IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	)	Chapter 11
TOYS "R" US PROPERTY COMPANY I, LLC, *et al.*[1]	)	Case No. 18-31429 (KLP)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF TOYS "R" US PROPERTY COMPANY I, LLC AND ITS DEBTOR AFFILIATES

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[1] The Plan Debtors in these chapter 11 cases, along with the last four digits of each Propco I Debtor's federal tax identification number, are set forth in the *Propco I Debtors' Motion for Entry of an Order (I) Directing Joint Administration of the Plan Debtors' Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 3]. The location of the Plan Debtors' service address is One Geoffrey Way, Wayne, NJ 07470.

THE PLAN DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE *JOINT CHAPTER 11 PLAN OF TOYS "R" US PROPERTY COMPANY I, LLC AND ITS PROPCO I DEBTOR AFFILIATES*. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY 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 IN ARTICLE IX HEREIN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE RELEVANT PROVISIONS OF THE PLAN WILL GOVERN.

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

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE PLAN DEBTORS' CHAPTER 11 CASES. ALTHOUGH THE PLAN 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 PLAN DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE PLAN DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE PLAN DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE PLAN DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE PLAN DEBTORS' BUSINESSES. WHILE THE PLAN DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE PLAN 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 PLAN DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE PLAN 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 PLAN DEBTORS OR ANY OTHER AUTHORIZED PARTY IN INTEREST 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 PLAN 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 PLAN DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE PLAN 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 PLAN DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME.

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

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

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF 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 AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING THE SECTION ENTITLED "RISK FACTORS," 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 PLAN 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 THE PLAN DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.

UPON CONFIRMATION OF THE PLAN, THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "SECURITIES ACT"), OR SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN LAWS, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. IF THE HOLDER OF SUCH SECURITIES (I) IS AN "UNDERWRITER" AS DEFINED IN SUBSECTION (B) OF SECTION 1145 OF THE BANKRUPTCY CODE OR (II) IS, OR WITHIN 90 DAYS OF SUCH PROPOSED DISPOSITION HAS BEEN, AN "AFFILIATE" (AS DEFINED IN RULE 144(A)(1) UNDER THE SECURITIES ACT) OF THE REORGANIZED PLAN DEBTORS, THE SECURITIES ISSUED UNDER THE PLAN MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION FROM OR UPON REGISTRATION UNDER THE SECURITIES ACT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT OR THE MERITS OF THE PLAN.

THE PLAN DEBTORS MAKE STATEMENTS IN THIS DISCLOSURE STATEMENT THAT ARE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER FEDERAL SECURITIES LAWS. THE PLAN DEBTORS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS, TO BE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS MAY INCLUDE STATEMENTS ABOUT THE PLAN DEBTORS':

- **BUSINESS STRATEGY;**

- **ESTIMATED FUTURE NET RESERVES AND PRESENT VALUE THEREOF;**
- **FINANCIAL CONDITION, REVENUES, CASH FLOWS, AND EXPENSES;**
- **LEVELS OF INDEBTEDNESS, LIQUIDITY, AND COMPLIANCE WITH DEBT COVENANTS;**
- **FINANCIAL STRATEGY, BUDGET, AND OPERATING RESULTS;**
- **THE AMOUNT, NATURE, AND TIMING OF CAPITAL EXPENDITURES, INCLUDING FUTURE DEVELOPMENT COSTS;**
- **COSTS OF DEVELOPING THE PLAN DEBTORS' PROPERTIES AND CONDUCTING OTHER OPERATIONS;**
- **GENERAL ECONOMIC AND BUSINESS CONDITIONS;**
- **COUNTERPARTY CREDIT RISK;**
- **THE OUTCOME OF PENDING AND FUTURE LITIGATION;**
- **GOVERNMENTAL REGULATION AND TAXATION POLICY;**
- **UNCERTAINTY REGRADING THE PLAN DEBTORS' FUTURE OPERATING RESULTS; AND**
- **PLANS, OBJECTIVES, AND EXPECTATIONS.**

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE PLAN DEBTORS' FUTURE PERFORMANCE, IF ANY. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD IMPACT THE PLAN DEBTORS' ACTUAL FUTURE PERFORMANCE, IF ANY. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE: THE PLAN DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE PLAN DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE PLAN DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES, THE RISKS ASSOCIATED WITH OPERATING THE PLAN DEBTORS' BUSINESSES DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS AND MARKET CONDITIONS; THE PLAN DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; EXPOSURE TO LITIGATION; THE PLAN DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; ADVERSE TAX CHANGES; LIMITED ACCESS TO CAPITAL RESOURCES; CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS; NATURAL DISASTERS; GEOPOLITICAL INSTABILITY; AND THE EFFECTS OF GOVERNMENTAL REGULATION ON THE PLAN DEBTORS' BUSINESSES.

THIS DISCLOSURE STATEMENT IS SUBJECT TO FURTHER REVISION AND WILL BE AMENDED PRIOR TO THE HEARING TO CONSIDER ADEQUACY OF THIS DISCLOSURE STATEMENT AND THE RELATED SOLICITATION PROCEDURES TO, AMONG OTHER THINGS, TAKE INTO ACCOUNT THE RESULTS OF THE AUCTION, IF ANY, FURTHER SPECIFICS OF ANY RESTRUCTURING TRANSACTION TO BE CONSUMMATED PURSUANT TO THE PLAN, AND TO ACCOMMODATE ADDITIONAL REQUESTS FOR DISCLOSURE.

THE ECONOMICS OF THE RECOVERIES DESCRIBED HEREIN REFLECT INITIAL PROPOSALS DISCUSSED BETWEEN THE CREDITORS' COMMITTEE AND THE PLAN DEBTORS. THE PLAN DEBTORS CONTINUE TO NEGOTIATE WITH THEIR STAKEHOLDERS TO FINALIZE THE ECONOMICS OF THE PLAN.

TABLE OF CONTENTS

EXHIBITS

EXHIBIT A Chapter 11 Plan

EXHIBIT B Valuation

EXHIBIT C Liquidation Analysis

EXHIBIT D Financial Projections

I. INTRODUCTION

Toys "R" Us Property Company I, LLC ("Propco I"), Wayne Real Estate Holding Company, LLC, MAP Real Estate, LLC, TRU 2005 RE I, LLC, TRU 2005 RE II Trust, and Wayne Real Estate Company, LLC, as debtors and debtors in possession (collectively, the "Plan Debtors"), submit this disclosure statement (this "Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code to holders of Claims against the Plan Debtors in connection with the solicitation of acceptances with respect to the *Propco I Debtors' Joint Chapter 11 Plan of Toys "R" Us Property Company I, LLC and Its Propco I Debtor Affiliates* (the "Plan"), dated November 15, 2018.[1] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for Propco I and each of its five affiliated Plan Debtors.

THE PLAN DEBTORS BELIEVE THAT THE COMPROMISE CONTEMPLATED UNDER THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF THE PLAN DEBTORS' ESTATES AND PROVIDES THE BEST RECOVERY TO CLAIM HOLDERS. AT THIS TIME, THE PLAN DEBTORS BELIEVE THE PLAN IS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES. THE PLAN DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

II. PRELIMINARY STATEMENT

On September 18, 2017, Toys "R" Us, Inc. and certain of its affiliates (the "TRU Retail Debtors," and, together with the Plan Debtors, the "Company") filed voluntary petitions with the Bankruptcy Court under chapter 11 of the Bankruptcy Code. On March 20, 2018 (the "Petition Date"), the Plan Debtors filed voluntary petitions with the Bankruptcy Court under chapter 11 of the Bankruptcy Code. The Plan Debtors commenced these cases to resolve issues with landlords and manage their properties in a unified forum, maximizing the value of their estates for the benefit of all stakeholders in all scenarios. As of the Petition Date, approximately $859 million in aggregate principal amount of Propco I's funded debt remains outstanding.

The Plan Debtors own or directly lease substantial real estate assets, including, at the commencement of these Chapter 11 Cases, approximately 311 retail locations, which they leased or subleased to TRU Retail Debtor Toys "R" Us Delaware, Inc. ("TRU DE") pursuant to that certain Amended and Restated Master Lease Agreement (the "Master Lease") dated as of July 9, 2009 among Plan Debtors Map Real Estate, LLC, Wayne Real Estate Company, LLC, TRU 2005 RE I, LLC, and TRU 2005 RE II Trust and TRU DE.

Following the commencement of the TRU Retail Debtors' cases the TRU Retail Debtors experienced reduced revenues and constricted cash flow, largely due to a weaker than expected 2017 holiday shopping season. In the weeks leading up to March 20, 2018, it became clear to Toys "R" Us, Inc. and its stakeholders that the continuation of their business as a going concern in the United States was no longer tenable. Accordingly, on March 15, 2018, the TRU Retail Debtors filed the *Debtors' Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures For the Sale of the Debtors' Canadian Equity, (IV) Enforcing an Administrative Stay, and (V) Granting Related Relief* [Docket No. 2050] (the "Wind-Down Motion") seeking entry of orders for facilitating the orderly wind-down of the TRU Retail Debtors' operations in the United States, including the closure of the remainder of the TRU

[1] Capitalized terms used but not otherwise defined in this Disclosure Statement will have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

Retail Debtors' domestic retail locations. The Master Lease was rejected by operation of law on June 30, 2018.

On July 20, 2018, the Bankruptcy Court authorized the Plan Debtors' retention of Raider Hill Advisors, LLC ("Raider Hill") as real estate advisor to the Plan Debtors. Since Raider Hill's retention, the Plan Debtors have been engaged in the process of selling or otherwise disposing of their leased and owned properties. On September 27, 2018, the Plan Debtors conducted an auction of several of their leased properties. And, on October 16, 2018, the Plan Debtors assumed 22 of their store leases, prior to the expiration of their time period to assume unexpired leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code (the "365(d)(4) Deadline"). With the status of the Plan Debtors' leased properties largely determined, the Plan Debtors have engaged in negotiations with the Creditors' Committee to bring a resolution to these chapter 11 cases so that the Plan Debtors can manage, market and/or otherwise dispose of the remainder of their assets outside of chapter 11. The result of those negotiations is the *Joint Chapter 11 Plan of Toys "R" Us Property Company I, LLC and its Debtor Affiliates* attached hereto as **Exhibit A** (the "Plan"). The Plan contemplates a reorganization of the Plan Debtors, allowing them to emerge from chapter 11 as a real estate management company with a right-sized capital structure, allowing them to manage, market, or dispose of their remaining assets outside of chapter 11. Specifically, under the terms of the Plan, holders of Claims and Interests will receive the following treatment in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such holders' Claims and Interests:

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

- **Class A-1 - Other Secured Claims against the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Secured Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Secured Claim against the Propco I Debtors, each Holder thereof shall receive, either: (a) payment in full in Cash; or (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

- **Class A-2 - Other Priority Claims against the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Priority Claim against the Propco I Debtors, each Holder thereof shall receive, either: (a) payment in full in Cash or (b) such other treatment as shall render such Claim Unimpaired.

- **Class A-3a - General Unsecured Claims against Propco I**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Propco I agrees to a less favorable treatment, and subject to the option to make the Propco I Convenience Class Election to participate in Class A-4a (solely with respect to Propco I Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against Propco I, each Holder of an Allowed General Unsecured Claim against Propco I shall receive their pro rata share of the Propco I GUC Recovery.

- **Class A-3b – General Unsecured Claims against TRU RE I**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against TRU RE I agrees to a less favorable treatment, and subject to the option to make the TRU RE I Convenience Class Election to participate in Class A-4b (solely with respect to TRU RE I Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against TRU RE I, each Holder of an Allowed General Unsecured Claim against TRU RE I shall receive their pro rata share of the TRU RE I GUC Recovery.

- **Class A-3c – General Unsecured Claims against TRU RE II**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against TRU RE II agrees to a less favorable treatment, and subject to the option to make the TRU RE II Convenience Class Election to participate in Class A-4c (solely with respect to TRU RE II Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against TRU RE II, each Holder of an Allowed General Unsecured Claim against TRU RE II shall receive their pro rata share of the TRU RE II GUC Recovery.

- **Class A-3d – General Unsecured Claims against MAP RE**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against MAP RE agrees to a less favorable treatment, and subject to the option to make the MAP RE Convenience Class Election to participate in Class A-4d (solely with respect to MAP RE Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against MAP RE, each Holder of an Allowed General Unsecured Claim against MAP RE shall receive their pro rata share of the MAP RE GUC Recovery.

- **Class A-3e – General Unsecured Claims against Wayne RE**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne RE agrees to a less favorable treatment, and subject to the option to make the Wayne RE Convenience Class Election to participate in Class A-4e (solely with respect to Wayne RE Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against Wayne RE, each Holder of an Allowed General Unsecured Claim against Wayne RE shall receive their pro rata share of the Wayne RE GUC Recovery.

- **Class A-4a – Propco I Convenience Claims**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Propco I Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed Propco I Convenience Claim, each Holder of an Allowed Propco I Convenience Claim shall receive payment in full in Cash on account of such Claim.

- **Class A-4b – TRU RE I Convenience Claims**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed TRU RE I Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed TRU RE I Convenience Claim, each Holder of an Allowed TRU RE I Convenience Claim shall receive payment in full in Cash on account of such Claim.

- **Class A-4c – TRU RE II Convenience Claims**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed TRU RE II Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction,

settlement, release and discharge of each Allowed TRU RE II Convenience Claim, each Holder of an Allowed TRU RE II Convenience Claim shall receive payment in full in Cash on account of such Claim.

