptcy proceedings for the benefit of the Reorganized HGE (if constituting Reorganized HGE Assets) and shall otherwise be unaltered and unaffected by the bankruptcy filings or the Chapter 11 Cases.

5. **D&O Liability Insurance Policy**

The obligations of the Debtors, if any, to indemnify and/or provide contribution to its current and former directors, officers, employees, managing agents, and attorneys, and such current and former directors' and officers' respective affiliates, pursuant to the Corporate Documents and/or any employment contracts, applicable statutes or other contractual obligations, in respect of all past, present and future actions, suits and proceedings against any of such directors, officers, employees, managing agents, and attorneys, based on any act or omission related to the service with, for or on behalf of the Debtors after the Petition Date or immediately prior to the Petition Date in connection with the Chapter 11 Cases, will be deemed and treated as executory contracts that are rejected by the Debtors pursuant to the Plan and sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Notwithstanding the foregoing, the D&O Liability Insurance Policy shall be assumed by the Reorganized Debtor as of the Effective Date, and the Reorganized Debtor agrees to remit any and all amounts received, but no amounts in excess of amounts received, net of deductibles and any and all other obligations or amounts payable by the Reorganized Debtor in connection with the D&O Liability Insurance Policy, for the purposes contemplated by the D&O Liability Insurance Policy. For the avoidance of doubt, neither the Plan Sponsor nor Reorganized HGE (nor its Subsidiaries) shall have any obligations or personal or direct liability whatsoever in connection with any the foregoing, including without limitation any employment, retirement, indemnification, and other agreements or arrangements, following the Effective Date, and the sole recourse of any and all Persons and the sole source of any recovery in connection therewith (if any) shall be against the D&O Liability Insurance Policy.

6. **Modifications, Amendments, Supplements, Restatements, or Other Agreements**

Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts and unexpired leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

7. **Bar Date for Filing Claims for Rejection Damages**

If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim, a Proof of Claim must be served upon the Debtors and the Debtors' counsel within 30 days after notice of entry of the Effective Date. Any such Claim not served within such time period will be forever barred. Each such Claim will constitute a General Unsecured Claim, to the extent such Claim is Allowed by the Bankruptcy Court.

8. **Reservation of Rights**

Nothing contained in the Plan shall constitute an admission by the Debtors that any executory contract or unexpired lease is in fact an executory contract or unexpired lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as

applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

9. **Contracts and Leases Entered Into After the Petition Date**

Contracts and leases entered into after the Petition Date by any Debtor, including any executory contracts and unexpired leases assumed by such Debtor, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business and such contracts and leases (including any assumed executory contracts and unexpired leases) will survive and remain unaffected by entry of the Confirmation Order.

L. Settlement, Releases, Injunctions, and Discharge

1. **Comprise and Settlement of Claims, Interests, and Controversies**

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities. Subject to Article 7 and Article 8 of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

2. **Releases by the Debtors**

Notwithstanding anything contained in this Plan or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged by and on behalf of each and all of the Debtors, their Estates, and if applicable, the Reorganized Debtors, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suites, damages, and Causes of Action whatsoever (including any derivative claims and Avoidance Actions, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, and their Estates), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein-after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule,

statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against or Interest in a Debtor or other Entity, or that any holder of any Claim against or Interest in a Debtor or other Entity could have asserted on behalf of the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the RSA, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, the decision to file the Chapter 11 Cases, any intercompany transactions, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, contract instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loans, the DIP Documents, this Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the Debtors do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, the Released Parties' contribution to facilitating the transactions contemplated in the Plan and implementing this Plan; (b) a good faith settlement and compromise of the Claims or Causes of Action released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for a hearing; and (f) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

3. **Releases by Releasing Parties**

Notwithstanding anything contained herein or the Confirmation Order to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, to the maximum extent permitted by applicable law, in exchange for good and valuable consideration, including the obligations of the Debtors under this Plan and the contributions and services of the Released Parties in facilitating the reorganization of the Debtors and implementation of the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably and forever, released, waived, and discharged by each and all of the Releasing Parties, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all claims and Causes of Action whatsoever (including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, and their Estates), obligations, rights, suits, or damages, whether liquidated or unliquidated, fixed, or contingent, matured, or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or herein after arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, that such Holders or their Estates, Affiliates, heirs, executory, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons claiming under or through them would have would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, the Debtors, the Reorganized Debtors, and their Estates, including without limitation, based on or relating to, or in any manner arising from, in whole or in part, among other things, the Debtors or their Estates (including the capital structure, management, ownership, or operation thereof), the Chapter 11 Cases, the Plan, the Reorganized Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any Security of the Debtors, the Reorganized Debtors, and their Estates, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements or interaction between or among any Debtor and any Released Party, the operations and financings in respect of the Debtors (whether before or after the Petition Date), the distribution of any Cash or other property of the Debtors to any Released Party, the assertion of enforcement of rights or remedies against the Debtors, the restructuring of any Claim or Interest before or during the Chapter 11 Cases including all prior recapitalizations, restructurings, or refinancing efforts and transactions, any Securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the decision to file the Chapter 11 Cases, any related adversary proceedings, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of this Plan, including the issuance or distribution of Securities pursuant to this Plan, or the distribution of property under this Plan or any other related agreement, or upon any other act, or omission, transaction, agreement, event, or other occurrence taking place on or before, in respect of the foregoing clause, the Effective Date; provided, that the provisions of this Third-Party Release shall not operate to waive, release, or otherwise impair any Causes of Action arising from willful misconduct, actual or criminal fraud, or gross negligence of such applicable Released Party as determined by the Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

Notwithstanding anything to the contrary in the foregoing, the Released Parties do not, pursuant to the releases set forth above, release: (a) any Causes of Action identified in the Schedule of Retained Causes of Action; (b) any post-Effective Date obligations of any party or Entity under this Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or transactions thereunder; or (c) the rights of any Holder of Allowed Claims or Interests to receive distributions under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

4. **Mutual Releases by RSA Parties**

Without duplication of Article 10.3 of the Plan, as of the Effective Date, each of the RSA Parties hereby unconditionally forever releases, waives and discharges all known and unknown Causes of Action of any nature that such RSA Party has asserted, may have asserted, could have asserted, or could in the future assert, directly or indirectly, against any of the other RSA Parties based on any act or omission relating to the Debtors or their business operations (including, without limitation, the organization or capitalization of the Debtors or extensions of credit and other financial services and accommodations made or not made to the Debtors) or the Chapter 11 Cases on or prior to the Effective Date; provided, however, the Mutual Releases shall not apply to Causes of Action that arise post-Effective Date from obligations or rights created under or in connection with the Plan or any agreement provided for or contemplated in the Plan; provided, further, any claims against the Debtors shall not be released under Article 10.4 of the Plan but shall be treated in accordance with this Plan. For the avoidance of doubt, Claims or Causes of Action arising out of, or related to, any act or omission of a RSA Party prior to the Effective Date that are determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted willful misconduct, actual or criminal fraud, or gross negligence, including findings after the Effective Date, are not released pursuant to the Plan

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Mutual Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Mutual Release is: (a) consensual; (b) essential to the Confirmation of this Plan; (c) given in exchange for the good and valuable consideration provided by the RSA Parties, including the Released Parties' contributions to facilitating the transactions contemplated in the Plan and implementing this Plan; (d) in the best interests of the Debtors and their Estates; (e) fair, equitable, and reasonable; (f) given and made after due notice and opportunity for a hearing; and (g) a bar to any of the RSA Parties asserting any Claim or Cause of Action released pursuant to this Mutual Release.

5. **Exculpation**

To the fullest extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party will be exculpated from, any Claim or Cause of Action arising prior to or on the

Effective Date in connection with or arising out of the administration of the Chapter 11 Cases, the formulation, documentation, preparation, dissemination, solicitation, negotiation, entry into, or filing of the Disclosure Statement, this Plan, the Plan Supplement, the RSA, the DIP Loans, DIP Financing Documents, or any Definitive Document, the filing of the Chapter 11 Cases, the solicitation of votes for, or Confirmation or Consummation of, this Plan, the funding of this Plan, the occurrence of the Effective Date, the administration of this Plan or the property to be distributed under this Plan, the issuance of Securities under or in connection with this Plan, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, if applicable, in connection with this Plan or the transactions in furtherance of any of the foregoing, other than Claims or Causes of Action in each case arising out of or related to any act or omission of an Exculpated Party that is a criminal act or constitutes actual fraud, willful misconduct, or gross negligence as determined by a Final Order, but in all respects such Persons will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. The Exculpated Parties have acted in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of Securities pursuant to this Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan, including the issuance of Securities thereunder. The exculpation will be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to this Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

Solely with respect to the exculpation provisions, notwithstanding anything to the contrary in this Plan, each of the Exculpated Parties and the 1125(e) Exculpation Parties shall not incur liability for any Cause of Action or Claim related to any act or omission in connection with, relating to, or arising out of, in whole or in part, (a) the solicitation of acceptance or rejection of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code or (b) the participation, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the Plan. No Entity or Person may commence or pursue a Claim or Cause of Action of any kind against any of the Exculpated Parties or 1125(e) Exculpation Parties that arose or arises from, in whole or in part, a Claim or Cause of Action subject to the terms of this paragraph, without this Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action represents a colorable Claim for actual fraud, gross negligence, or willful misconduct against any such Exculpated Party or 1125(e) Exculpation Party and such party is not exculpated pursuant to this provision; and (ii) specifically authorizing such Entity or Person to bring such Claim or Cause of Action against any such Exculpated Party or 1125(e) Exculpation Party. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

6. **Injunction**

Except as otherwise expressly provided in this Plan or the Confirmation Order or for obligations or distributions issued or required to be paid pursuant to this Plan or the Confirmation Order, effective as of the Effective Date, all Entities that have held, hold, or may hold Claims, Interests,

Causes of Action, or liabilities that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties: (a) commencing or continuing in any manner any action, suit, or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests, Causes of Action or liabilities; (d) asserting any right of setoff or subrogation, or recoupment, of any kind against any obligation due from such Entities or against the property of such Entities or the Estates on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date or has filed a Proof of Claim or proof of Interest indicating that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests, Causes of Action, or liabilities released, settled or subject to exculpation pursuant to this Plan. Notwithstanding anything to the contrary in the foregoing, the injunction set forth above does not enjoin the enforcement of any obligations arising on or after the Effective Date of any Person or Entity under this Plan, any post-Effective Date transaction contemplated by the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, managers, principals, and direct and indirect Affiliates, in their capacities as such, shall be enjoined from taking any actions to interfere with the implementation or Consummation of this Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or reinstatement of such Claim or Interest, as applicable, pursuant to this Plan, shall be deemed to have consented to the injunction provisions set forth in Article 10.6 of the Plan.

No Person or Entity may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, the 1125(e) Exculpation Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article 10.2, Article 10.3, Article 10.4, and Article 10.5 hereof, without the Bankruptcy Court (1) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable, represents a colorable Claim of any kind, and (2) specifically authorizing such Person or Entity to bring such Claim or Cause of Action, as applicable, against any such Debtor, Reorganized Debtor, Exculpated Party, 1125(e) Exculpation Party, or Released Party, as applicable. The Bankruptcy Court will have sole and exclusive jurisdiction to adjudicate the underlying colorable Claim or Causes of Action.

BY ACCEPTING DISTRIBUTIONS PURSUANT TO THE PLAN, EACH HOLDER OF AN ALLOWED CLAIM OR ALLOWED INTEREST EXTINGUISHED, DISCHARGED, OR RELEASED PURSUANT TO THE PLAN WILL BE DEEMED TO HAVE AFFIRMATIVELY AND SPECIFICALLY CONSENTED TO BE BOUND BY THE PLAN, INCLUDING, WITHOUT LIMITATION, THE INJUNCTIONS SET FORTH IN ARTICLE 10.6 of the Plan.

THE INJUNCTIONS IN ARTICLE 10.6 OF THE PLAN SHALL EXTEND TO ANY SUCCESSORS OF THE DEBTORS, THE REORGANIZED DEBTORS, THE RELEASED PARTIES, THE EXCULPATED PARTIES, AND THE 1125(E) EXCULPATED PARTIES, AND THEIR RESPECTIVE PROPERTY AND INTERESTS IN PROPERTY.

Any Person injured by any willful violation of such injunction may seek to recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may seek to recover punitive damages from the willful violator.

7. **Discharge of Claims and Termination of Interests**

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

M. Conditions Precedent to Confirmation and Consummation of the Plan

1. **Conditions Precedent to Confirmation**

It shall be a condition precedent to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Section 11.3 of the Plan:

(a) The RSA shall not have been terminated;

(b) No termination event or continuing event of default under the DIP Loan Facility Order shall have occurred;

(c) the Confirmation Order shall be in a form and substance acceptable to the Debtors, the Plan Sponsor, and for the avoidance of doubt, shall provide for Plan Sponsor and Senior DIP Lender, subject to its exercise of the Subscription Option, to be issued 100% of the Reorganized HGE Common Stock free and clear of all liens, claims, rights, interests, security interests and encumbrances of any kind (other than those expressly identified in writing as acceptable to Plan Sponsor in its sole and absolute discretion);

(d) the Plan shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor;

(e) the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed with the Bankruptcy Court and the same shall be in form and substance reasonably acceptable to the Debtors and the Plan Sponsor; and

(f) no termination event, breach or failure to company with the terms of the Definitive Documents, the Confirmation Order or any other material final order of the Bankruptcy Court shall have occurred and be continuing.

2. **Conditions Precedent to the Effective Date**

It shall be a condition precedent to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Section 11.3 of the Plan:

(a) all conditions to Confirmation in Section 11.1 of the Plan shall have been either (and shall continue to be) satisfied or waived pursuant to Section 11.3 of the Plan;

(b) all documents required under the Plan, including lien releases, shall have been delivered;

(c) the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Plan Sponsor and shall have been entered and shall have become a Final Order;

(d) the Plan Consideration, together with the Cash-on-Hand, shall be sufficient to fund all Plan obligations;

(e) the Debtors and Insiders shall not have caused or permitted to occur an "ownership change" as such term is used in section 382 of title 26 of the United States Code;

(f) the Plan Sponsor shall have wired the Plan Consideration to the Disbursing Agent, as applicable;

(g) the Debtors shall have wired the Cash-on-Hand to the Disbursing Agent;

(h) all actions, documents, certificates, and agreements necessary to implement the Plan, including documents contained in the Plan Supplement, shall have been effected or executed and delivered, as the case may be, to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws;

(i) the Reorganized HGE Common Stock and any and all agreements and documents relating thereto shall have been executed, issued and delivered by the Reorganized Debtors; and

(j) the Professional Holdback Escrow Account shall have been fully funded as required pursuant to the Plan

N. Waiver of Conditions

The conditions to Confirmation and the Effective Date set forth in Section 11.3 may be waived by the Debtors (with the express written consent of the Plan Sponsor) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

O. Effective of Failure of Conditions

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

P. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

Q. Amendment, Modification, and Severability of Plan Provisions

If, prior to Confirmation, any term or provision hereof is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the express written consent of the Plan Sponsor), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. The Plan may be amended or modified before the Effective Date by the Debtors (with the express written consent of the Plan Sponsor) to the extent provided by section 1127 of the Bankruptcy Code.

(a) The Debtors reserve the right to modify or amend the Plan (with the express written consent of the Plan Sponsor) upon a determination by the Bankruptcy Court that the Plan, in its current form, is not confirmable pursuant to section 1129 of the Bankruptcy Code. To the extent such a modification or amendment is permissible under section 1127 of the Bankruptcy Code, without the need to resolicit acceptances, the Debtors reserve the right to sever any provisions of the Plan that the Bankruptcy Court finds objectionable.

(b) The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date (with the express written consent of the Plan Sponsor). If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void, and nothing contained in the Plan shall: (1) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors; or (2) prejudice in any manner the rights of the Debtors in any further proceedings.

ARTICLE VIII.
Solicitation, Voting, and Related Matters[18]

A. Overview

HOLDERS OF CLAIMS ENTITLED TO VOTE SHOULD CAREFULLY READ THE VOTING INSTRUCTIONS BELOW.