- **Class A-4d – MAP RE Convenience Claims**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed MAP RE Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed MAP RE Convenience Claim, each Holder of an Allowed MAP RE Convenience Claim shall receive payment in full in Cash on account of such Claim.

- **Class A-4e – Wayne RE Convenience Claims**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Wayne RE Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed Wayne RE Convenience Claim, each Holder of an Allowed Wayne RE Convenience Claim shall receive payment in full in Cash on account of such Claim.

- **Class A-5 -TRU Retail Claims against the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, to the extent Allowed and except to the extent that a Holder of an Allowed TRU Retail Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction of each Allowed TRU Retail Claim against the Propco I Debtors, each Holder of an Allowed TRU Retail Claim against the Propco I Debtors shall receive the GUC Recovery against the applicable Propco I Debtor. For the avoidance of doubt, Holders of Allowed TRU Retail Claims shall not be entitled to make an election to participate in Class A-4a, Class A-4b, Class A-4c, Class A-4d, or Class A-4e.

- **Class A-6 - Intercompany Claims against the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Claim against the Propco I Debtors shall be Reinstated or canceled without any distribution on account of such Intercompany Claim as determined by the Creditors' Committee in its sole discretion.

- **Class A-7 - Intercompany Interests in the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Interest in the Propco I Debtors shall be Reinstated.

- **Class A-8 - Section 510(b) Claims against the Propco I Debtors**. On the Effective Date, or as soon as reasonably practicable thereafter, each Section 510(b) Claim shall be discharged without any distribution.

- **Class A-9 - Interests in Propco I**. On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each Interest in Propco I, each Holder of an Interest in Propco I shall receive: (i) If Class A-9 votes to accept the Plan, its pro rata share of the New Contingent Equity Rights after the satisfaction in full of any General Unsecured Claims against Wayne Holdings; or (ii) If Class A-9 votes to reject the Plan and (x) the Equity Option 1 Conditions are satisfied, its pro rata share of the Equity Option 1 Recovery, or (y) if the Equity Option 1 Conditions are not satisfied or there is any default whatsoever by any Holder of an Interest in Propco I with respect to any of the Equity Option 1 Conditions, the Equity Option 2 Recovery.

- **Class B-1 - Other Secured Claims against Wayne Holdings**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed

Other Secured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Secured Claim against Wayne Holdings, each Holder thereof shall receive, either: (a) payment in full in Cash; (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) reinstatement of such Other Secured Claim; or (d) such other treatment as shall render such Claim Unimpaired.

- **Class B-2 - Other Priority Claims against Wayne Holdings**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Priority Claim against Wayne Holdings, each Holder thereof shall receive payment in full in Cash or such other treatment as shall render such Claim Unimpaired.

- **Class B-3 – General Unsecured Claims against Wayne Holdings**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction of each Allowed General Unsecured Claim against Wayne Holdings, each Holder of an Allowed General Unsecured Claim against Wayne Holdings shall receive the New Contingent Equity Rights.

- **Class B-4 - Intercompany Claims against Wayne Holdings**. On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Claim against Wayne Holdings shall be Reinstated, canceled, or compromised as determined by the Reorganized Propco I Debtors in their sole discretion.

- **Class B-5 - Interests in Wayne Holdings**. On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction of each Allowed General Unsecured Claim against Wayne Holdings, each Holder of an Allowed General Unsecured Claim against Wayne Holdings shall receive the New Contingent Equity Rights after the satisfaction in full of any General Unsecured Claims against Wayne Holdings.

The Plan Debtors believe that the Plan maximizes stakeholder recoveries in these Chapter 11 Cases. The Plan Debtors seek the Bankruptcy Court's approval of the Plan and urge all holders of Claims entitled to vote to accept the Plan by returning their Ballots so that Prime Clerk LLC, the Plan Debtors' solicitation agent (the "Solicitation Agent"), actually receives such Ballots by the Voting Deadline, *i.e.*, [January 18, 2019], at 4:00 p.m. prevailing Eastern Time. Assuming the Plan receives the requisite acceptances, the Plan Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing.

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 of creditors and similarly situated equity interest holders, subject to the priority 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 Plan Debtors as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the Plan Debtors 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 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 treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

B. Why are the Plan Debtors sending me this Disclosure Statement?

The Plan 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 Plan 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 or interest 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, and your distribution (if any) under, the Plan depends on what type of Claim or Interest you hold. Each category of holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below:

Class	Claims and Interests	Status	Voting Rights
Propco I Plan			
Class A-1	Other Secured Claims against the Plan Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-2	Other Priority Claims against the Plan Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-3a	General Unsecured Claims against Propco I	Impaired	Entitled to Vote
Class A-3b	General Unsecured Claims against TRU RE I	Impaired	Entitled to Vote
Class A-3c	General Unsecured Claims against TRU RE II	Impaired	Entitled to Vote
Class A-3d	General Unsecured Claims against MAP RE	Impaired	Entitled to Vote
Class A-3e	General Unsecured Claims against Wayne RE	Impaired	Entitled to Vote
Class A-4a	Propco I Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4b	TRU RE I Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4c	TRU RE II Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4d	MAP RE Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4e	Wayne RE Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)

Class	Claims and Interests	Status	Voting Rights
Propco I Plan			
Class A-5	Intercompany Claims against the Plan Debtors	Unimpaired or Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class A-6	Intercompany Interests in the Plan Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-7	Section 510(b) Claims against the Plan Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)
Class A-8	Interests in Propco I	Impaired	Entitled to Vote
Wayne Holdings Plan			
Class B-1	Other Secured Claims against the Plan Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B-2	Other Priority Claims against the Plan Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B-3	General Unsecured Claims against Wayne Holdings	Impaired	Entitled to Vote
Class B-4	Intercompany Claims against Wayne Holdings	Unimpaired or Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class B-5	Interests in Wayne Holdings	Impaired	Entitled to Vote

D. What will I receive from the Plan Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to holders of Claims and Interests under the Plan. Any estimates of Claims and 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 Plan Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

Each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Plan Debtors and the holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE PLAN DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.[2]

[2] The recoveries set forth below may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Plan Debtors' business operations and general economic conditions. "Allowed" means with respect to any Claim: (a) a Claim that is scheduled by the Plan Debtors as neither disputed, contingent, nor unliquidated and for which no contrary proof of claim has been filed; (b) a Claim that is not a Disputed Claim or has been allowed by a Final Order; (c) a Claim that is allowed (i) pursuant to the terms of the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court or (iii) pursuant to any contract, instrument, indenture, or other agreement entered into or assumed in connection herewith; or (d) a Claim as to which a Proof of Claim has been timely Filed and as to which no objection has been Filed as of the Claims Objection Deadline. Except for any Claim that is expressly Allowed pursuant to the Plan, any Claim that has been, or is

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims**	**Projected Recovery Under the Plan**
Propco I Plan				
Class A-1	Other Secured Claims against the Plan Debtors	Unimpaired	[●]%	$[●]
Class A-2	Other Priority Claims against the Plan Debtors	Unimpaired	[●]%	$[●]
Class A-3a	General Unsecured Claims against Propco I	Impaired	[●]%	$[●]
Class A-3b	General Unsecured Claims against TRU RE I	Impaired	[●]%	$[●]
Class A-3c	General Unsecured Claims against TRU REII	Impaired	[●]%	$[●]
Class A-3d	General Unsecured Claims against MAP RE	Impaired	[●]%	$[●]
Class A-3e	General Unsecured Claims against Wayne RE	Impaired	[●]%	$[●]
Class A-4a	Propco I Convenience Claims	Unimpaired	[●]%	$[●]
Class A-4b	TRU RE I Convenience Claims	Unimpaired	[●]%	$[●]
Class A-4c	TRU RE II Convenience Claims	Unimpaired	[●]%	$[●]
Class A-4d	MAP RE Convenience Claims	Unimpaired	[●]%	$[●]
Class A-4e	Wayne RE Convenience Claims	Unimpaired	[●]%	$[●]
Class A-5	Intercompany Claims against the Plan Debtors	Unimpaired or Impaired	[●]%	$[●]
Class A-6	Intercompany Interests in the Plan Debtors	Unimpaired	[●]%	$[●]
Class A-7	Section 510(b) Claims against the Plan Debtors	Impaired	[●]%	$[●]
Class A-8	Interests in Propco I	Impaired	[●]%	$[●]
Wayne Holdings Plan				
Class B-1	Other Secured Claims against the Plan Debtors	Unimpaired	$[●]	[●]%
Class B-2	Other Priority Claims against the Plan Debtors	Unimpaired	$[●]	[●]%
Class B-3	General Unsecured Claims against Wayne Holdings	Impaired	$[●]	[●]%
Class B-4	Intercompany Claims against Wayne Holdings	Unimpaired or Impaired	$[●]	[●]%
Class B-5	Interests in Wayne Holdings	Impaired	$[●]	[●]%

hereafter, listed in the Schedules as contingent, unliquidated, or disputed and for which no Proof of Claim has been Filed is not considered Allowed and shall be deemed expunged upon entry of the Confirmation Order.

E. What will I receive from the Plan Debtors if I hold an Allowed Administrative Claim or a Priority Tax Claim?

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 and Interests set forth in Article III of the Plan. Administrative Claims will be satisfied as set forth in Article II.A of the Plan, and Priority Tax Claims will be satisfied as set forth in Article II.D of the Plan.

F. Are any regulatory approvals required to consummate the Plan?

No. There are no known regulatory approvals that are required to consummate the Plan. Nonetheless, assignment of any federal leases requires the consent of the United States Department of the Interior or other governmental units. In addition, certain of the Plan Debtors' operations may require federal approval as further described in Article IX.B of this Disclosure Statement.

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 go effective, there is no assurance that the Plan Debtors will be able to effectuate the restructuring transaction. It is possible that any alternative, including a potential sale under section 363 of the Bankruptcy Code may provide holders of Claims and Interests with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, see **Exhibit C** to this Disclosure Statement, entitled "Liquidation Analysis."

H. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan becomes 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 or Interests will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as practicable thereafter, as specified in the Plan. *See* Article X of this Disclosure Statement, entitled "Statutory Requirements for Confirmation of the Plan," for a discussion of the conditions precedent to consummation of the Plan. "Consummation" refers to "substantial consummation" of the Plan, as defined in section 1101(2) of the Bankruptcy Code, and means (1) the transfer of all or substantially all of the property proposed by the Plan to be transferred; (2) assumption by the Plan Debtors or by the successors to the Plan Debtors under the Plan of the business or of the management of all or substantially all of the property dealt with by the Plan; and (3) commencement of distributions under the Plan.

I. What are the sources of Cash and other consideration required to fund the Plan?

The Plan will be funded by Cash on hand, the New Debt Instruments, and any other Cash received or generated by the Plan Debtors.

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 as well, which objections potentially could give rise to litigation. In the event that it becomes necessary to confirm the Plan over the objection of certain Classes, the Plan Debtors may seek

confirmation of the Plan notwithstanding the dissent of such objecting Classes. The Bankruptcy Court may confirm the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, which allow 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 release of Avoidance Actions affect my recovery under the Plan?

In accordance with section 1123(b) of the Bankruptcy Code, on the Effective Date, and except to the extent otherwise reserved in the Plan Supplement, the Plan Debtors, on behalf of themselves and their estates, shall release any and all Avoidance Actions and the Plan Debtors, and any of their successors or assigns and any Entity acting on behalf of the Plan Debtors shall be deemed to have waived the right to pursue any and all Avoidance Actions. No Avoidance Actions shall revert to creditors of the Plan Debtors.

L. Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes, the Plan contains certain releases (as described more fully in Article IV of this Disclosure Statement), including mutual releases between (a) the Plan Debtors; (b) the Reorganized Plan Debtors; (c) the TRU Retail Debtor Parties; (d) the Creditors' Committee and its members; (e) the Holders of Term Loan Claims; (f) the Propco I Agent; (g) the Sponsors; (h) with respect to each of the foregoing entities in clauses (a) through (g), such entity's current and former affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

The Plan Debtors believe that the Plan Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Plan Debtors' overall restructuring efforts. On balance, the value of any potential claim held by the Estate is far outweighed by the cost of prosecuting such a claim. Indeed, any prosecution of such claims would only further deplete estate resources and reduce creditor recoveries. Further, the Plan Debtors assert that many of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Plan Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize the value of the Plan Debtors for the benefit of all parties in interest. Accordingly, for all of these reasons the Plan Debtors believe that each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions. Based on the foregoing, the Plan Debtors believe that the releases and exculpations in the plan are necessary and appropriate and meet the applicable legal standard. Moreover, the Plan Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for the propriety of the release and exculpation provisions.

The Plan also provides that all holders of Claims that (i) vote to accept or are deemed to accept the Plan or (ii) are in a voting Class who abstain from voting on the Plan and do not opt out of the release provisions contained in Article VIII of the Plan will be deemed to have expressly, unconditionally, generally, individually, and collectively released all Claims and Causes of Action against the Plan Debtors and the Released Parties.

Importantly, all holders of Claims and Interests that are not in voting Classes that do not file an objection with the Bankruptcy Court in the Chapter 11 Cases that expressly objects to the inclusion of such holder as a Releasing Party under the provisions contained in Article VIII.E of the Plan or do not elect to opt out of the provisions contained in Article VIII.E of the Plan using the documents provided, if any, will be deemed to have expressly, unconditionally, generally, individually, and collectively consented to the release of all Claims and Causes of Action against the Plan Debtors and the Released Parties. By objecting to or electing to opt out of the releases set forth

in Article VIII.E of the Plan you will forgo the benefit of obtaining the releases set forth in Article VIII.E of the Plan if you otherwise would be a Released Party thereunder. The releases are an integral element of the Plan.

M. What is the effect of the Plan on the Plan Debtors' ongoing business?

Following confirmation of the Plan, the Plan Debtors will continue to employ Raider Hill as real estate advisor to manage and dispose of the Plan Debtors' remaining properties. Upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

N. Could subsequent events potentially affect recoveries under the Plan?

Potentially, yes. A large portion of the Plan Debtors' assets will be managed and sold by Raider Hill outside of chapter 11. The extended time frame of the distribution of the Plan Debtors' assets, and the fact that the Plan Debtors are being recapitalized rather than liquidated, creates additional risks that market factors may affect long-term recoveries to creditors.

O. Do the Plan Debtors recommend voting in favor of the Plan?

Yes. The Plan Debtors believe the Plan provides for a larger distribution to the Plan Debtors' creditors than would otherwise result from any other available alternative. The Plan Debtors, in consultation with their advisors, believe that the Plan is in the best interest of all holders of Claims or Interests, and that any other alternatives (to the extent they exist) fail to realize or recognize the value inherent under the Plan.

IV. OVERVIEW OF THE PLAN

The Plan provides for the reorganization of the Plan Debtors as a real estate company, which will manage and/or dispose of the Plan Debtors' property outside of chapter 11. The key terms of the Plan are as follows:

A. General Settlement of Claims.

As discussed further in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve such good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Plan Debtors and their Estates. Distributions made to holders of Allowed Claims in any Class are intended to be final.

B. No Substantive Consolidation.

The Plan is being proposed as a joint plan of reorganization of the Plan Debtors for administrative purposes only and constitutes a separate chapter 11 plan of reorganization for each Plan Debtor. The Plan is not premised upon the substantive consolidation of the Plan Debtors with respect to the Classes of Claims or Interests set forth in the Plan.

C. Joint Plan

The Plan is a joint plan for all of the Plan Debtors. To the extent that the Plan Debtors are unable to confirm the Plan with respect to any individual Plan Debtors, the Plan Debtors reserve the right to proceed with Confirmation and Consummation of the Plan with respect to any and all other Plan Debtors, in consultation with the Creditors' Committee.

D. Restructuring Transactions.

On or before the Effective Date, the Plan Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, the Plan Supplement and the Confirmation Order (the "Restructuring Transactions"), including: (1) the execution, filing, and delivery of appropriate agreements or other documents of merger, sale, disposition, transfer, consolidation, reorganization, restructuring, liquidation, dissolution, or equity issuance, certificates of incorporation, certificates of conversion, certificates of formation, operating agreements, bylaws, or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of sale, equity issuance, transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (3) the issuance of the New Contingent Equity Rights, New Warrants, New Secured Debt, New PIK Debt, and New Common Stock, (4) the execution of the New Organizational Documents, (5) the vesting of the Plan Debtors' assets in the Reorganized Plan Debtors, in each case in accordance with the Plan and the Plan Supplement; (6) such other transactions that are necessary or appropriate to implement the Plan in the most tax efficient manner, including any mergers, sales, dispositions, transfers, consolidations, restructurings, conversions, formations, organizations, dissolutions or liquidations (including the transactions set forth in the Restructuring Transactions Memorandum); (7) at the election of any Holder of General Unsecured Claims against any of the Propco I Debtors, the organization of one or more "blocker corporations" to receive and hold, at each such Holder's election, New Common Stock, New Warrants, and/or any other consideration to be received by such Holder under this Plan (provided that, only one blocker corporation will be established for the benefit of all Holders that are expected to receive, individually or in the aggregate with any affiliate or fund or other investment vehicle under common management, less than 10% of the New Common Stock; provided, further, that, notwithstanding anything in this Plan to the contrary, including the immediately preceding proviso, any such Holder may assign or otherwise transfer all or a portion of its Claims to another Entity prior to the Effective Date in order to entitle such Entity to receive all or a portion of the associated consideration) and (8) all other transactions or actions that either (x) the Plan Debtors or (y) the Reorganized Plan Debtors, as applicable, determine (in each case, with the consent of the Creditors' Committee, not to be unreasonably withheld) are necessary or appropriate to implement the Plan. The Restructuring Transactions may include a transfer of all or substantially all or a part of the Plan Debtors' assets or entities to a newly-formed entity (or an affiliate or subsidiary of such entity) formed and controlled by certain holders of Claims against the Plan Debtors and, in such case, some or all of the New Common Stock (and/or other interests) issued to holders of Claims pursuant to the Plan may comprise stock (and/or other interests) of such new entity (or an affiliate or subsidiary of such entity).

E. Sources of Consideration for Plan Distributions.

The Plan Debtors Cash on hand, and any other Cash received or generated by the Plan Debtors shall be used to fund the distributions to holders of Allowed Claims against the Plan Debtors in accordance with the treatment of such Claims and subject to the terms provided herein.

F. Disputed Claims Reserve.

On the Effective Date (or as soon thereafter as is reasonably practicable), the Plan Debtors shall deposit in the Disputed Claims Reserve the Disputed Claims Reserve Amount; *provided, however*, that in the case of non-Cash consideration being issued under the Plan, the Plan Debtors may elect, rather than depositing such consideration into the Disputed Claims Reserve, holding back a sufficient amount of such consideration and issuing it directly to appropriate Holders of Claims as Claims are resolved. Notwithstanding the foregoing, if the Holders of Interests in Propco I elect to make the Equity Option 1 Payment in accordance with the Equity Option 1 Conditions, the Disputed Claims Reserve shall be funded from the Equity Option 1 Deposit in accordance with the Equity Option 1 Conditions. For the avoidance of doubt, there shall be no reserve required for Claims against the Plan Debtors, to the extent such Claims are Assumed Liabilities or are released or otherwise extinguished pursuant to the Plan, nor shall there be any reserves, holdbacks, escrows, or indemnities arising from the Sale Transaction Documentation or otherwise relating to any Sale Transaction.

The Disputed Claims Reserve will be subject to taxation as a "disputed ownership fund" pursuant to section 1.468B-9 of the United States treasury regulations.

G. Issuance of New Common Stock, New Warrants, and New Contingent Equity Rights.

Upon the Effective Date, all Interests in Propco I shall be cancelled and the New Common Stock, New Warrants, and, as applicable, New Contingent Equity Rights shall be issued as set forth under the Plan. The New Common Stock, New Warrants, and New Contingent Equity Rights shall be freely tradable and eligible for the book-entry delivery, depository and settlement services of DTC. On the Effective Date, the Reorganized Plan Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, except as provided above with respect to Disputed Claims.

On the Effective Date, Holders of New Common Stock shall be parties to certain New Organizational Documents. On the Effective Date, the Reorganized Plan Debtors and the Holders of New Common Stock (to the extent applicable) shall enter into and deliver the New Organizational Documents to each Entity that is intended to be a party thereto and such New Organizational Documents shall be deemed to be valid, binding, and enforceable in accordance with their terms, and each Holder of New Common Stock shall be bound thereby, in each case, without the need for execution by any party thereto other than the Reorganized Plan Debtors.

All shares of New Common Stock to be received upon exercise (if applicable) of any (x) New Contingent Equity Rights or (y) New Warrants shall be deemed to have been duly authorized, validly issued, fully paid, and nonassessable, and not to have been issued in violation of any preemptive rights, rights of first refusal or similar rights or any applicable law.

H. New Debt Instruments.

On the Effective Date, the Reorganized Plan Debtors shall issue and/or incur the New Debt Instruments, except as provided above with respect to Disputed Claims. The New Debt Instruments shall be issued and/or incurred on terms set forth in the New Debt Documents.

The New Secured Debt and New PIK Debt will be structured either (i) as debt securities issued under one or more indentures governing such series of debt securities or (ii) as a term loan or similar debt instrument governed by a credit agreement or similar documents, if all of the initial recipients of the such New Secured Debt or New PIK Debt, as applicable, pursuant to this Plan are either bank or non-bank institutional investors, at the Creditors' Committee's option., as a term loan or similar debt instrument governed by a credit agreement or similar documents.

The New Debt Instruments, to the extent such New Debt Instruments are "securities" under applicable securities laws, shall be freely tradable and eligible for book-entry delivery, depository and settlement services of DTC.

Confirmation shall be deemed approval of the New Debt Instruments (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Plan Debtors or the Reorganized Plan Debtors in connection therewith), to the extent not approved by the Bankruptcy Court previously, and the Reorganized Plan Debtors are authorized to execute and deliver those documents necessary or appropriate to issue the New Debt Instruments, including any and all documents required to issue the New Debt Instruments, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Plan Debtors may deem to be necessary to consummate issuance of the New Debt Instruments and that are in form and substance reasonably acceptable to the Creditors' Committee.

I. Exemption from Registration Requirements.

The offering, issuance, sale and distribution of (a) all shares of New Common Stock, the New Debt Instruments (to the extent such New Debt Instruments are "securities" under applicable securities laws), the New Warrants, and the New Contingent Equity Rights (if any) under the Plan, (b) all shares of New Common Stock or other securities issued upon exercise of New Contingent Equity Rights (if applicable), and (c) all shares of New Common Stock or other securities issued upon exercise of the New Warrants (if applicable), in each such case, will be exempt from, among other things, the registration and prospectus delivery requirements under the Securities Act or any similar federal, state, or local laws in reliance upon section 1145 of the Bankruptcy Code to the maximum extent permitted and applicable, without further act or action by the Reorganized Plan Debtors. Each of the foregoing securities (a) is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act unless the initial recipient thereof is an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code, and (b) if such security is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act, such security will be freely tradable and transferable by the initial recipient thereof if at the time of transfer such initial recipient is not an "affiliate" (as defined in Rule 144(a)(1) under the Securities Act) of the Reorganized Plan Debtors and has not been such an "affiliate" within 90 days of such transfer.

The Reorganized Plan Debtors need not provide any further evidence to DTC other than the Plan or the Confirmation Order with respect to the treatment of any securities to be issued under this Plan (including securities issuable upon exercise of such securities) under applicable securities laws.

DTC shall be required to accept and conclusively rely upon the Plan or Confirmation Order in lieu of a legal opinion regarding whether such securities are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Common Stock, the New Debt Instruments, the New Warrants, or the New Contingent Equity Rights (including securities issuable upon exercise of the foregoing securities) are exempt from registration and/or eligible for DTC book-entry delivery, settlement and depository services

J. Subordination.

The allowance, classification, and treatment of all Claims and Interests under the Plan conform to and are consistent with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and the Plan recognizes and implements any such rights. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the rights of the Plan Debtors or the

Reorganized Plan Debtors, as applicable, are hereby reserved to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto upon entry of a Final Order ruling that such Allowed Claim or Allowed Interest (or portion thereof) is subordinated. On the Effective Date, any and all subordination rights or obligations that a holder of a Claim or Interest may have with respect to any distribution to be made under the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be enjoined permanently. Accordingly, distributions under the Plan to holders of Allowed Claims and Allowed Interests will not be subject to turnover or payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

K. Vesting of Assets in the Reorganized Plan Debtors.

Except as otherwise provided herein, or in any agreement, instrument, or other document incorporated in the Plan (including, without limitation, the Restructuring Transactions Memorandum and the New Debt Documents, as applicable), on the Effective Date, all property in each Plan Debtor's Estate, including the Reorganized Plan Debtors' Assets, all Causes of Action, claims, or defenses, and any property acquired by any of the Plan Debtors under the Plan shall vest in each respective Reorganized Plan Debtor (excluding any Executory Contracts and Unexpired Leases included on the Schedule of Rejected Executory Contracts and Unexpired Leases), free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided herein, each Reorganized Plan Debtor may operate its business and may use, acquire, or dispose of property and pursue, 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, other than any restrictions expressly imposed by the Plan, the Plan Supplement, or the Confirmation Order. Notwithstanding anything to the contrary in the Plan, the Unimpaired Claims against a Plan Debtor shall remain the obligations solely of such Debtor or such Reorganized Debtor and shall not become obligations of any other Plan Debtor or Reorganized Plan Debtor by virtue of the Plan, the Chapter 11 Cases, or otherwise.

L. Cancellation of Securities and Agreements.

On the Effective Date, except to the extent otherwise provided in the Plan, under Article IV.G and IV.H, all notes, instruments, Certificates, and other documents evidencing, or in anyway related to, Claims or Interests shall be canceled and the obligations of the Plan Debtors or Reorganized Plan Debtors thereunder or in any way related thereto shall be released, settled, and compromised; *provided, however*, that notwithstanding Confirmation or the occurrence of the Effective Date, the Term Loan Documents shall continue in effect for purposes of (i) enforcing the rights, Claims and interests of the Propco I Agent and any predecessor thereof vis-a-vis the Term Lenders and any parties other than the Propco I Debtors, (ii) allowing the Propco I Agent to receive distributions under the Plan and to make distributions to the Holders of Term Loan Claims in accordance with the terms of the Term Loan Documents; (iii) preserving the rights of the Propco I Agent and any predecessor thereof to compensation and indemnification under the Term Loan Documents as against any money or property distributable to Holders of Term Loan Claims, including any priority in respect of payment and the right to exercise any charging lien; and (iv) permitting the Propco I Agent to enforce any obligations owed to it under the Plan.