THE DEBTORS RESERVE THE RIGHT, AT ANY TIME OR FROM TIME TO TIME, TO EXTEND THE PERIOD OF TIME (ON A DAILY BASIS, IF NECESSARY) DURING WHICH BALLOTS WILL BE ACCEPTED FOR ANY REASON, INCLUDING DETERMINING WHETHER OR NOT THE REQUISITE NUMBER OF ACCEPTANCES HAVE BEEN RECEIVED. THE DEBTORS WILL GIVE NOTICE OF ANY SUCH EXTENSION IN A MANNER DEEMED REASONABLE TO THE DEBTORS IN THEIR DISCRETION. THERE CAN BE NO ASSURANCE THAT THE DEBTORS WILL EXERCISE THEIR RIGHT TO EXTEND THE VOTING DEADLINE.

In accordance with the *Order (I) Conditionally Approving the Disclosure Statement; (II) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing; (III) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures; (IV) Approving the Solicitation and Notice Procedures; and (V) Granting Related Relief* (the "**Disclosure Statement Order**")[19] and the solicitation procedures approved via the Disclosure Statement Order (the "**Solicitation Procedures**"), the Debtors will commence solicitation of the Plan by delivering a copy of the Solicitation Package to Holders of Claims in Classes 1, 2, 3, and 6 entitled to vote to accept or reject the Plan.

The Debtors have sought and obtained Bankruptcy Court approval of Solicitation Procedures for solicitation of acceptance of the Plan and to establish **August 25, 2025 at 5:00 p.m. (prevailing Central Time)** as the deadline for the receipt of votes to accept or reject the Plan via the Ballot applicable ballot to be used for voting on the Plan (the "**Voting Deadline**"). For the avoidance of doubt, the Voting Deadline includes the deadline by which Opt-Out Forms or Opt-In Forms, as applicable, must be executed, completed, and returned to the Claims and Noticing Agent.

This Disclosure Statement and the Plan are being distributed to Holders of Claims in the Voting Classes comprised of Classes 1, 2, 3, and 6 in connection with the solicitation of votes to accept or reject the Plan. The following table sets forth the timetable for the solicitation process and the anticipated Chapter 11 Cases, with all provided below being subject to the approval and availability of the Bankruptcy Court.

Proposed Solicitation and Confirmation Timeline	
Voting Record Date	**July 22, 2025**
Commence Solicitation	**No later than July 25, 2025**
Publication Deadline	**On or before the date that is three (3) Business Days after entry of the Disclosure Statement Order, or as soon as reasonably practicable thereafter**
Plan Supplement Deadline	**No later than August 22, 2025**

[18] Subject to change based on Court approval of dates and related procedures.

[19] *See* Docket No. [●].

Proposed Solicitation and Confirmation Timeline	
Voting Deadline	**August 25, 2025 at 5:00 p.m. (prevailing Central Time)**
Deadline to Object to Approval of Disclosure Statement or Confirmation of Plan	**August 25, 2025 at 5:00 p.m. (prevailing Central Time)**
Deadline to File Briefs in Support of Approval of Disclosure Statement and Confirmation	**August 29, 2025**
Combined Hearing to Approve Disclosure Statement and Confirm Plan	**September 3, 2025 at 9:30 a.m. (prevailing Central Time)**

B. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of claims against or interests in a debtor are entitled to vote on a chapter 11 plan. Holders of Claims in Classes 1, 2, 3, and 6 are entitled to vote to accept or reject the Plan. The Holders of Claims in the Voting Classes are Impaired under the Plan and, if the Plan is confirmed and consummated, may receive a distribution under the Plan. Accordingly, Holders of Claims in the Voting Classes have the right to vote to accept or reject the Plan. The Debtors are not soliciting votes on the Plan from Holders of Claims or Interests in Classes 4, 5, 7, 8, or 9.

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

C. Voting Record Date

July 22, 2025 (the "**Voting Record Date**") is the date that was used for determining which Holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the Solicitation Procedures. Except as otherwise set forth herein, the Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors and other parties in interest.

D. Solicitation Procedures

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

- the appropriate Ballot and applicable voting instructions, including the Opt-Out Form, together with a pre-addressed, postage pre-paid return envelope; and
- this Disclosure Statement and all exhibits hereto, including the Plan and all exhibits thereto (which may be distributed in paper or USB-flash drive format).

The Debtors will distribute the Solicitation Package to Holders of Claims in each Voting Class by July 25, 2025. The Debtors will file the Plan Supplement in accordance with the terms of the Plan and the timeline provided by the Disclosure Statement Order. As the Plan Supplement is updated or otherwise

modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve paper or USB-flash drive copies of the Plan Supplement.

You may obtain copies of any pleadings filed with the Bankruptcy Court, including the Plan, the Plan Supplement, and this Disclosure Statement for free by visiting the Debtors' restructuring website, www.veritaglobal.net/HigherGround, or for a fee at https://txnb.uscourts.gov/.

E. Voting Procedures

In order for the Holder of a Claim in a Voting Class to have such Holder's Ballot counted as a vote to accept or reject the Plan, such Holder's Ballot must be properly executed, completed, and delivered such that it is **actually received** before the Voting Deadline by the Claims and Noticing Agent, in accordance and in compliance with the Solicitation Procedures established by the Disclosure Statement Order.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE. IT IS IMPORTANT THAT A HOLDER OF A CLAIM IN A VOTING CLASS FOLLOWS THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT.

F. Voting Tabulation

The Debtor's tabulation of Ballots shall be conducted in accordance with the Solicitation Procedures. A Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. Only Holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims.

Unless the Debtors decide otherwise, Ballots received after the Voting Deadline may not be counted. A Ballot will be deemed delivered only when the Claims and Noticing Agent actually receives the executed Ballot as instructed in the applicable voting instructions.

The Bankruptcy Code may require the Debtors to disseminate additional solicitation materials if the Debtors make material changes to the terms of the Plan or if the Debtors waive a material condition to confirmation of the Plan. In that event, the solicitation will be extended to the extent directed by the Bankruptcy Court.

To the extent there are multiple Claims within a Voting Class, the Debtors may, in their discretion, and to the extent possible, aggregate the Claims of any particular Holder within a Voting Class for the purpose of counting votes.

In the event a designation of lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected.

The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of such Claim; (ii) any Ballot cast by any Entity that does not hold a Claim in a Voting Class; (iii) any Ballot cast for a Claim scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed by the Voting Record Date (unless the applicable bar date has not yet passed, in which case such Claim shall be entitled to vote in the amount of $1.00); (iv) any unsigned Ballot or Ballot lacking an original signature; (v) any Ballot not marked to accept or reject the Plan or marked both to accept and

reject the Plan; (vi) any Ballot sent to any of the Debtors, the Debtors' agents or representatives, or the Debtors' advisors (other than the Claims and Noticing Agent); and (vii) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described in the Disclosure Statement Order. **Please refer to your Ballot, the Disclosure Statement Order, and the Solicitation Procedures for additional requirements with respect to voting to accept or reject the Plan.**

The Debtors will file a voting report (the "**Voting Report**") with the Bankruptcy Court by no later than two (2) days before the Combined Hearing. The Voting Report shall, among other things, delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures, or lacking necessary information, received via facsimile, or damaged (in each case, an "**Irregular Ballot**"). The Debtors will attempt to reconcile the amount of any Claim reported on a Ballot with the Debtors' records, but in the event such amount cannot be timely reconciled without undue effort on the part of the Debtors, the amount shown in the Debtors' records shall govern. The Voting Report shall indicate the Debtors' intentions with regard to each Irregular Ballot. Neither the Debtors nor any other Person or Entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification.

PLEASE REFER TO YOUR BALLOT, THE DISCLOSURE STATEMENT ORDER, AND THE SOLICITATION PROCEDURES FOR ADDITIONAL REQUIREMENTS WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN.

G. Votes Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims and interests voting to accept, as a percentage of the allowed claims or interests, as applicable, that have voted. Acceptance by a class of claims requires an affirmative vote of more than one-half (1/2) in number of total allowed claims that have voted and an affirmative vote of at least two-thirds (2/3) in dollar amount of the total allowed claims that have voted. Acceptance by a class of interests requires an affirmative vote of at least two-thirds (2/3) in amount of the total allowed interests that have voted.