M. Corporate Action.

On the Effective Date, or as soon thereafter as is reasonably practicable, all actions as may be necessary or appropriate to effect any transactions described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the adoption, execution, delivery and/or filing of the New Organizational Documents, (b) the selection of the directors, managers, and officers for the Reorganized

Plan Debtors, including the appointment of the New Board, in accordance with the terms of the Plan; (c) the authorization, issuance, delivery and distribution of New Common Stock, New Warrants, and the New Contingent Equity Rights; (d) the authorization, issuance, delivery and distribution of shares of New Common Stock upon exercise of the New Warrants and New Contingent Equity Rights, and the reservation of a sufficient number of shares of New Common Stock for issuance, delivery and distribution upon any such conversion or exercise; (e) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (f) the entry into or issuance of (as applicable) the New Debt Instruments and the execution, delivery, and filing of the New Debt Documents, as applicable, and the granting of the Liens and security interests in the collateral under the New Debt Documents, as applicable; and (g) all other actions that may be required by applicable law. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized Propco I and the other Reorganized Plan Debtors, and any corporate action required by the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors. On or before the Effective Date (as applicable), the appropriate officers of the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the Restructuring Transactions) in the name of and on behalf of Reorganized Propco I and the other Reorganized Plan Debtors, including with respect to the New Debt Instruments, and any and all other agreements, documents, Securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by Article IV.N of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

N. Corporate Existence; Tax Classification.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, Reorganized Propco I and the Reorganized Propco I Subsidiaries shall continue to exist as separate limited liability companies, with all the powers of a corporation, limited liability company, partnership, or other form of Entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Plan Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended or amended and restated by the Plan (including pursuant to the provisions of Article IV.K of the Plan), the New Organizational Documents, or otherwise, and to the extent such documents are amended or amended and restated, such documents are deemed to be amended or amended and restated pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). Subject to the Restructuring Transactions Memorandum, Reorganized Propco I will be treated as a partnership for U.S. federal income (and applicable state and local) tax purposes, and the Reorganized Propco I Subsidiaries will be treated as disregarded entities of Reorganized Propco I for U.S. federal income (and applicable state and local) tax purposes; *provided* that, on or before the Effective Date and at the option of the Creditors' Committee, the Propco I Debtors will (and will cause their affiliates to) take any actions necessary to cause Reorganized Propco I and/or one or more of the Reorganized Propco I Subsidiaries to be treated as a corporation for U.S. federal income (and applicable state and local) tax purposes effective as of prior to the actual or constructive receipt of any consideration under this Plan, including by executing and filing one or more IRS Forms 8832 (and analogous forms for applicable state and local tax purposes).

O. Charter, Bylaws, and New Organizational Documents.

On the Effective Date, or as soon thereafter as is reasonably practicable, the Plan Debtors' respective certificates of incorporation and bylaws (and other formation and constituent documents relating to limited liability companies) shall be amended or amended and restated as may be required to be consistent with the provisions of the Plan, the New Organizational Documents, the New Debt Documents, and any other documents required to complete the Restructuring Transactions, as applicable, and the Bankruptcy Code. The New Organizational Documents shall, among other things: (a) authorize the issuance of the New Common Stock, the New Warrants and the New Contingent Equity Rights; and (b) be modified or deemed to be modified to include a provision pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, prohibiting the issuance of non-voting equity Securities. After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other formation and constituent documents as permitted by the laws of its respective jurisdiction of formation and the terms of such documents.

P. Effectuating Documents; Further Transactions.

Prior to the Effective Date, the Plan Debtors, and on and after the Effective Date, the Reorganized Plan Debtors, and the officers and members thereof are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

Q. Exemption from Certain Taxes and Fees.

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property or any Interests pursuant to the Plan, including the recording of any amendments to such transfers, or any new mortgages or liens placed on the property in connection with such transfers, 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 upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

R. Directors and Officers.

The members of the New Board shall be identified prior to the Confirmation Hearing in the Plan Supplement or at the Confirmation Hearing consistent with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, except as otherwise provided in the Plan Supplement or announced on the record at the Confirmation Hearing, the existing officers of the Plan Debtors shall serve in their current capacities for the Reorganized Plan Debtors. From and after the Effective Date, each director, officer, or manager of the Reorganized Plan Debtors shall serve pursuant to the terms of the respective Reorganized Debtor's charters and bylaws or other formation and constituent documents, and applicable laws of the respective Reorganized Debtor's jurisdiction of formation.

S. Raider Hill Continued Employment.

The Propco I Debtors and the Creditors' Committee consent to the continued employment of Raider Hill by Reorganized Propco I after the Effective Date on the same terms and conditions that were approved

by the Bankruptcy Court in the Raider Hill Retention Order, subject to any changes that are approved by the Creditors' Committee and Raider Hill.

T. Retention of Causes of Action.

Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order such that the Plan Debtors retain no right or interest in such Cause of Action as of the Effective Date,, in accordance with section 1123(b) of the Bankruptcy Code, the Plan Debtors shall reserve all rights to commence, prosecute or settle, as appropriate, any and all Causes of Action, whether arising or accruing before or after the Petition Date, which authority shall vest in the Reorganized Plan Debtors on the Effective Date pursuant to the terms of the Plan. The Reorganized Plan Debtors may enforce all rights to commence, prosecute, or settle, as appropriate, any and all such Causes of Action, whether arising or accruing before or after the Petition Date, and the Reorganized Plan Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. Any Reorganized Plan Debtor may, in its reasonable business judgment, pursue such Causes of Action and may retain and compensate professionals in the analysis or pursuit of such Causes of Action to the extent the Reorganized Plan Debtors deems appropriate, including on a contingency fee basis. No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Plan Debtors, or the Reorganized Plan Debtors will not pursue any and all available Causes of Action against them. The Plan Debtors and the Reorganized Plan Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order or otherwise transferred, the Plan Debtors and the Reorganized Plan Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. The Reorganized Plan Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. The Reorganized Plan Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

U. Avoidance Actions.

As of the Effective Date, the Plan Debtors waive all rights to commence or otherwise pursue any and all Avoidance Actions arising under section 547 of the Bankruptcy Code or any comparable "preference" action arising under applicable non-bankruptcy law, *provided that*, (i) neither the Plan Debtors nor the Reorganized Plan Debtors waive any rights to commence or pursue any Avoidance Actions against the TRU Retail Debtors or any Former Debtors; and (ii) except as expressly provided in the Plan, the Reorganized Plan Debtors shall retain the right to assert any Causes of Action assertable in any Avoidance Action as defenses or counterclaims in any Cause of Action brought by any Entity.

V. Regulatory Requirements.

All parties shall abide by, and use their reasonable best efforts to obtain, any regulatory and licensing requirements or approvals as promptly as practicable to achieve Consummation.

W. Settlement, Compromise, and Release of Claims and Interests.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, 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 distribution, rights, and treatment that are provided in the Plan shall be in complete settlement, compromise, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Plan Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims, Interests, or Causes of Action from and after the Petition Date, whether known or unknown, against, liabilities, of Liens on, obligations of, rights, or Causes of Action against, and Interests in, the Plan Debtors or any of their assets or properties, regardless of whether any property shall have been assumed, assumed and assigned, distributed, or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose or accrued before the Effective Date, any liability (including withdrawal liability) to the extent such Causes of Action, Claims, or Interests related to service performed by employees of the Plan Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representation 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 or Proof of Interest based upon such Cause of Action, Claim, debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Cause of Action, 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 Cause of Action, Claim, or Interest has accepted the Plan. Any default by the Plan Debtors or their Affiliates with respect to any Cause of Action, Claim, or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Causes of Action, Claims, and Interests subject to the Effective Date occurring.

X. Discharge of Claims and Termination of Equity 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 Plan Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims, Interests, or Causes of Action from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Plan Debtors or any of their assets or properties, regardless of whether any property shall have been assumed, assumed and assigned, distributed, or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose or accrued before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Plan Debtors before 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. Any default or "event of default" by the Plan Debtors or their Affiliates with respect to any Claim or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to Consummation.

Y. Release of Liens.

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall revert to the Plan Debtors or Reorganized Plan Debtors, as applicable.

Z. Releases by the Plan Debtors.

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Plan Debtors and the Plan Debtors' Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all Causes of Action, including any derivative Cause of Action asserted on behalf of the Plan Debtors, that the Plan Debtors or the Plan Debtors' Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Cause of Action against, or Interest in, the Plan Debtors or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Plan Debtors, the Plan Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, or the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; provided, however, that notwithstanding anything to the contrary herein, nothing in the Plan shall release (a) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (b) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (c) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Article VIII.D of the Plan by the Plan Debtors, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute its finding that each release described in Article VIII.D of the Plan is: (1) in exchange for the good and valuable consideration provided by the Released Parties, a good faith settlement and compromise of such Causes of Action; (2) in the best interest of the Plan Debtors and all Holders of Interests and Causes of Action; (3) fair, equitable, and reasonable; (4) given and made after due notice and opportunity for hearing; and (5) subject to the terms and provisions herein, a bar to the Plan Debtors asserting any Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

AA. Releases by Holders of Claims and Interests.

As of the Effective Date, each Releasing Party is deemed to have released and discharged the Plan Debtors and each Released Party from any and all Causes of Action, whether known or unknown, including any derivative Causes of Action asserted on behalf of the Plan Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Plan Debtors, the Plan Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, or the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; provided, however, that notwithstanding anything to the contrary herein, nothing in the Plan shall release (a) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (b) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (c) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

For the avoidance of doubt, nothing contained herein shall affect any rights of any parties preserved under the Settlement Agreement.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Article VIII.E of the Plan, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute its finding that each release described in Article VIII.E of the Plan is: (1) in exchange for the good and valuable consideration provided by the Released Parties, a good faith settlement and compromise of such Causes of Action; (2) in the best interests of the Plan Debtors and all Holders of Interests and Causes of Action; (3) fair, equitable, and reasonable; (4) given and made after due notice and opportunity for hearing; and (5) subject to the terms and provisions herein, a bar to any of the Releasing Parties asserting any Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

BB. Exculpation.

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur any liability with respect to, and each Exculpated Party is released and exculpated from, any Cause of Action related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for Causes of Action related to any act or omission that is determined in a Final Order to have constituted

actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan; provided, however, notwithstanding anything to the contrary herein, the following shall not release or exculpate: (i) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (ii) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (iii) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

CC. Injunction.

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan, or the Confirmation Order, all Entities who have held, hold, or may hold Causes of Action, Claims, or Interests that have been compromised, settled, or released, 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 Plan Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any and all Causes of Action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against the Plan Debtors, the Exculpated Parties, or the Released Parties or the property or the estates of the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Causes of Action, Claims, or Interests; (4) asserting any right of setoff, subrogation, recoupment, or other similar legal or equitable right of any kind against any obligation due from the Plan Debtors, the Exculpated Parties, or the Released Parties or against the property of the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Causes of Action, Claims, or Interests unless such Holder has Filed a motion requesting the right to perform such legal or equitable right on or before the Effective Date, and notwithstanding an indication of a Causes of Action, Claim, or Interest or otherwise that such Holder asserts, has, or intends to preserve any legal or equitable right pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any and all Causes of Action or other proceeding of any kind on account of or in connection with or with respect to any such Causes of Action, Claims, or Interests released or settled pursuant to the Plan; provided, however, that, notwithstanding anything to the contrary herein, nothing in the Plan shall enjoin: (i) any Entity from taking the preceding actions with respect to any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (ii) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (iii) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the 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 the Plan, shall be deemed to have consented to the injunction provisions set forth in Article VIII.G of the Plan.

V. VOTING AND CONFIRMATION

A. Class Entitled to Vote on the Plan.

As described more fully above, Class A-3a (General Unsecured Claims against Propco I), Class A-3b (General Unsecured Claims against TRU RE I), Class A-3c (General Unsecured Claims against TRU RE II), Class A-3d (General Unsecured Claims against MAP RE), Class A-3e (General Unsecured Claims against Wayne), Class A-8 (Interests in Propco I), Class B-3 (General Unsecured Claims against Wayne Holdings), and Class B-5 (Interests in Wayne Holdings) are the only classes entitled to vote to accept or reject the Plan (the "Voting Classes").

If your claim or Interest is not included in the Voting Classes, you are not entitled to vote and you will not receive a Solicitation Package or a Ballot. If your Claim is included in the Voting Classes, you should read your Ballot and carefully follow the instructions set forth therein. Please use only the Ballot that accompanies this Disclosure Statement or the Ballot that the Plan Debtors, or the Solicitation Agent on behalf of the Plan Debtors, otherwise provide to you.

B. 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. Each Class of Claims entitled to vote on the Plan will have accepted the Plan if: (a) the holders of at least two-thirds in dollar amount of the Claims actually voting in each Class vote to accept the Plan; and (b) the holders of more than one-half in number of the Claims actually voting in each Class vote to accept the Plan.

C. Certain Factors to Be Considered Prior to Voting.

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

- the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement;
- although the Plan Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Plan Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;
- the Plan Debtors may request Confirmation without the acceptance of all Impaired Classes entitled to vote 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 or Professional Compensation Claims.