H. Certain Factors to Be Considered Prior to Voting

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

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

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

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

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

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

For a further discussion of risk factors, please refer to "Risk Factors" described in Article X of this Disclosure Statement.

ARTICLE IX.
Final Approval of the Disclosure Statement Confirmation of the Plan

A. The Confirmation Hearing

At the Confirmation Hearing, the Bankruptcy Court will determine whether to approve the Disclosure Statement and whether the Plan should be confirmed in light of both the affirmative requirements of the Bankruptcy Code and objections, if any, that are timely filed. **The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or the filing of a notice of such adjournment served in accordance with the order approving the Solicitation Procedures.**

B. Deadline to Object to Approval of the Disclosure Statement and Confirmation of the Plan

The Debtors will provide notice of the Confirmation Hearing, and, if approved by the Bankruptcy Court, the notice will provide that objections to the Disclosure Statement and Confirmation of the Plan must be filed and served at or before **August 25, 2025 at 5:00 p.m. (prevailing Central Time)** (the "**Objection Deadline**"). Unless objections to the Disclosure Statement or Confirmation of the Plan are timely served and filed, they may not be considered by the Bankruptcy Court.

C. Requirements for Approval of the Disclosure Statement

Pursuant to section 1126(b) of the Bankruptcy Code, solicitation of votes to accept or reject a chapter 11 plan must comply with applicable federal or state securities laws and regulations (including the registration and disclosure requirements thereof) or, if such laws and regulations do not apply, provide "adequate information" under section 1125 of the Bankruptcy Code. At the Confirmation Hearing, the Debtors will seek a determination from the Court that the Disclosure Statement satisfies section 1126(b) of the Bankruptcy Code.

D. Requirements for Confirmation of the Plan

Among the requirements for Confirmation are the following: (a) the Plan is accepted by all impaired Classes of Claims and Interests or, if the Plan is rejected by an Impaired Class, at least one Impaired Class of Claims or Interests has voted to accept the Plan and a determination that the Plan "does not discriminate unfairly" and is "fair and equitable" as to Holders of Claims or Interests in all rejecting Impaired Classes; (b) the Plan is feasible; and (c) the Plan is in the "best interests" of Holders of Impaired Claims and Interests (*i.e.*, Holders of Class 1 Claims, Holders of Class 2 Claims, Holders of Class 3 Claims, Holders of Class 6 Claims, Holders of Class 7 Claims, Holders of Class 8 Interests, and Holders of Class 9 Interests).

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that the Plan satisfies or will satisfy all of the necessary requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, the Debtors believe that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code set forth below.

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the Plan proponents, have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, will be disclosed to the Bankruptcy Court, and any such payment: (a) made before confirmation will be reasonable or (b) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after confirmation.
- Either each Holder of an Impaired Claim against or Interest in the Debtors will accept the Plan, or each non-accepting Holder will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that the Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Except to the extent that the Holder of a particular Claim agrees to a different treatment of its Claim, the Plan provides that, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, Allowed Administrative Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- Each Class of Claims has accepted the Plan or is Unimpaired and deemed to have accepted the Plan, or that the requirements of section 1129(b) have been met.
- Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan.
- All fees of the type described in section 1930 of the Judicial Code, including the Statutory Fees of the U.S. Trustee, will be paid as of the Effective Date.

E. Best Interests of Creditors/Liquidation Analysis

1. Introduction

To demonstrate compliance with the "best interests" test, the Debtors, with the assistance of their advisors and Professionals, prepared a liquidation analysis, attached hereto as **Exhibit C** (the "**Liquidation Analysis**"),[20] showing that the value of the distributions provided to Holders of Allowed Claims and

[20] To be (a) filed by the Debtors on or before the deadline by which the Debtors must file the Plan Supplement and (b) made available at the website maintained by the Claims and Noticing Agent at www.veritaglobal.net/HigherGround (free of charge).

Interests under the Plan would be the same or greater than under a hypothetical chapter 7 liquidation, assuming that the Chapter 11 Cases were converted to chapter 7 proceedings and chapter 7 trustees were appointed for each Debtor entity. This analysis seeks to estimate the recoveries that would be realized by creditors in such a scenario and compare those recoveries with the treatment creditors will receive under the Plan.

As set forth in detail below and in the Liquidation Analysis, the Debtors believe that, in a hypothetical liquidation, the recovery to creditors would be substantially lower than under the Plan. By contrast, in a chapter 7 liquidation, distributions to General Unsecured Creditors would likely be nonexistent, and secured creditors would face the risk of receiving significantly less than agreed-upon treatment provided for under the Plan.

2. **Methodology and Assumptions**

The Liquidation Analysis is a hypothetical exercise based on a number of assumptions that are necessarily speculative and uncertain. The estimated outcomes presented herein are not predictions or guarantees of actual results, but rather reasonable estimates based on the Debtors' books and records, historical performance, asset valuations, and market conditions, as of the date of this Disclosure Statement.

For the purpose of the Liquidation Analysis, it is assumed that the Chapter 11 Cases would be converted to chapter 7 on the Effective Date of the Plan and that chapter 7 trustees would be appointed immediately thereafter. These trustees would be responsible for winding down the Debtors' estates, marshalling and liquidating all assets, reconciling claims, and distributing proceeds in accordance with the priority scheme established by the Bankruptcy Code.

The Liquidation Analysis assumes that all of the Debtors' tangible and intangible assets would be liquidated through a combination of piecemeal sales, auctions, or bulk transfers. Additionally, the analysis assumes that the chapter 7 trustees would incur substantial costs in the form of trustee commissions, professional fees, wind-down expenses, and other costs. The Debtors also assume that a liquidation would take considerable time, likely extending well beyond one year, during which the value of the estates could further deteriorate due to delayed realization of proceeds and market volatility.

3. **Assets in Liquidation**

The Debtors' principal assets consist of the Schools, cash and cash equivalents, accounts receivable, inventory, equipment and fixed assets, intellectual property rights, and rights under certain contracts and licenses. Based on the Debtors' most recent audited financial statements, the Debtors believe they also have approximately $243 million of federal net operating losses, $174 million of state net operating losses, and $2.5 million of foreign net operating losses as of the Petition Date. Each category of asset would face unique challenges in a chapter 7 liquidation and the Debtors would recover substantially less in a chapter 7 liquidation sale.

4. **Administrative Expenses in Chapter 7**

The cost of administering a chapter 7 liquidation would be substantial. In addition to Statutory Fees owed to the Office of the United States Trustee, chapter 7 trustees would be entitled to commissions based on distributions made, typically up to 3%–5% of the gross proceeds. Trustees would likely retain their own financial advisors, accountants, and attorneys to assist in the liquidation and claims reconciliation processes. Professional fees in a liquidation are typically higher than in a going-concern restructuring due to inefficiencies, regulatory delays, and the lack of institutional knowledge regarding the Debtors' operations.

Additional expenses would arise from the need to wind down business operations, address federal and state regulatory compliance issues, and dispose of inventory and intellectual property. Furthermore, tax obligations may arise upon asset sales, and litigation risks could increase in the absence of the negotiated releases and settlements embodied in the Plan. All of these costs would be paid ahead of any distributions to General Unsecured Creditors, thereby significantly reducing the funds available to satisfy creditor claims.

5. **Estimated Recoveries Under Chapter 7 vs. the Plan**

Under the Debtors' Plan, all RSA Parties (with the exception of a $500,000 distribution to Ray Girn on behalf of his Bridge CN-3 Claim) are waiving their rights to Plan distributions in effort to yield some recoveries for the Debtors' general unsecured creditors. Without this Plan and without the Plan Contribution by the Plan Sponsor, the Debtors' general unsecured creditors would recover nothing while the RSA Parties and other prepetition secured creditors would recover minimal amounts, if anything, on account of their secured claims.

By contrast, in a chapter 7 liquidation scenario, and without the RSA Parties' concessions and without the Plan Contribution by the Plan Sponsor, the Debtors believe that secured creditors would recover only a fraction of their claims (if anything) due to fire-sale discounts on transferred assets and the costs of liquidation. General unsecured creditors, which include numerous trade vendors, service providers, landlords, and employees, would receive nothing distribution. Even so, the Debtors believe that the administrative costs of the estates would entirely consume any remaining Cash and liquidation proceeds available, leaving nothing for general unsecured creditors, which include numerous trade vendors, service providers, landlords, and employees.

Therefore, while the Plan contemplates general unsecured creditors recovering *pro rata* on account of their Allowed Claims, a chapter 7 liquidation would likely result no distributions for general unsecured creditors and any recoveries for secured creditors would be materially diminished.

6. **Conclusion**

The Debtors believe that confirmation and implementation of the Plan will yield a substantially greater return for creditors and stakeholders than would be available in a chapter 7 liquidation. The Plan maximizes the value of the Debtors' assets through a carefully structured series of transactions and settlement of claims with certain secured creditors, which preserves the Debtors' going concern value, and relies on contributions from the Plan Sponsor. The Plan also avoids the unnecessary administrative expenses, delays, and value destruction associated with a piecemeal liquidation of the Debtors' assets. Accordingly, the Debtors submit that the Plan satisfies the "best interests of creditors" test under section 1129(a)(7) of the Bankruptcy Code and represents the most favorable outcome for all creditors and interest holders.

F. Feasibility/Financial Projections

1. **Introduction**

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to confirmation of a Chapter 11 plan, that the Bankruptcy Court find that confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor under the plan, unless such liquidation or reorganization is proposed under the plan. This requirement is commonly referred to as the "feasibility" standard. This section demonstrates that the Plan proposed by the Debtors and the Plan Sponsor meets the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. Based on a

detailed assessment of the Debtors' post-emergence business operations, funding sources, and creditor treatment, the Plan is feasible and is not likely to be followed by liquidation or the need for further reorganization.

For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared certain unaudited pro forma financial statements with regard to the Reorganized Debtors (the "**Financial Projections**"); the underlying projections and assumptions upon which the Financial Projections are based are attached hereto as **Exhibit B.**[21] Based on these Financial Projections, the Debtors believe the reorganization contemplated by the Plan meets the financial feasibility requirement and sufficient funds will exist to make all payments required by the Plan. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

2. Overview of the Chapter 11 Cases and Means for Implementation

The Plan and RSA provides for restructuring of the Debtors' assets and liabilities through a series of coordinated transactions, including:

- Plan Consideration from the Plan Sponsor, which shall be used by the Disbursing Agent to fund all Plan obligations net of the Senior DIP Lender;
- The Debtors' Cash-on-Hand, which shall also be transferred to the Disbursing Agent to fund the Disbursing Agent Restricted Accounts;
- issuance of 1,000 shares of the Reorganized HGE Common Stock to the Plan Sponsor in consideration for the Plan Consideration;
- Contribution of the Guidepost Global Assets and Guidepost Global IP License by Guidepost Global to the Debtors for the benefit of the Plan Sponsor;
- transfer and assignment of certain Executory Contracts / Unexpired Leases to the Guidepost Global;
- transfer of the Designated EB-5 Entities by the Debtors to Guidepost Global;
- mutual release of all claims and causes of action by and among each of the RSA Supporting Parties;
- the reorganization of the Debtors by retiring, cancelling, extinguishing and/or discharging the Debtors' prepetition equity interests and issuing new equity interests in the reorganized debtor(s) to 2HR; and
- certain concessions by RSA Parties regarding their distributions of the Allowed Secured Claims in order to yield recoveries for the Debtors' unsecured creditors.

[21] To be (a) filed by the Debtors on or before the deadline by which the Debtors must file the Plan Supplement and (b) made available at the website maintained by the Claims and Noticing Agent at www.veritaglobal.net/HigherGround (free of charge).

These transactions enable the Debtors to maximize value for all stakeholders, continue the employment of current and former employees at the Schools, and ensure that the students and families can continue to utilize and rely on the Schools that are contemplated to remain open.

3. **Financial Projections and Sources of Plan Funding**

The feasibility of the Plan is supported by multiple reliable sources of funding, both immediate and long-term, including:

- **Plan Consideration by Plan Sponsor**: The Plan Sponsor will wire the Plan Consideration, which is a condition to effectiveness of the Plan, on the Effective Date.

- **Cash-on-Hand:** The Debtors shall wire all Property constituting Cash-on-Hand to the Disbursing Agent to fund the Disbursing Agent Restricted Accounts on the Effective Date.

- **Secured Debt Reduction**: Pursuant to the Plan, Holders of Bridge CN-3 Secured Lender Claims shall receive a Cash distribution in the aggregate amount of $500,000 in full and final satisfaction, release, settlement, and discharge of their Allowed Claim in the amount of at least $4,800,000.

- **Junior Class Distribution Formula**: In addition, the WTI Secured Lender Claim of an allowed amount of $4,680,970.83 shall either (a) be paid, and fully satisfied, by 100% of the Cash remaining after distributions to priority claims, or (b) the Holders of WTI Secured Lender Claims agree that, following distributions to Allowed Class 5 Claims, their distributions shall instead be distributed for the benefit of the Holders of Allowed Class 3 and/or Class 6 Claims pursuant to the Junior Class Distribution Formula. Holders of CN Note Claims shall receive their pro rata share of the CN Note Recovery pursuant to the Junior Class Distribution Formula.

- **Retention of Remaining Assets**: Reorganized HE Assets shall vest or revisit in Reorganized HGE. Reorganized HGE may operate its business and may use, acquire, or dispose of any and all of its Estate Property, except as otherwise provided in the Plan.

These diversified funding sources and mechanisms reduce risk and enhance the probability of full performance under the Plan.

4. **Reasonable Likelihood of Plan Performance**

The Plan's financial and structural underpinnings reflect a high degree of confidence in the Debtors' ability to perform their obligations. For instance, the Plan contemplates various settlement of secured claims in order to provide for a distribution for Allowed General Unsecured Claims—something not many secured creditors are willing to concede. Additionally, the Plan contemplates an infusion of the Plan Consideration by the Plan Sponsor to fund distributions of Allowed Claims.

5. **No Likelihood of Liquidation or Further Reorganization**

Based on the foregoing, confirmation of the Plan is not likely to be followed by liquidation or further financial restructuring. The Plan resolves all critical and substantial amounts of outstanding secured liabilities as well as unsecured, preserves the Debtors' going-concern value, and provides the

organizational and financial tools required for post-emergence success. Additionally, the robust restructuring support from the Plan Sponsor, reduces the likelihood of future distress.

6. **Conclusion**

The Plan is feasible within the meaning of section 1129(a)(11) of the Bankruptcy Code. It provides for full recoveries to all creditors, implements an efficient restructuring of secured and unsecured obligations, and allows the Debtors to emerge from chapter 11 as financially sound, operationally viable, and well-positioned for sustainable growth. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of the Bankruptcy Code.

G. Acceptance by Impaired Classes

The Bankruptcy Code requires that, except as described in the following section, each impaired class of claims or interests must accept a plan in order for it to be confirmed. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to the class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable, and contractual rights to which the claim or the interest entitles the holder of the claim or interest; (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest; or (c) provides that, on the consummation date, the holder of such claim receives cash equal to the allowed amount of that claim or, with respect to any equity interest, the holder of such interest receives value equal to the greater of (i) any fixed liquidation preference to which the holder of such equity interest is entitled, (ii) the fixed redemption price to which such holder is entitled, or (iii) the value of the interest.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of allowed claims in that class, counting only those claims that actually voted to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number of creditors actually voting cast their ballots in favor of acceptance. For a class of impaired interests to accept a plan, section 1126(d) of the Bankruptcy Code requires acceptance by interest holders that hold at least two-thirds (2/3) in amount of the allowed interests of such class, counting only those interests that actually voted to accept or reject the plan. Thus, a class of interests will have voted to accept the plan only if two-thirds in amount actually voting cast their ballots in favor of acceptance.

H. Confirmation Without Acceptance by All Impaired Classes

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

If any Impaired Class of Claims or Interests rejects the Plan, including Classes of Claims or Interests deemed to reject the Plan, the Debtors will request Confirmation of the Plan, as it may be modified from time to time, under the "cramdown" provision under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to modify the Plan in accordance with Article 13 of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including

by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the requirements for cramdown and the Debtors will be prepared to meet their burden to establish that the Plan can be confirmed pursuant to section 1129(b) of the Bankruptcy Code as part of Confirmation of the Plan.