While these factors could affect distributions available to holders of Allowed Claims under the Plan, the occurrence or impact of such factors will not necessarily affect the validity of the vote of holders within the Voting Classes or necessarily require a re-solicitation of the votes of holders of Claims in such Voting Classes.

For a further discussion of risk factors, please refer to Article IX hereof, entitled "Risk Factors."

D. Solicitation Procedures.

1. Solicitation Agent.

The Plan Debtors retained Prime Clerk LLC ("Prime Clerk") to act, among other things, as the solicitation agent (the "Solicitation Agent") in connection with the solicitation of votes to accept or reject the Plan.

2. Solicitation Package.

Holders of Claims who are entitled to vote to accept or reject the Plan as of [December 18], 2018 (the "Voting Record Date"), will receive appropriate solicitation materials (the "Solicitation Package"), which will include, in part, the following:

- the appropriate Ballot(s) and applicable voting instructions, together with a pre-addressed, postage pre-paid return envelope; and
- this Disclosure Statement, including the Plan as an exhibit thereto.

3. Distribution of the Solicitation Package and Plan Supplement.

The Plan Debtors will cause Prime Clerk to distribute the Solicitation Packages to holders of Claims in the Voting Classes on or before [**January 2, 2019] (or as soon as practicable thereafter)**, which will be at least **16 days** before the Voting Deadline (*i.e.*, [January 18, 2019], at 4:00 p.m., prevailing Eastern Time).

The Solicitation Package (except for the Ballots) may also be obtained: (a) from Prime Clerk by (i) visiting https://cases.primeclerk.com/toyspropcoI, (ii) by writing to Prime Clerk at Toys "R" Us Property Company I, LLC, Disclosure Statement / Plan Requests, c/o Prime Clerk LLC, 830 3rd Avenue, New York, NY 10022; or (b) for a fee via PACER at http://www.vaeb.uscourts.gov.

At least seven (7) days prior to the Voting Deadline, the Plan Debtors intend to file the Plan Supplement. If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available at https://cases.primeclerk.com/toyspropcoI. The Plan Debtors will not serve paper or CD-ROM copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement: (a) from Prime Clerk by (i) visiting https://cases.primeclerk.com/toyspropcoI, (ii) writing to Prime Clerk at Toys "R" Us Property Company I, LLC, Disclosure Statement / Plan Requests, c/o Prime Clerk LLC, 830 3rd Avenue, New York, NY 10022; or (b) for a fee via PACER at http://www.vaeb.uscourts.gov.

As described above, certain holders of Claims may not be entitled to vote because they are Unimpaired or are otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code. In addition, certain holders of Claims and Interests may be Impaired but are receiving no distribution under the Plan, and are therefore deemed to reject the Plan and are not entitled to vote. Such holders will receive

only the Confirmation Hearing Notice and a non-voting status notice. The Plan Debtors are only distributing a Solicitation Package, including this Disclosure Statement and a Ballot to be used for voting to accept or reject the Plan, to the holders of Claims or Interests entitled to vote to accept or reject the Plan as of the Voting Record Date.

E. Voting Procedures.

If, as of the Voting Record Date, you are a holder of a Class A-3a Claim (General Unsecured Claims against Propco I), Class A-3b Claim (General Unsecured Claims against TRU RE I), Class A-3c Claim (General Unsecured Claims against TRU RE II), Class A-3d Claim (General Unsecured Claims against MAP RE), Class A-3e Claim (General Unsecured Claims against Wayne), Class A-4 Claim (TRU Retail Claims against the Plan Debtors), Class B-3 Claim (General Unsecured Claims against Wayne Holdings), or Class B-5 Claim (Interests in Wayne Holdings) you may vote to accept or reject the Plan in accordance with the Solicitation Procedures by completing the Ballot and returning it in the envelope provided. If your Claim or Interest is not included in the Voting Class, then you are not entitled to vote and you will not receive a Solicitation Package. Except as otherwise set forth herein, the Voting Record Date and all of the Plan Debtors' solicitation and voting procedures shall apply to all of the Plan Debtors' creditors and other parties in interest.

1. Voting Deadline.

The deadline to vote on the Plan is **[January 18, 2019], at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). To be counted as a vote to accept or reject the Plan, a Ballot must be properly executed, completed, and delivered, whether by first class mail, overnight delivery, personal delivery, or electronic online submission so that the Ballot is **actually received** by Prime Clerk no later than the Voting Deadline.

2. Voting Instructions.

As described above, the Plan Debtors have retained Prime Clerk to serve as the Solicitation Agent for purposes of the Plan. Prime Clerk is available to answer questions, provide additional copies of all materials, oversee the voting process, and process and tabulate Ballots for each Class entitled to vote to accept or reject the Plan.

BALLOTS
To be counted, all Ballots must be **actually received** by Prime Clerk by the Voting Deadline, which is **[January 18, 2019], at 4:00 p.m., prevailing Eastern Time**, at the following address: Toys "R" Us Property Company I LLC Ballot Processing c/o Prime Clerk LLC 830 3rd Avenue, New York, NY 10022 If you have any questions on the procedure for voting on the Plan, please call the Plan Debtors' restructuring hotline maintained by Prime Clerk at: (844) 794-3476.

More detailed instructions regarding the procedures for voting on the Plan are contained in the Ballots distributed to holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by using the appropriate Ballot. All Ballots much be properly executed, completed, and delivered according to their applicable voting instructions by: (i) first class mail, in the return envelope provided with each Ballot; (ii) overnight courier; (iii) hand-delivery; (iv) electronic online submission at https://cases.primeclerk.com/toyspropcoI, so that the Ballots are **actually received** by Prime Clerk no later than the Voting Deadline in accordance with the procedures set forth in the applicable Ballot. Any Ballot that is properly executed by the holder of a Claim entitled to vote that does not clearly indicate an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan will not be counted.

Each holder of a Claim entitled to vote to accept or reject the Plan may cast only one Ballot for each Claim in a Voting Class held by such holder. By signing and returning a Ballot, each holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Plan Debtors that no other Ballots with respect to such Claim have been cast or, if any other Ballots have been cast with respect to such Claim, such earlier Ballots are superseded and revoked.

All Ballots will be accompanied by postage prepaid return envelopes. It is important to follow the specific instructions provided on each Ballot, as failing to do so may result in your Ballot not being counted.

The Plan also provides that all holders of Claims that (i) vote to accept or are deemed to accept the Plan or (ii) are in a voting Class who abstain from voting on the Plan and do not opt out of the release provisions contained in Article VIII of the Plan will be deemed to have expressly, unconditionally, generally, individually, and collectively released all Claims and Causes of Action against the Plan Debtors and the Released Parties.

Importantly, all holders of Claims and Interests that are not in voting Classes that do not file an objection with the Bankruptcy Court in the Chapter 11 Cases that expressly objects to the inclusion of such holder as a Releasing Party under the provisions contained in Article VIII.E of the Plan or do not elect to opt out of the provisions contained in Article VIII.E of the Plan using the documents provided, if any, will be deemed to have expressly, unconditionally, generally, individually, and collectively consented to the release of all Claims and Causes of Action against the Plan Debtors and the Released Parties. By objecting to or electing to opt out of the releases set forth in Article VIII.E of the Plan you will forgo the benefit of obtaining the releases set forth in Article

VIII.E of the Plan if you otherwise would be a Released Party thereunder. The releases are an integral element of the Plan.

3. Ballots Not Counted.

No Ballot will be counted toward Confirmation if, among other things: (i) it is illegible or contains insufficient information to permit the identification of the holder of the Claim; (ii) it was transmitted by means other than as specifically set forth in the ballots; (iii) it was cast by an entity that is not entitled to vote on the Plan; (iv) it was cast for a Claim listed in the Plan Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no proof of claim was timely filed; (v) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date (unless temporarily allowed in accordance with the Disclosure Statement Order); (vi) it was sent to any party other the Solicitation Agent; (vii) it is unsigned; or (viii) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan**.

F. Plan Objection Deadline.

Parties must object to Confirmation of the Plan by **[January 18, 2019], at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). All objections to the Plan must be filed with the Bankruptcy Court and served on the Plan Debtors, counsel to the Creditors' Committee, and certain other parties in interest so that they are **actually received** on or before the Plan Objection Deadline.

G. Confirmation Hearing.

Assuming the requisite acceptances are obtained for the Plan, the Plan Debtors intend to seek Confirmation of the Plan at the Confirmation Hearing. The Confirmation Hearing is scheduled to commence on **[January 24, 2019], at [1:00 p.m.], prevailing Eastern Time**, before the Honorable Keith L. Phillips, in the United States Bankruptcy Court for the Eastern District of Virginia, located at 701 East Broad Street, Suite 4000, Richmond, Virginia 23219. The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on the entities who have filed objections to the Plan, without further notice to other parties in interest. The Bankruptcy Court, in its discretion and before the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, before, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

VI. THE PLAN DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. History of Toys "R" Us, Inc. (Propco I's Ultimate Parent).

Seeking to capitalize on the post-World War II baby boom, Charles Lazarus, the founder of Toys "R" Us, Inc., first opened Children's Bargain Town, a baby furniture store, in Washington D.C. in 1948. After the success of adding toys and baby products to Children's Bargain Town, Lazarus shifted focus and opened his first store dedicated exclusively to toys in 1957 and called it Toys "R" Us Inc. The Company went on to open big-box stores across the United States.

Toys "R" Us, Inc. completed an initial public offering in 1978. Over time, the Company grew into a toy conglomerate with a broad, loyal customer base. The Company expanded internationally in 1984 with its first wholly-owned store in Canada and a licensed operation in Singapore. The Company launched Toysrus.com in 1998. In addition, the company launched its first Babies "R" Us location in 1996. Babies

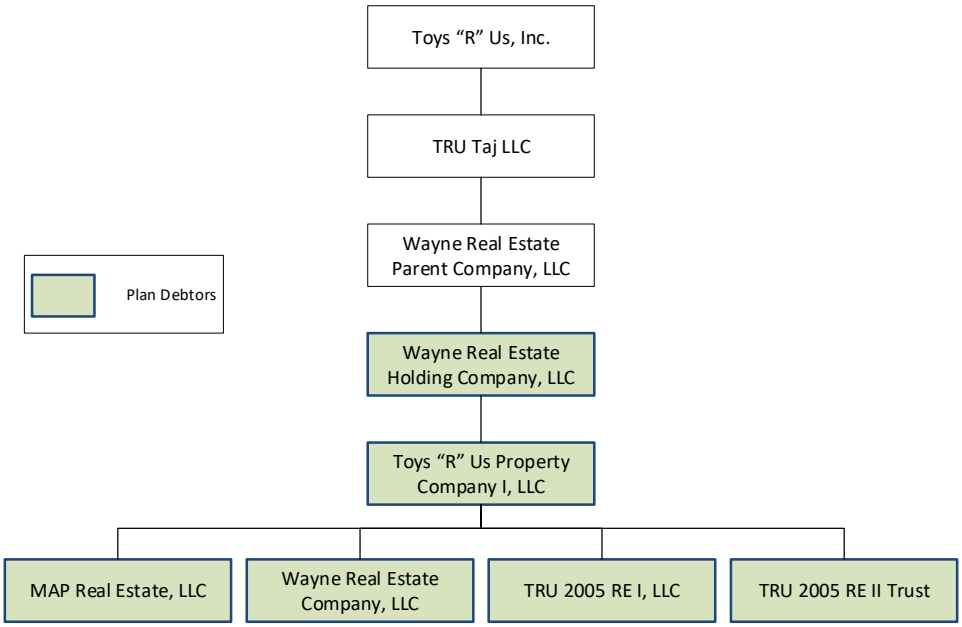
"R" Us stores focus solely on baby products and furniture, aiming to provide shopping expertise and specialized products for new families.

Toys "R" Us was acquired and taken private in 2005. Following a highly competitive process, an investment group led by entities advised by or affiliated with Bain Capital Private Equity, LP, Kohlberg Kravis Roberts & Co. L.P., and Vornado Realty Trust bought Toys "R" Us for approximately $6.6 billion, including $5.3 billion of debt secured in large part by company assets. After going private, Toys "R" Us further expanded its international presence, primarily in China and Southeast Asia.

B. History of Propco I and Wayne.

Propco I and Wayne were both incorporated in 2005 as Delaware limited liability companies as part of a legal reorganization of the businesses of the Company. As part of the reorganization, Propco I received, as contributions from TRU DE and other affiliates, certain of the Company's real property assets, which Propco I leased to TRU DE in accordance with the Master Lease up until the Master Lease was rejected on June 30, 2018.

A simplified corporate structure chart showing Propco I in relation to Wayne, TRU DE, and Toys "R" Us, Inc. is set forth below.



C. Plan Debtors' Current Assets and Operations.

Propco I is a direct subsidiary of Wayne Real Estate Holding Company, LLC, and both are indirect wholly owned subsidiaries of Debtor Toys "R" Us, Inc. Wayne Real Estate Holding Company, LLC's primary asset is its 99.99% ownership interest in Propco I.

The Propco I Debtors own fee simple and leasehold interests in, collectively, 186 real properties located in 41 states, which include 154 owned real estate stores, 21 ground leasehold interests, and 11 building leasehold interests. Pursuant to the Master Lease, the Propco I Debtors leased the Properties to TRU DE on a triple-net basis, which means that under the Master Lease, TRU DE paid all real estate taxes, building insurance, and maintenance on the Properties up until the Master Lease was rejected on June 30, 2018. Whereas prior to the rejection of the Master Lease, substantially all of Propco I's revenues and cash flows derived from payments from TRU DE under the Master Lease, today, substantially all of

the Propco I Debtors' cash flows were derived from the sale and assignment of owned and leased assets, with expected future revenue from leases executed with new tenants at the Propco I Debtors' real property.