1. **No Unfair Discrimination**

The "unfair discrimination" test applies with respect to classes of claim or interests that are of equal priority but are receiving different treatment under a proposed plan. The test does not require that the treatment be the same or equivalent, but that the treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. Under certain circumstances, a proposed plan may treat two classes of unsecured creditors differently without unfairly discriminating against either class.

With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. Accordingly, the Debtors believe that the Plan meets the standard to demonstrate that the Plan does not discriminate unfairly, and the Debtors will be prepared to meet their burden to establish that there is no unfair discrimination as part of Confirmation of the Plan.

2. **Fair and Equitable Test**

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to each non-accepting class and as set forth below, the test sets different standards depending on the type of claims or interests in such class. The Debtors believe that the Plan satisfies the "fair and equitable" requirement via the various mechanisms for full recoveries for all creditors provided for via the Plan. There is no Class receiving more than a 100% recovery, and all senior Classes are receiving a full recovery or agree to receive a different treatment under the Plan, thereby entitling junior Classes to receive full recovery under the Plan.

(a) Secured Claims

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (A) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; (B) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a value, as of the effective date, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the claimant's liens; and/or (C) the holders of such secured claims receive the realization of the indubitable equivalent of such secured claims under the plan.

(b) Unsecured Claims

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (A) the plan provides that each holder of a claim of such class receive or retain on

account of such claim property of a value, as of the effective date, equal to the allowed amount of such claim; or (B) the holder of any claim or any interest that is junior to the claims of such class will not receive or retain any property under the plan on account of such junior claim or junior interest, subject to certain exceptions.

(c) Interests

The condition that a plan be "fair and equitable" to a non-accepting class of interests, includes the requirements that either: (A) the plan provides that each holder of an interest in that class receives or retains under the plan on account of that interest property of a value, as of the effective date, equal to the greater of: (1) the allowed amount of any fixed liquidation preference to which such holder is entitled; (2) any fixed redemption price to which such holder is entitled; or (3) the value of such interest; or (B) the holder of any interest that is junior to the interests of such class will not receive or retain any property under the plan on account of such junior interest.

ARTICLE X.
Risk Factors

BEFORE TAKING ANY ACTION WITH RESPECT TO THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO, OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT, INCLUDING OTHER DOCUMENTS FILED WITH THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES. THE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES OR THE RESTRUCTURING AND CONSUMMATION OF THE PLAN. EACH OF THE RISK FACTORS DISCUSSED IN THIS DISCLOSURE STATEMENT MAY APPLY EQUALLY TO THE DEBTORS AND THE REORGANIZED DEBTORS, AS APPLICABLE AND AS CONTEXT REQUIRES.

A. Bankruptcy Law Considerations

While the Debtors believe that these Chapter 11 Cases have been efficient and not materially harmful to the value of their assets, the Debtors cannot be certain that this will be the case. Further, it is impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy or to assure the parties in interest that the Plan will be confirmed. Even if confirmed on a timely basis, bankruptcy proceedings to confirm the Plan could have an adverse effect on the Debtors' business, the Debtors' relationships with their employees, or on the amount of distributable value available to the Holders of Claims or Interests.

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

1. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity

interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

Although the Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code, a Holder could challenge the classification. In such event, the cost of the Plan and the time needed to confirm the Plan may increase, and the Debtors cannot be sure that the Bankruptcy Court will agree with the Debtors' classification of Claims and Interests. If the Bankruptcy Court concludes that either or both of the classifications of Claims and Interests under the Plan do not comply with the requirements of the Bankruptcy Code, the Debtors may need to modify the Plan. Such modification could require a re-solicitation of votes on the Plan. The Plan may not be confirmed if the Bankruptcy Court determines that the Debtors' classification of Claims and Interests is not appropriate.

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

As more fully set forth in Article 11 of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

3. The Debtors May Not Be Able to Satisfy Vote Requirements

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

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

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the bankruptcy court that: (i) the plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting Classes; (ii) the plan is not likely to be followed by a liquidation or a need for further financial reorganization unless liquidation or reorganization is contemplated by the plan; and (iii) the value of distributions to non-accepting Holders of Claims and Interests within a particular Class under the plan will not be less than the value of distributions such Holders would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A dissenting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement and the voting results are appropriate, the Bankruptcy Court can decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims and Interests will receive with respect to their Allowed Claims and Interests, as applicable. Subject to the limitations contained in the Plan, the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, resolicit votes on such modified Plan. Any modifications could result in a less favorable treatment of any Class than the treatment currently provided in the Plan, such as a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan.

5. Parties in Interest May Object to the Releases Contained in the Plan

Confirmation is also subject to the Bankruptcy Court's approval of the settlement, release, injunction, and related provisions described in Article 10 of the Plan. Certain parties in interest may assert that the Debtors cannot demonstrate that they meet the relevant standards for approval of releases, exculpations, and injunctions.

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

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

7. The Debtors May Not Be Able to Pursue Nonconsensual Confirmation Over Certain Impaired Non-Accepting Classes

Generally, a bankruptcy court may confirm a plan under the Bankruptcy Code's "cramdown" provisions over the objection of an impaired non-accepting class of claims or interests if at least one impaired class of claims has accepted the plan (with acceptance being determined without including the vote of any "insider" in that accepting class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the rejecting impaired classes.

While the Debtors believe they may secure Plan support from the Holders of Claims well in excess of the requisite two-thirds in amount and more than one-half in number (the amount required for an accepting Class of Claims pursuant to section 1126(c) of the Bankruptcy Code) there is no guarantee that those Holders will vote those Claims favor of the Plan. There can be no assurances that the Debtors will confirm a chapter 11 plan and emerge as a reorganized company in that event, and it is unclear what distributions, if any, Holders of Allowed Claims and Interests will receive with respect to their Allowed Claims and Interests in that instance. In addition, the pursuit of an alternative restructuring proposal may result in, among other things, increased expenses relating to claims of estate professionals.

Finally, to the extent that a Voting Class votes to reject the Plan, the Debtors may not be able to seek to "cramdown" such Voting Class under section 1129(b) of the Bankruptcy Code because there is no other impaired Class of Claims entitled to vote under the Plan.

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

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter

7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly diminished distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, see Article IX.E of this Disclosure Statement, titled "Best Interests of Creditors/Liquidation Analysis" and the Liquidation Analysis attached hereto as **Exhibit B**.

9. **Any of the Chapter 11 Cases May Be Dismissed**

If the Bankruptcy Court finds that the Debtors have incurred substantial or continuing loss or diminution to the estate and lack of a reasonable likelihood of rehabilitation of the Debtors or the ability to effectuate substantial Consummation of a confirmed plan, or otherwise determines that cause exists, the Bankruptcy Court may dismiss one or all of the Chapter 11 Cases. In such event, the Debtors would be unable to confirm the Plan with respect to the applicable Debtor or Debtors, which may ultimately result in significantly smaller distributions to creditors than those provided for in the Plan.

B. Continued Risk Upon Confirmation and Recoveries Under the Plan

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as deterioration or other changes in economic conditions, changes in the industry, changes in interest rates, potential revaluing of their assets due to chapter 11 proceedings, changes in demand for the products and services the Debtors provide, and increasing expenses.

At the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their Petitions. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve Confirmation of the Plan to achieve the Debtors' stated goals. Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' business after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

1. **Dependence on Plan Contribution from Plan Sponsor**

The Debtors' ability to make payments under the Plan may be affected by a number of factors, including receiving the Plan Contribution from the Plan Sponsor in the form of significant future payment. Although the Plan Sponsor is contractually obligated to provide the Plan Consideration, the Plan Sponsor is not a debtor in these Chapter 11 Cases and is under no court order to make such contribution. Indeed, a change in circumstances—such as deteriorating financial performance abroad or operational strain—could cause the Plan Sponsor to withdraw or reduce support. Any such action would materially impair the Debtors' ability to fund distributions to creditors or operate effectively post-emergence

2. **Contingencies Could Affect Distributions to Holders of Allowed Claims**

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

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

3. **Risk of Non-Occurrence of the Effective Date**

The Effective Date of the Plan is conditioned upon several requirements, including the entry of the Confirmation Order and satisfaction of conditions relating to the Plan Sponsor's obligations and execution of Definitive Documents. If these conditions are not met or waived, the Plan may not become effective, resulting in protracted bankruptcy proceedings or conversion of the Chapter 11 Cases to chapter 7. Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur. As more fully set forth in Article 11 of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met, the Effective Date will not take place.