D. Capital Structure.

The Propco I Debtors have at least approximately $859 million in total principal funded debt on account of its Senior Unsecured Term Loan Facility due 2019. As of September 29, 2018 the Plan Debtors had approximately $160 million in cash on hand.

VII. EVENTS LEADING TO THE CHAPTER 11 FILINGS

On September 18, 2017, the TRU Retail Debtors filed voluntary petitions with the Bankruptcy Court under chapter 11 of the Bankruptcy Code. The Plan Debtors own or directly lease a substantial portion of the Company's interests in real property, including, at the commencement of these Chapter 11 Cases, approximately 311 retail locations. These leases were subleased to TRU DE pursuant to the Master Lease. The Master Lease was rejected on June 30, 2018. As a result, a substantial portion of Propco I's revenues ceased.

The Plan Debtors are not obligors on any of the TRU Retail Debtors' secured debt and their sole funded debt obligation is an unsecured term loan. Accordingly, at the time of the filing of the TRU Retail Debtors' chapter 11 cases, the disinterested directors of Wayne, the Plan Debtors' parent company, determined that commencing chapter 11 cases for the Plan Debtors was not appropriate. However, on March 20, 2018, with the announcement that the Company would be winding-down its U.S. operations, the Plan Debtors commenced these chapter 11 cases in order to right-size their property portfolio and maximize the value of their estates to the benefits of their stakeholders.

A. Operational and Market Considerations.

The Company faced challenges to its liquidity resulting from operational struggles, outdated technology, and a failure to adapt to market changes.

Following the close of the 2013 fiscal year, the Company recognized the need to implement broad organizational changes to confront market headwinds and drive increased revenue. Over the next several years, the Company's Board of Directors conducted executive searches and hired several new executives. The Board of Directors and management began making short-term and long-term strategic changes to, among other things, the Company's inventory and supply chain process, website and IT platform, and store formats. Additionally, the Company invested in and expanded to strategic geographic markets to stabilize and grow topline sales. Yet, despite the Company's best efforts, the overall revenue trend in the United States was declining as the Company struggled to maintain market share and compete in the changing retail environment.

The Company, like many other apparel and retail companies, faces a challenging environment as a result of pressure from competitive big box retailers and the general market shift towards online shopping. These factors left the Company with a relatively high cost structure coupled with decreasing revenues, resulting in diminishing cash flow. Certain trends, along with deep discounting to drive in-store sales, contributed to a 3.4 percent decrease in revenue during the 2016 holiday season as compared to the 2015 season, and negative or declining same-store sales trends. This trend continued into 2017.

On September 6, 2017, a news article stating that the Company was considering all strategic options, including a potential restructuring, was published. This news story was picked up by media outlets around the world and appeared on national television shows within hours. Within 72 hours, a significant percentage of the Company's vendors called the Company to inform them that they would not ship product

without cash on delivery. In addition, as discussed above, the Company's international credit insurers withdrew their coverage. The impact on the Company's supply chain was fast and furious. Within a week, 40 percent of the supply chain refused to ship product and 10 days later, practically all of the Company's vendors had refused to ship without cash on delivery. The Company lost its access to product during the critical shipping period to build inventory for the holiday season.

The Company and its advisors worked feverishly during this period to finalize the terms of a debtor-in-possession financing facility to ensure that the Company would have sufficient liquidity to reactivate their supply chain, build inventory, and fund chapter 11 cases. The Plan Debtors are not obligors of the debtor in possession financing. The TRU Retail Debtors initiated chapter 11 proceedings on September 18, 2017.

VIII. EVENTS OF THE CHAPTER 11 CASES

A. First and Second Day Relief.

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Petitions"), the Plan Debtors filed limited motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Plan Debtors' operations, by, among other things, easing the strain on the Plan Debtors' relationships with employees and vendors following the commencement of the Chapter 11 Cases.

The First Day Motions allowed for the joint administration of the Plan Debtors' cases and extended the relief granted to the TRU Retail Debtors in the *Order (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Administrative Claims Procedures, and (IV) Granting Related Relief* [Docket No. 2344] to the Plan Debtors. The First Day Motions and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at https://cases.primeclerk.com/toyspropcoI.

B. Other Procedural and Administrative Motions.

The Plan Debtors also filed several other motions subsequent to the Petition Date to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including motions and applications to retain professionals pursuant to sections 327 and 328 of the Bankruptcy Code, including Kirkland [Docket No. 129] and Kutak Rock [Docket No. 133] as the Plan Debtors' legal counsel, Alvarez & Marsal North America LLC [Docket No. 132], and Prime Clerk LLC as the Plan Debtors' administrative advisor [Docket No. 130], which applications were all approved by the Bankruptcy Court on June 25, 2018. The Plan Debtors also filed a number of additional retention applications, including an application to retain Raider Hill Advisors as real estate consultant to the Plan Debtors [Docket No. 235], which application was approved by the Bankruptcy Court on July 20, 2018, an application to employ A&G Realty Partners [Docket No. 449] as real estate consultant to the Plan Debtors, which application was approved by the Bankruptcy Court on September 13, 2018, and an application to employ Benesch, Friedlander, Coplan & Aronoff LLP [Docket No. 273] as real estate counsel to the Plan Debtors, which application was approved by the Bankruptcy Court on July 19, 2018. The foregoing professionals are, in part, responsible for the administration of the Chapter 11 Case. The postpetition compensation of all of the Plan Debtors' professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code is subject to the approval of the Bankruptcy Court.

The Plan Debtors were also granted certain procedural relief pursuant to: (a) a motion to approve procedures to assume or reject executory contracts and unexpired leases [Docket No. 275], (b) a motion to approve procedures for the sale of de minimis assets [Docket No. 299], and (c) a motion for the settlement of disputed claims [Docket No. 276], which motions were approved by the Bankruptcy Court on July 19,

2018 (collectively, the "Procedural Orders"). The Plan Debtors have utilized the relief granted under the Procedural Orders to manage and dispose of their real property assets while minimizing the costs to their estates.

C. Litigation Matters.

In the ordinary course of business, the Plan Debtors are parties to certain legal proceedings. 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 Plan Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Plan Debtors' liability with respect to litigation stayed by the confirmation of a plan under chapter 11, with certain exceptions. Therefore certain litigation Claims against the Plan Debtors may be subject to discharge in connection with the Chapter 11 Cases.

D. Schedules and Statements.

On May 17, 2018, the Plan Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs.

E. Appointment of Official Committee.

On May 23, 2018, the U.S. Trustee filed the *Notice of Appointment of Unsecured Creditors Committee* [Docket No. 146], notifying parties in interest that the U.S. Trustee had appointed a statutory committee of unsecured creditors (the "Creditors' Committee") in the Chapter 11 Cases. The Creditors' Committee is currently composed of the following members: Cantor Fitzgerald Securities; Brookfield Properties REIT, Inc. (formerly GGP Limited Partnership); SITE Centers Corp. (formerly DDR Corp.); Glendon Capital Management, LP; and Empyrean Investments, LLC.

F. Marketing of Real Estate Portfolio.

Since Raider Hill's retention, the Plan Debtors have been engaged in a process of marketing their real property assets to maximize returns to their stakeholders. With the 365(d)(4) Deadline approaching, the Plan Debtors engaged A&G to conduct an auction of a subset of their leased properties (the "Auction"). The Auction resulted in agreements by the Plan Debtors to sell approximately 40 of their leased properties. Prior to the 365(d)(4) Deadline, the Plan Debtors assumed 22 of their leased properties (the "Assumed Leases"). *See* [Docket Nos. 648, 661].

The Plan Debtors continue to market their owned properties, as well as the Assumed Leases and expect to consummate several more Sale Transactions prior to the Effective Date. However, with their leased property portfolio now rationalized, the Plan Debtors believe that exiting chapter 11 quickly and managing and disposing their assets outside of bankruptcy will minimize transaction costs and maximize returns to their stakeholders.

IX. RISK FACTORS

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Plan Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations.

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 Plan 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 Plan Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

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

As more fully set forth in Article IX of the Plan, the Effective Date 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 Plan Debtors May Fail to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Plan 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 Interest and Allowed Claims as those proposed in the Plan and the Plan 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 Plan Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the Plan Debtors 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 non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met.

If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Plan Debtors will be able to reorganize their business and what, if anything, holders of Interests and Allowed Claims against them would ultimately receive.

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

5. Nonconsensual Confirmation.

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

6. Continued Risk upon Confirmation.

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

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code gave the Plan Debtors the exclusive right to propose a chapter 11 plan and prohibited creditors and others from proposing a plan. On August 31, 2018, the Court extended the exclusive period to propose a chapter 11 plan [Docket No. 482], and on November 11, 2018, the Plan Debtors requested a further extension through February 13, 2019. The Plan Debtors will have retained the exclusive right to propose and solicit votes on 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 Plan Debtors' ability to achieve confirmation of the Plan in order to achieve the Plan Debtors' stated goals.

Furthermore, even if the Plan Debtors' debts are reduced and/or discharged through the Plan, the Plan Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Plan 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.

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

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Plan Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (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 selling in a controlled manner affecting the business as a going concern, (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, and including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

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

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

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

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

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

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

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Plan Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to holders of Allowed Claims under the Plan.

11. Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Plan Debtors or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to

objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan, and the Plan Debtors may not be able to obtain Confirmation of the Plan.

12. Certain Tax Implications of the Plan.

Holders of Allowed Claims and Interests should carefully review Article XI of this Disclosure Statement entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how tax implications of the Plan and the Chapter 11 Cases may adversely affect the holders of Claims and Interests.

B. Risks Related to the Plan Debtors' Businesses.

1. The Plan Debtors May Not Be Able to Generate or Obtain Sufficient Cash to Service All of Their Indebtedness.

The Plan Debtors' ability to make scheduled payments on, or refinance their debt obligations depends on the Plan Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Plan Debtors' control. The Plan Debtors may be unable to generate sufficient cash flows from operations or to obtain alternative sources of financing in an amount sufficient to fund the Plan Debtors liquidity needs. The Plan Debtors' operating cash inflows are typically used for capital expenditures, operating expenses, debt service costs, and working capital needs.

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

For the duration of the Chapter 11 Cases, the Plan Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include: (a) ability to develop, confirm, and consummate the Sale Transaction specified in the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationship with suppliers, vendors, service providers, contract counterparties, employees, and other third parties; (d) ability to maintain contracts that are critical to the Plan Debtors' operations; (e) ability of third parties to seek and obtain Bankruptcy Court approval to terminate contracts and other agreements with the Plan Debtors; (f) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Plan Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 cases; and (g) the actions and decisions of the Plan Debtors' creditors and other third parties who have interest in the Chapter 11 Cases that may be inconsistent with the Plan Debtors' plans.

These risks and uncertainties could affect the Plan Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Plan Debtors' relationships with suppliers, service providers, contract counterparties, employees, and other third parties, which in turn could adversely affect the Plan Debtors' operations and financial condition. Also, the Plan Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Plan Debtors' 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 Plan Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Plan Debtors' plans.

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

A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Plan Debtors' businesses, financial condition, results of operations, and liquidity. A prolonged period of operating under Bankruptcy Court protection Plan Debtors will add significant transaction costs as the Plan Debtors dispose of their properties, reducing the recoveries available to their stakeholders. In addition, the longer the proceedings related the Chapter 11 Cases continue, the more likely it is that suppliers and potential purchasers will lose confidence in the Plan Debtors' ability to sell their businesses and may seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Plan Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. As of the date hereof, the chapter 11 proceedings are being funded through the Plan Debtors' unencumbered cash on hand. If the Chapter 11 Cases continue for a prolonged period of time, it may be necessary for the Plan Debtors to seek debtor-in-possession financing to fund their operations. If the Plan Debtors are forced to seek debtor-in-possession financing, the likelihood that the Plan Debtors will instead be required to liquidate may be increased, and, as a result, creditor recoveries may be significantly impaired.

X. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

A. Requirements for Confirmation of the Plan.

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

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

1. Feasibility.

The Bankruptcy Code requires that to confirm a chapter 11 plan, the Bankruptcy Court must find that confirmation of such plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor(s) unless contemplated by the plan.

The Plan provides for the sale of the Plan Debtors' businesses. Accordingly, the Plan Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Plan Debtors.

2. Best Interests of Creditors—Liquidation Analysis.

Notwithstanding acceptance of the Plan by a voting Impaired Class, to confirm the Plan, the Bankruptcy Court must still independently determine that the Plan is in the best interests of each holder of a Claim or Interest in any such Impaired Class that has not voted to accept the Plan, meaning that the Plan provides each such holder with a recovery that has a value at least equal to the value of the recovery that

each such holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code beginning on what would have been the Effective Date. Accordingly, if an Impaired Class does not unanimously vote to accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the recovery that each such Class member would receive if the Plan Debtors were liquidated under chapter 7 beginning on the Effective Date.

The Plan Debtors believe that the Plan will satisfy the best interests test because, among other things, they have been advised by their advisors that the recoveries expected to be available to holders of Allowed Claims under the Plan will be greater than the recoveries expected to be available in a chapter 7 liquidation, as discussed more fully below.

In a typical chapter 7 case, a trustee is elected or appointed to liquidate a debtor's assets and to make distributions to creditors in accordance with the priorities established in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of sales of their collateral. If any assets remain in the bankruptcy estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are next to be paid. After accounting for administrative expenses, unsecured creditors (including any secured creditor deficiency claims) are paid from the sale proceeds of any unencumbered assets and any remaining sale proceeds of encumbered assets in excess of any secured claims, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same priority. Finally, interest holders receive the balance that remains, if any, after all creditors are paid.

A chapter 7 liquidation beginning on what would have been the Effective Date would provide less recovery for creditors than the Plan. The delay of the chapter 7 trustee becoming familiar with the assets could easily cause bids already obtained to be lost, and the chapter 7 trustee will not have the technical expertise and knowledge of the Plan Debtors' business that the Plan Debtors had when they proposed to sell their assets pursuant to the Plan. Moreover, the distributable proceeds under a chapter 7 liquidation will be lower because of the chapter 7 trustee's fees and expenses.

The Estate would continue to be obligated to pay all unpaid expenses incurred by the Plan Debtors during the Chapter 11 Cases (such as compensation for Professionals), which may constitute Allowed Claims in any chapter 11 case. Moreover, the conversion to chapter 7 would also require entry of a new bar date for filing claims that would be more than 90 days following conversion of the case to chapter 7. See Fed. R. Bankr. P. 1019(2); 3002(c). Thus, the amount of Claims ultimately filed and Allowed against the Plan Debtors could materially increase, thereby further reducing creditor recoveries versus those available under the Plan.

In light of the foregoing, the Plan Debtors submit that a chapter 7 liquidation would result in materially reduced sale proceeds, increased expenses, delayed distributions, and the prospect of additional claims that were not asserted in the Chapter 11 Cases. Accordingly, the Plan Debtors believe that the Plan provides an opportunity to bring the highest return for creditors.

B. Alternative Plans.

The Plan Debtors do not believe that there are any alternative plans for the reorganization or liquidation of the Plan Debtors' Estates. The Plan Debtors believe that the Plan structure, as described herein, enables holders of Claims and Interests to realize the greatest possible value under the circumstances and that, compared to any alternative plan, for example, a fire sale liquidation, the Plan has the greatest chance to be confirmed and consummated.

C. Acceptance by Impaired Classes.

The Bankruptcy Code requires, as a condition to Confirmation that, except as described in the following section, each class of claims or equity interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is presumed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Pursuant to section 1124 of the Bankruptcy Code, a class is "impaired" unless the plan: (1) leaves unaltered the legal, equitable, and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (2) cures any default, reinstates the original terms of such obligation, and compensates the applicable party in question; or (3) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired creditors as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject a plan. Votes that have been "designated" under section 1126(e) of the Bankruptcy Code are not included in the calculation of acceptance by a class of claims. Thus, a Class of creditor Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number actually voting cast their Ballots in favor of acceptance, subject to Article III of the Plan. Only holders of Claims in the Voting Class will be entitled to vote on the Plan.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by holders of at least two-thirds in dollar amount of those interests who actually vote to accept or reject a plan. Votes that have been "designated" under section 1126(e) of the Bankruptcy Code are not included in the calculation of acceptance by a class of interests. 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, not counting designated votes, subject to Article III of the Plan. No Class including holders of Interests is entitled to vote on the Plan.

D. Confirmation Without Acceptance by All Impaired Classes.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if Impaired Classes entitled to vote on the plan have not accepted it or if an Impaired Class is deemed to reject the Plan; provided that the plan is accepted by at least one Impaired Class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

1. No Unfair Discrimination.

This test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." 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). The Plan Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Plan Debtors believe that the Plan and the treatment of all Classes of Claims and Interests satisfy the foregoing requirements for nonconsensual Confirmation.

2. Fair and Equitable Test.

This 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 percent of the amount of the allowed claims in such class. As to the non-accepting class, the test sets different standards depending on the type of claims or interests in such class. As set forth below, the Plan Debtors believe that the Plan satisfies the "fair and equitable" requirement because, for each applicable Class, there is no Class of equal priority receiving more favorable treatment and no Class that is junior to such dissenting Class that will receive or retain any property on account of the Claims or Interests in such Class.

a. Secured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (i) 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; and (ii) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

b. Unsecured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims requires that either: (i) 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 of the plan, equal to the allowed amount of such claim; or (ii) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

c. Equity Interests.

The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirements that either: (i) the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (A) the allowed amount of any fixed liquidation preference to which such holder is entitled; (B) any fixed redemption price to which such holder is entitled; or (C) the value of such interest; or (ii) if the class does not receive the amount as required under (i) hereof, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

XI. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction.

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Plan Debtors and to certain Holders of Claims and Interests entitled to vote on the Plan, and Holders of Claims against Wayne and/or Wayne Holdings that are expected to ultimately receive the economic recovery attributable to Class A-9 Interests. The following summary does not address the U.S. federal income tax consequences to Holders of Claims who are Unimpaired or otherwise entitled to payment in full in Cash under the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "IRC"), the U.S. Treasury Regulations promulgated thereunder, judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject

to change or differing interpretations, possibly with retroactive effect and affect the accuracy of this discussion. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Plan Debtors do not intend to seek a ruling from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address non-U.S., state, local or non-income tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules (such as Entities that are related to the Plan Debtors within the meaning of the IRC, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, tax-exempt organizations, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, employees or persons who received their Claims pursuant to the exercise of an employee stock option or otherwise as compensation, persons using a mark-to-market method of accounting, and Holders of Claims who are themselves in bankruptcy), unless otherwise specifically stated herein. Furthermore, this summary assumes that a Holder holds only Claims in a single Class and holds a Claim only as a "capital asset" (within the meaning of Section 1221 of the IRC). This summary also assumes that the various debt and other arrangements to which any of the Plan Debtors are a party will be respected for U.S. federal income tax purposes as debt, as applicable, in accordance with their form. This summary does not discuss differences in tax consequences to a Holder that acts or receives consideration in a capacity other than as a Holder of a Claim of the same Class, and the tax consequences for such Holders may differ materially from that described below.

For purposes of this discussion, a "U.S. Holder" is a Holder that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the IRC) have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "Non-U.S. Holder" is any Holder that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

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

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY, ONLY ADDRESSES CERTAIN CONSIDERATIONS WITH RESPECT TO THE U.S. FEDERAL INCOME TAX TREATMENT OF THE PLAN DEBTORS, U.S. HOLDERS AND NON-U.S. HOLDERS, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. SEVERAL OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND OF OWNING CONSIDERATION ISSUED PURSUANT TO THE PLAN, ARE SUBJECT TO SIGNIFICANT

UNCERTAINTY. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, NON-U.S., AND NON-INCOME, ESTATE, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain United States Federal Income Tax Consequences to the Plan Debtors.

1. In General - Taxable Transaction.

The implementation of the Plan is expected to be treated as a taxable transaction from the perspective of the Plan Debtors and their Affiliates. For U.S. federal income tax purposes, the Plan Debtors are disregarded entities of Toys "R" Us Europe, LLC, which is a member of an affiliated group of corporations (or entities disregarded for U.S. federal income tax purposes that are wholly owned by members of such group), of which Toys "R" Us Inc. is the common parent (the "Toys Group"). As such, any taxable gain or loss resulting from the implementation of the Plan will be recognized by Toys "R" Us Europe, LLC, rather than the Plan Debtors.

2. Partnership Treatment; No Partnership with Toys Group.

The Plan provides that if Class A-9 (Interests in Propco I) votes in favor of the Plan, such Interests will receive New Contingent Equity Rights. If Class A-9 votes to reject the Plan, the Holders of such Interests will be given the opportunity to purchase the outstanding Claims against the Plan Debtors. If such option is exercised, such Interests will receive New Common Stock pursuant to the Equity Option 1 Recovery.[3]

The discussion in this tax disclosure assumes that any recovery received on account of the Interests in Propco I that are received if Class A-9 votes in favor of the Plan will not be treated as being owned by the Toys Group but, instead, will be treated as being owned either by (a) Holders of Claims against the entities that own the Interests in Propco I (e.g., Holders of Claims against Wayne and/or Wayne Holdings); (b) a liquidating trust or other entity that owns the Interests in Propco I on the Effective Date; or (c) a liquidating trust or other entity that is formed for the purpose of holding any consideration that will ultimately be distributed to the foregoing. As such, the discussion assumes that no entity in the Toys Group is treated as owning the New Contingent Equity Rights or New Common Stock and that the Toys Group is not treated as being a partner in a partnership that is created in connection with the implementation of the Plan for U.S. federal income tax purposes.

The discussion in this tax disclosure assumes that Reorganized Propco I is taxable as a partnership for U.S. federal income tax purposes. In particular, the discussion assumes that Reorganized Propco I is not subject to the "publicly traded partnership" provisions of the IRC or that the Holders of Propco I Credit Agreement Claims do not exercise their right to treat Reorganized Propco or any of its subsidiaries as a corporation for U.S. federal income tax purposes. In the event those provisions applied or such Holders were to exercise such right, the U.S. federal income tax consequences of the Plan to the Plan Debtors could differ (and the tax consequences of the Plan to Holders of Claims and Interests would be materially different).

[3] See below for a more detailed discussion of the potential tax consequences to Holders of Claims and Interests depending upon which election option is selected.

C. Certain United States Federal Income Tax Consequences to U.S. Holders of Allowed Claims and Interests.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND DEPEND IN PART ON DETERMINATIONS THAT WILL NOT BE MADE BY THE DEBTORS REGARDING THE PROPER TREATMENT OF THE CLAIM CONTRIBUTION, AS DESCRIBED BELOW. AS SUCH, U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING TAX CONSEQUENCES OF THE PLAN.

1. Certain General Considerations.

a. Blocker Election.

Pursuant to the Plan, Holders of Claims generally have the ability to elect to receive the New Common Stock and New Warrants indirectly through the ownership of a so-called "blocker corporation." As will be described in more detail in the Restructuring Transactions Memorandum, with respect to any such Holder that makes such an election (an "Electing Holder"), such an Electing Holder would contribute (or be treated as contributing) a portion of their Claims entitled to receive New Common Stock and New Warrants to a newly-formed corporation (the "Blocker") in exchange for equity (and potentially warrants) of such Blocker. The Blocker would then receive the New Common Stock and New Warrants in exchange for the Claims that were contributed to the Blocker as described in the Restructuring Transaction Memorandum. Such Electing Holder would receive any other Cash or non-Cash consideration directly in exchange for the portion of its Claims not contributed (or deemed contributed) to a Blocker in a taxable transaction, as discussed below. The discussion below presumes that this treatment is respected for U.S. federal income tax purposes; if such treatment were not respected, significantly different tax treatment could apply to Electing Holders as well as the Blockers.

The Plan Debtors understand that Electing Holders and the Blockers may take the position that the contribution (or deemed contribution) of Claims to the Blockers (the "Claim Contribution") is a transaction described in section 351 of the IRC, subject to the market discount rules, discussed below. In such case, the Blockers would take a tax basis in a contributed Claim in an amount equal to the lesser of (x) the adjusted tax basis of the Electing Holder in such Claim immediately prior to the Claim Contribution, increased by any gain recognized by the Electing Holder, including as a result of the market discount rules, discussed below, or with respect to the receipt of the Blocker warrants; and (y) the fair market value of such Claim. Following the Claim Contribution, if the Intended Tax Characterization (as defined below) is respected, the Blockers generally would be expected to recognize, directly or indirectly, any gain or loss with respect to the Claims contributed to such Blockers as described in more detail in "Consequences to U.S. Holders of Claims and Interests Assuming Class A-9 Votes In Favor of the Plan—U.S. Holders of Claims against the Plan Debtors," below.

b. Partnership Treatment; No Partnership with Toys Group.

Holders of Claims and Interests are referred to the discussion in the section titled "Partnership Treatment; No Partnership with Toys Group," above. In the event different treatment applied, consequences to Holders of Claims and Interests of the implementation of the Plan, as well as ownership of the consideration under the Plan, would be materially different.

2. Consequences to U.S. Holders of Claims and Interests Assuming Class A-9 Votes In Favor of the Plan.

a. U.S. Holders of Claims against the Plan Debtors.

Assuming the treatment described under "Blocker Election," above, is respected, all U.S. Holders of Claims (including, in the case of any Electing Holder that is a U.S. Holder, the applicable Blocker) are expected to recognize, directly or indirectly, gain or loss on the exchange of their Claims in a taxable transaction under section 1001 of the IRC. In particular, pursuant to the currently anticipated Restructuring Transactions, as will be described in more detail in the Restructuring Transactions Memorandum and which are subject to change, for U.S. federal income tax purposes, (a) U.S. Holders (including, in the case of any Electing Holder that is a U.S. Holder, the applicable Blocker) are expected to transfer (or be treated as transferring) a portion of their Claims to a newly-formed limited liability company, which will be "Reorganized Propco I," in exchange for the New Common Stock and the New Warrants, after which (b) Reorganized Propco I will acquire 100% of the equity of a newly formed limited liability company organized by Propco to hold Propco's assets in exchange for satisfaction of such Claims, the New Debt (as defined below) and the New Contingent Equity Rights, and thereafter (c) Propco will distribute the New Debt to U.S. Holders of Claims in exchange for the remaining amount of any Claims (clauses (a)-(c), the "Intended Tax Characterization"). As a result of the transactions described in (a)-(c): (x) U.S. Holders are not expected to recognize gain or loss on the portion of their Claims transferred to Reorganized Propco I in exchange for New Common Stock under section 721 of the IRC, but they may recognize gain or loss on the portion of their Claims transferred to Reorganized Propco I in exchange for New Warrants under section 1001 of the IRC; (y) Reorganized Propco I is expected to recognize gain or loss in an amount equal to the difference between its adjusted tax basis in the Claims surrendered and the fair market value of Propco I's assets deemed to be received in exchange for such Claims, and such gain or loss generally is expected to be passed through to the applicable contributing Holder under the principles of section 704(c) of the Code; and (z) U.S. Holders are expected to recognize gain or loss in an amount equal to the difference between their adjusted tax basis in the Claims not directly or indirectly transferred to Reorganized Propco I and the fair market value of the New Debt received in exchange for such Claims.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, original issue discount ("OID"), or market discount, see the sections entitled "Accrued Interest (and OID)" and "Market Discount," below.

b. U.S. Holders of Class A-9 Interests.