4. **The Debtors' Historical Financial Information May Not Be Comparable to the Financial Information of the Reorganized Debtors**

As a result of Consummation and the transactions contemplated thereby, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

5. **Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' Business**

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' business, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' business. Further, so long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the Reorganized Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

6. **The Debtors May Not Be Able to Achieve Their Projected Financial Projections or Meet Their Post-Restructuring Debt Obligations**

The Financial Projections represent management's best estimate of the future financial performance of the Debtors or the Reorganized Debtors, as applicable, based on currently known facts and assumptions about future operations of the Debtors or the Reorganized Debtors, as applicable. The projections have not been compiled, audited, or examined by independent accountants, and neither the Debtors nor their advisors make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results.

While the Debtors feel confident in their Financial Projections, there is no guarantee that the Financial Projections will be realized, and actual financial results may differ significantly from the Financial Projections. Indeed, many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtors or the Reorganized Debtors, including the timing, confirmation, and consummation of the Plan, outside litigation and costs, and other unanticipated economic conditions. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the projections may be inaccurate in material respects. In addition, unanticipated events and circumstances occurring after the approval of this Disclosure Statement by the Bankruptcy Court including any natural disasters, terrorist attacks, or public health pandemics may affect the actual financial results achieved. Such results may vary significantly from the forecasts and such variations may be material.

The Debtors' projections reflect the projected impact of value-creating programs. However, the Debtors cannot state with certainty that such value-creating programs will achieve their targeted results.

7. **Certain Tax Implications of the Debtors' Bankruptcy and Reorganization**

Holders of Allowed Claims should carefully review Article XII of this Disclosure Statement to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors.

C. Risk Factors Related to the Business Operations of the Debtors and Reorganized Debtors

1. **The Debtors Are Subject to the Risks and Uncertainties Associated with Any Chapter 11 Restructuring**

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

- the Debtors' ability to obtain approval of the Bankruptcy Court with respect to pleadings and motion papers filed in the Chapter 11 Cases from time to time;
- the Debtors' ability to obtain creditor and Bankruptcy Court approval for, and then to Consummate, the Plan to emerge from bankruptcy;
- the Debtors' ability to obtain and maintain normal trade terms with service providers and maintain contracts that are critical to their operations;
- the Debtors' ability to motivate and retain key employees;

- the Debtors' ability to attract and retain students and families; and
- the Debtors' ability to fund and execute their business plan.

The Debtors are also subject to risks and uncertainties with respect to the actions and decisions of creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Plan.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events or publicity associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with their customers, as well as their suppliers and employees, which, in turn, could adversely affect the Debtors' operations and financial condition. Also, pursuant to the Bankruptcy Code, the Debtors need Bankruptcy Court approval for transactions outside the ordinary course of business, which may limit their ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot predict or quantify the ultimate effect that events occurring during the Chapter 11 Cases will have on their businesses, financial condition, and results of operations.

As a result of the Chapter 11 Cases, the realization of assets and the satisfaction of liabilities are subject to uncertainty. While operating as debtors in possession, and subject to approval of the Bankruptcy Court, or otherwise as permitted in the normal course of business or Bankruptcy Court order, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities. Further, the Plan could materially change the amounts and classifications of assets and liabilities reported in the historical consolidated financial statements. The historical consolidated financial statements do not include any adjustments to the reported amounts of assets or liabilities that might be necessary as a result of Confirmation.

2. **Right-Sizing Real Estate Portfolio**

The Debtors' efforts to close, divest or transfer certain leases during the Chapter 11 Cases to the Foreclosure Buyers or other operators is part of the Debtors' wider effort to cut costs and maintain profitability. The Debtors forward-looking financial projections are based on the divestment and closure of certain School locations. The actual lease savings realized by the Company may be substantially less than the Debtors anticipate.

3. **Student Enrollment in Asset Valuation**

The Debtor currently operates seven (7) Schools. The success of the Reorganized Debtors hinges largely operation of these Schools, including maintaining and/or growing Student enrollment. If the Debtors are unable to at least maintain Student enrollment the Debtors' future revenue and overall performance, as well as its brand image, may be adversely affected.

4. **Pending and Future Litigation Matters**

In the ordinary course of business, the Debtors are parties to certain lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims. Particularly, with respect to the pending litigation involving various litigation counterparties, while the Debtors believe that these claims are meritless, the Debtors cannot predict such success with absolute certainty.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced

before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation Claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases. Specific litigation includes or may include (a) workers' compensation cases involving current and former employees, (b) landlord-tenant disputes, (c) wrongful termination employee actions, (d) regulatory matters, and (e) other litigation matters that have since been closed.

Notwithstanding the foregoing, there also may be in the future certain litigation that could result in a material judgment against the Debtors or the Reorganized Debtors. Such litigation, and any judgment in connection therewith, could have a material negative effect on the Debtors or the Reorganized Debtor, as applicable.

D. Miscellaneous Risk Factors and Disclaimers

1. The Financial Information Is Based on the Debtors' Books and Records and, Unless Otherwise Stated, No Audit Was Performed

In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that were available at the time of such preparation. Although the Debtors have used their reasonable business judgment to assure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects their financial condition, the Debtors are unable to warrant or represent that the financial information contained in this Disclosure Statement (or any information in any of the exhibits to the Disclosure Statement) is without inaccuracies.

2. No Legal or Tax Advice Is Provided by This Disclosure Statement

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

3. No Admissions Made

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

4. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim is, or is not, identified in this Disclosure Statement. The Debtors may seek to investigate, file, and prosecute Claims and may object to Claims after Confirmation and Consummation of the Plan, irrespective of whether this Disclosure Statement identifies such Claims or objections to Claims.

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

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

6. **No Representations Outside This Disclosure Statement Are Authorized**

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure voting Holders' acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by voting Holders in arriving at their decision.

Voting Holders should promptly report unauthorized representations or inducements to counsel to the Debtors and the Office of the United States Trustee for the Northern District of Texas.

7. **No Duty to Update**

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

ARTICLE XI.
Certain Securities Law Matters

A. Introduction

The Debtors' Plan proposes a series of transactions and distributions that may involve the issuance, transfer, or retention of securities within the meaning of applicable United States federal and state securities laws. This section provides a comprehensive discussion of those implications, including the applicability of registration exemptions, the potential issuance or reinstatement of securities, resale limitations, the treatment of insider and affiliate transactions, and related compliance issues. This disclosure is intended to Holders of Claims and Interests and other parties in interest in understanding the legal framework under which any such securities transactions may be affected in connection with Confirmation and Consummation of the Plan.

Importantly, no securities are being offered or sold through this Disclosure Statement, and this Disclosure Statement does not constitute an offer or solicitation with respect to any securities. Any securities potentially issued under the Plan will be issued in reliance on one or more exemptions from registration under applicable federal and state securities laws.

B. Applicability of Section 1145 of the Bankruptcy Code

Section 1145(a) of the Bankruptcy Code provides a statutory exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "**Securities Act**"), and from

state "blue sky" laws, for the offer or sale of certain securities under a confirmed chapter 11 plan. Specifically, Section 1145 provides that the offer or sale of securities is exempt from registration if:

- The securities are issued under a chapter 11 plan;
- The securities are issued by the debtor, a successor to the debtor, or an affiliate of the debtor that is participating in the plan of reorganization with the debtor; and
- The securities are issued in exchange for a claim against, an interest in, or an administrative expense claim against the debtor.

This exemption covers the issuance of stock, bonds, and other instruments that are "securities" within the meaning of Section 2(a)(1) of the Securities Act, including common and preferred equity, debt instruments, and certain derivative instruments.

If any securities are distributed to creditors or equity holders under the Plan in exchange for allowed claims or interests, the Debtors believe that such issuances will satisfy the requirements of Section 1145. Moreover, any retention or deemed issuance of equity interests held by the Plan Sponsor would not constitute a public offering under the Securities Act, and would not require registration.

C. Possible Issuances of Securities Under the Plan

Although the Plan does not mandate the issuance of publicly tradable securities, it does contemplate several transactions that may, directly or indirectly, result in the issuance or retention of securities. These include:

1. **Issuance of Reorganized HGE Common Stock**

On the Effective Date, 1,000 shares of the Reorganized HGE Common Stock, representing 100% of the equity of the Reorganized HGE, shall be issued to the Plan Sponsor or an entity designated by the Plan Sponsor, in consideration for the Plan Consideration and, to the Senior DIP Lender, to the extent that it exercises the Subscription Option. Reorganized HGE may take all necessary actions, if applicable, after the Effective Date to suspend any requirement to (a) be a reporting company under the Securities Exchange Act, and (b) file reports with the Securities and Exchange Commission or any other entity or party.

2. **Reinstated Intercompany Obligations**

The Plan provides for flexible treatment of Claims held by the Debtors' affiliates, including reinstatement, setoff, conversion to equity, settlement, or cancellation. If any portion of these Claims is converted to equity in either Debtor, such equity may constitute a "security." However, given the exclusively affiliated nature of these parties, any such issuance would qualify for exemption under Section 4(a)(2), Regulation D, or Regulation S, as applicable.

D. Applicability of Section 4(a)(2) and Regulation D

Where the Section 1145 exemption does not apply—such as issuances of the Reorganized HGE Common Stock—the Debtors will rely on the "private offering" exemption set forth in Section 4(a)(2) of the Securities Act. This exemption is available for transactions that do not involve any public offering. Courts and the SEC consider several factors in determining whether a transaction qualifies, including:

- The sophistication of the offeree(s);
- Access to material information;
- Number of offerees;
- Absence of general solicitation.

Issuances to the Plan Sponsor, as a sophisticated entity with comprehensive access to information, clearly fall within this exemption. In addition, the Debtors may utilize Regulation D, including Rule 506(b), to ensure compliance with federal and state securities laws for any other applicable transactions.

E. Use of Regulation S for Non-U.S. Persons

The Plan Sponsor and other affiliates of the Debtors are non-U.S. persons under Regulation S of the Securities Act. To the extent any securities are issued outside the United States to such entities, the Debtors believe that Regulation S will provide a separate exemption from registration, provided that:

- The offer and sale occur outside the United States;
- No directed selling efforts are made in the U.S.; and
- The purchaser is a non-U.S. person.

Issuances that comply with Regulation S are not subject to U.S. registration requirements, and resales are subject to minimal restrictions if sold offshore after the required holding period.

F. Restrictions on Resale of Securities

To the extent applicable, securities issued under the Plan pursuant to Section 1145 may be resold by recipients without registration, unless the holder is an "underwriter" as defined in Section 1145(b)(1), which includes:

- Persons who acquire securities with a view to distribution;
- Affiliates of the issuer;
- Persons who resell securities on behalf of the debtor or an affiliate.

Affiliates, including the Plan Sponsor and any of its designated entities or officers of the Reorganized Debtors, may be considered underwriters and thus may not resell such securities absent an effective registration statement or another applicable exemption.

Securities issued under Section 4(a)(2), Regulation D, or Regulation S will be deemed "restricted securities" and will be subject to resale limitations under Rule 144 unless held by non-affiliates who meet the applicable holding period and other requirements.

G. State Securities ("Blue Sky") Laws

To the extent securities are issued pursuant to Section 1145, state securities law registration requirements are preempted. For securities issued under other exemptions, such as Section 4(a)(2), Regulation D, or

Regulation S, compliance with applicable state blue sky laws may be required unless preempted under the National Securities Markets Improvement Act of 1996 ("**NSMIA**"). Where required, the Debtors will ensure that such securities are exempt from registration under the applicable state law through reliance on Rule 506 or other available exemptions.

H. No Public Market for Debtors' Securities

There is currently no public market for any securities of the Debtors, and the Debtors do not anticipate that a public market will develop post-confirmation. The Debtors do not intend to register any securities issued under the Plan with the SEC or list them on any securities exchange. As a result, any securities distributed under the Plan are likely to be illiquid and may be subject to restrictions on transfer.

I. No Reporting Obligations Under the Exchange Act

Following confirmation of the Plan, the Debtors do not intend to register any class of securities under Section 12 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor do they intend to become subject to the periodic reporting requirements of Section 13 or Section 15(d) of the Exchange Act. Accordingly, holders of any securities issued under the Plan should not expect to receive periodic financial statements or reports from the Debtors or Reorganized Debtors, unless otherwise required by contract or law.

J. No Offer or Solicitation

This Disclosure Statement has been prepared in accordance with Section 1125 of the Bankruptcy Code and is not intended to constitute an offer to sell or a solicitation of an offer to buy any securities. Any such offer or sale, if it occurs, will be made only in compliance with applicable securities laws and pursuant to a valid exemption from registration.

K. Conclusion

The Debtors believe that all securities transactions contemplated under the Plan will be exempt from federal and state registration requirements, either under Section 1145 of the Bankruptcy Code, Section 4(a)(2) of the Securities Act, Regulation D, or Regulation S. The Debtors do not intend to register any securities issued under the Plan, and no public market is expected to exist for such securities. Accordingly, recipients of any such securities should be prepared to hold them indefinitely and should consult their own legal and financial advisors regarding the securities law implications of their receipt and any potential transfer of such securities

ARTICLE XII.
Certain U.S. Federal Tax Consequences of the Plan

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

A. U.S. Federal Income Tax Consequences to Holders of Claims

The U.S. federal income tax treatment of a Holder of an Allowed Claim that receives a distribution in satisfaction of such Claim will depend upon the nature of the Claim, the tax status of the Holder, the form of the consideration received, and the extent to which the Claim includes accrued but unpaid interest.

In general, a Holder of a Claim will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by the Holder in satisfaction of the Claim (i.e., the sum of the cash and fair market value of any property received) and (ii) the Holder's adjusted tax basis in the Claim. A Holder's adjusted tax basis in a Claim generally equals the Holder's cost for the Claim, with certain adjustments for payments previously received and other applicable rules. Each applicable Holder should consult with its own tax advisors as to the tax consequences of such distributions, and the applicability of the installment sale rules.

B. Reporting and Withholding Obligations

All distributions under the Plan are subject to applicable tax withholding, including backup withholding under section 3406 of the Tax Code, unless the recipient provides a properly completed IRS Form W-9 (for U.S. persons) or Form W-8 (for non-U.S. persons). Backup withholding generally applies to reportable payments if the recipient fails to provide a taxpayer identification number or underreports interest or dividend income.

Any amounts withheld from a payment to a Holder under the backup withholding rules may be credited against the Holder's U.S. federal income tax liability, and a refund may be obtained to the extent such withholding exceeds the actual tax liability of the Holder.

C. Information Reporting

The Debtors, the Reorganized Debtors, or their distribution agents may be required to file information returns with the IRS with respect to distributions made pursuant to the Plan. Holders may also be required to furnish certain information to establish an exemption from withholding or to comply with tax reporting obligations.

D. Importance of Tax Advice

THE FOREGOING IS INTENDED TO BE A GENERAL SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN. IT IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE TAX CONSEQUENCES TO HOLDERS MAY VARY BASED ON INDIVIDUAL CIRCUMSTANCES AND MAY BE AFFECTED BY OTHER FACTORS, INCLUDING WHETHER THE HOLDER HAS TAKEN A BAD DEBT DEDUCTION, THE HOLDER'S METHOD OF ACCOUNTING, OR WHETHER THE HOLDER IS A NON-U.S. PERSON.

HOLDERS OF CLAIMS THAT RECEIVE DISTRIBUTIONS UNDER THE PLAN SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE ALLOCATION OF CONSIDERATION AND THE TAX IMPLICATIONS OF THE PLAN TO THEIR PARTICULAR SITUATION.

ARTICLE XIII.
Recommendation of the Debtors

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to Holders of Allowed Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses, resulting in smaller distributions to Holders of Allowed Claims than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims and Interests entitled to vote to accept or reject the Plan support Confirmation and vote to accept the Plan.

Respectfully submitted,

HIGHER GROUND EDUCATION, INC., *et al*.,
Debtors and Debtors in Possession

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