The U.S. federal income tax treatment of the receipt of recovery on account of Class A-9 Interests is uncertain and will depend on, among other things, whether the Interests in Wayne have been contributed to a liquidating trust or other vehicle as of the Effective Date. Although not free from doubt, if the Interests in Wayne and/or Wayne Holdings have not been transferred to a liquidating trust or other liquidating entity on the Effective Date, then the Plan Debtors currently anticipate that the issuance of New Contingent Equity Rights under the Plan would be treated as an exchange of New Contingent Equity Rights for Claims against Wayne and/or Wayne Holdings, in which case such exchange would be subject to section 1001 of the IRC.

If the Interests in Wayne and/or Wayne Holdings have been transferred to a liquidating trust or other liquidating entity on the Effective Date, then, although not free from doubt, the Plan Debtors anticipate that the issuance of the New Contingent Equity Rights would be treated as (x) a transfer by Propco I of the New Contingent Equity Rights in full liquidation and redemption of any liquidating entity's interest in Propco I, followed by (y) a distribution of such New Contingent Equity Rights by such liquidating entity to the owners of the beneficial interest in such liquidating entity. In such case, although not free from doubt, the Plan Debtors currently anticipate that (a) such liquidating entity would be treated as receiving the New Contingent Equity Rights in an exchange subject to section 1001 of the IRC and (b) the liquidating distribution of the New Contingent Equity Rights would be subject to tax treatment based on the nature of the liquidating entity.

3. Consequences to U.S. Holders of Claims and Interests If Class A-9 Does Not Vote In Favor of the Plan.

If Class A-9 does not vote in favor of the Plan and the Holders of such Interests receive no consideration under the Plan (*i.e.*, the Equity Option 2 Recovery applies), then the treatment described above with respect to the consequences of the Plan if Class A-9 votes in favor of the Plan should generally apply (except that Holders of Interests in Propco I will receive no recovery in exchange for such Interests).

If the Equity Option 1 Recovery applies, then (a) U.S. Holders of Claims will be treated as selling such Claims in exchange for Cash in a taxable transaction that is subject to section 1001 of the IRC and (b) Holders of Interests will receive the New Common Stock. Assuming the treatment described under "No Partnership with Toys Group," above, is respected, following the receipt of such New Common Stock, the treatment described above regarding the proper treatment of distributions on account of Class A-9 Interests will then apply.

Alternatively, the Equity Option 1 Payment and Equity Option 1 Recovery could be structured in such a way that Holders of Claims against Wayne and/or Wayne Holdings would be treated as acquiring the Claims against the Plan Debtors directly and receiving the New Common Stock in satisfaction of such Claims after the acquisition of such Claims. In such a case, such Holders would be treated as exchanging the Claims against the Plan Debtors for New Common Stock in a transaction subject to section 1001 of the IRC.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID, or market discount, see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

4. Accrued Interest and OID.

A portion of the consideration received directly or indirectly by U.S. Holders of Allowed Claims (which, in the case of an Electing Holder, may include the Blockers) may be attributable to accrued interest or OID on such Claims. Such amount should be taxable to that U.S. Holder as interest income if such accrued interest or OID has not been previously included in the Holder's gross income for U.S. federal income tax purposes. Conversely, U.S. Holders of Claims may be able to recognize a deductible loss to the extent any accrued interest or OID on the Claims was previously included in the U.S. Holder's gross income but was not paid in full by the Plan Debtors.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest or OID on Allowed Claims, the extent to which such consideration will be attributable to accrued interest or OID is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest or OID that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan is binding for U.S. federal income tax purposes, while certain Treasury Regulations generally treat payments as allocated first to any accrued but unpaid interest or OID and then as a payment of principal. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan.

Unlike in the case of the "market discount" provisions discussed below, the non-recognition rule of section 351 of the IRC should apply to any interest or OID in respect of Claims that are subject to a Claim Contribution.

U.S. federal income tax laws enacted in December 2017 modified section 451 of the IRC. Under this new provision, accrual method U.S. Holders that prepare an "applicable financial statement" (as defined in section 451 of the IRC) generally would be required to include certain items of income such as OID (but not market discount) no later than the time such amounts are reflected on such a financial statement. The application of this rule to income of a debt instrument with OID is effective for taxable years beginning after December 31, 2018. U.S. Holders should consult their tax advisors with regard to interest, OID, market discount and premium matters concerning the Claims and non-Cash consideration received therefor.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE U.S. FEDERAL INCOME TAX TREATMENT OF ACCRUED INTEREST.

5. Market Discount.

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

Any gain recognized by a U.S. Holder on the taxable disposition of Allowed Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Allowed Claims were considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued).

Importantly, the market discount rules will require the recognition of gain realized in connection with any Claim Contribution, notwithstanding the general non-recognition rule of section 351 of the IRC.

Section 451 of the IRC (as discussed above) generally would require accrual method U.S. Holders that prepare an "applicable financial statement" (as defined in section 451 of the IRC) to include certain items of income such as market discount no later than the time such amounts are reflected on such a financial statement. The application of this rule to income of a debt instrument with market discount is effective for taxable years beginning after December 31, 2018. However, the IRS recently announced in Notice 2018-80 that it intends to issue proposed regulations confirming that taxpayers may continue to defer income — including market discount income — for tax purposes until there is a payment or sale at a gain. Accordingly, although market discount may have to be included in income currently as it accrues for financial accounting purposes, taxpayers may continue to defer the income for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors with regard to interest, OID, market discount and premium matters concerning the Claims and non-Cash consideration received therefor.

6. Limitations on Use of Capital Losses.

A U.S. Holder of a Claim or Interest who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods), and also ordinary income to the extent of the lesser of (1) $3,000 annually ($1,500 for married individuals filing separate returns) or (2) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may

carry over unused capital losses and apply them against future capital gains and a portion of their ordinary income for an unlimited number of years. For corporate Holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry over unused capital losses for the five years following the capital loss year.

7. Medicare Tax.

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8% tax on, among other things, dividends and gains from the sale or other disposition of capital assets. U.S. holders that are individuals, estates, or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on the exchange of Claims for consideration in accordance with the Plan and the subsequent disposition of any such consideration.

8. Certain Considerations Regarding the New Secured Debt and New PIK Debt.

a. In General.

The discussion in this tax disclosure assumes, and the Plan Debtors intend to take the position, that the New Secured Debt and New PIK Debt (the "New Debt") are treated (a) as debt for U.S. federal income tax purposes and (b) as an interest solely as a creditor for purposes of FIRPTA (as defined and discussed below). In the event this treatment is not respected, the associated tax consequences could be meaningfully different from the discussion below.

b. Cash Interest.

Cash interest on the New Debt will be includable by a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such Holder's regular method of accounting for U.S. federal income tax purposes, subject to the new provisions of section 451 of the IRC, as discussed above.

c. Issue Price and OID.

A debt instrument, such as a New Debt, is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a *de minimis* amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. Because the New PIK Debt will have interest that does not constitute qualified stated interest as a result of the "payable in kind" feature of such notes, the New PIK Debt will be issued with OID. Additionally, the New Debt in general could be issued with OID as a result of the application of the rules discussed immediately below causing such New Debt to have an issue price that is less than their stated redemption price at maturity.

The issue price of the New Debt generally will depend on whether the New Secured Debt or the New PIK Debt, as applicable, or the Claims exchanged therefor, is considered, for U.S. federal income tax purposes to be traded on an established securities market. In general, a debt instrument will be treated as traded on an established securities market if, at any time during the 31 day period ending 15 days after the issue date, (a) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments; (b) a "firm" price quote for the debt instrument is available from at least one broker, dealer or pricing service for property, and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell

the property or (c) there are one or more "indicative" quotes available from at least one broker, dealer or pricing service for property. Whether the New Debt (or Claims exchanged therefor) should be considered "publicly traded" may not be known until after the Effective Date.

If the New Secured Debt or the New PIK Debt, as applicable, is considered to be traded on an established market, the issue price of the New Secured Debt or the New PIK Debt, as applicable, would be the fair market value of such New Debt on the date they are issued. If the New Secured Debt or the New PIK Debt, as applicable, is not publicly traded on an established market, but the surrendered Claims are publicly traded on an established market, the issue price of the New Secured Debt or the New PIK Debt, as applicable, may then be determined by reference to the fair market value of the surrendered Claims on the date the New Secured Debt or the New PIK Debt, as applicable, is issued. If neither the New Secured Debt or the New PIK Debt, as applicable, nor the surrendered Claims are publicly traded on an established market, then the issue price of the New Secured Debt or the New PIK Debt, as applicable, would generally be determined under section 1273(b)(4) or 1274 of the IRC, as applicable.

d. Dispositions.

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other disposition of New Debt. Such capital gain will be long term capital gain if at the time of the sale, exchange, retirement, or other disposition, the U.S. Holder held the New Debt for more than one year. Long term capital gains of an individual taxpayer generally are taxed at preferential rates.

9. Ownership of New Common Stock and Blocker Equity.

a. New Common Stock.

Reorganized Propco I is expected to be taxable as a partnership for U.S. federal income tax purposes and the subsidiaries of Reorganized Propco I are expected to be disregarded as separate from Reorganized Propco I for U.S. federal income tax purposes. As such, items of income, gain, loss, and deduction of Reorganized Propco I and its subsidiaries will be allocated to U.S. Holders of the New Common Stock (including the Blockers) as provided in the New Organizational Documents. Each item generally will have the same character as if the U.S. Holder had realized the item directly. U.S. Holders will be required to report these items regardless of the extent to which, or whether, they receive cash distributions from Reorganized Propco I for such taxable year, and thus may incur income tax liabilities in excess of any cash distributions from Reorganized Propco I.

A U.S. Holder is allowed to deduct its allocable share of Reorganized Propco I's losses (if any) only to the extent of such Holder's adjusted tax basis (discussed below) in the New Common Stock at the end of the taxable year in which the losses occur. In addition, various other limitations in the IRC may significantly limit a U.S. Holder's ability to deduct its allocable share of deductions and losses of Reorganized Propco I against other income.

Reorganized Propco I will provide each U.S. Holder with the necessary information to report its allocable share of Reorganized Propco I's tax items for U.S. federal income tax purposes. However, no assurance can be given that Reorganized Propco I will be able to provide such information prior to the initial due date of the U.S. Holder's U.S. federal income tax return and U.S, Holders may therefore be required to apply to the IRS for an extension of time to file their tax returns.

Reorganized Propco I will determine how items will be reported on Reorganized Propco I's U.S. federal income tax returns in accordance with the New Organizational Documents, and all U.S. Holders of New Common Stock will be required under the IRC to treat the items consistently on their own returns,

unless they file a statement with the IRS disclosing the inconsistency. In the event that Reorganized Propco I's income tax returns are audited by the IRS, the tax treatment of Reorganized Propco I's income, gain, loss, and deductions generally will be determined at the Reorganized Propco I level in a single proceeding, rather than in individual audits of U.S. Holders of New Common Stock. Reorganized Propco I's "partnership representative" will have considerable authority under the IRC and the New Organizational Documents to make decisions affecting the tax treatment and procedural rights of the U.S. Holders of New Common Stock.

A U.S. Holder of New Common Stock generally will not recognize gain or loss on the receipt of a distribution of cash or property from Reorganized Propco I (provided that such Holder is not treated as exchanging such Holder's share of Reorganized Propco I's "unrealized receivables" and/or certain "inventory items" (as those terms are defined in the IRC, and together, "ordinary income items") for other partnership property). A U.S. Holder, however, will recognize gain on the receipt of a distribution of cash and, in some cases, marketable securities, from Reorganized Propco I (including any constructive distribution of money resulting from a reduction of the U.S. Holder's share of Reorganized Propco I's indebtedness) to the extent such distribution or the fair market value of such marketable securities distributed exceeds such Holder's adjusted tax basis in the New Common Stock. Such distribution would be treated as gain from the sale or exchange of the New Common Stock, which is described below.

A U.S. Holder's adjusted tax basis in the New Common Stock generally will be equal to such Holder's initial tax basis, increased by the sum of (a) any additional capital contribution such Holder makes to Reorganized Propco I; (b) the Holder's allocable share of the income of Reorganized Propco I (including the allocable share of gain on the disposition of Claims by Reorganized Propco I described in the definition of Intended Tax Treatment); and (c) increases in the Holder's allocable share of Reorganized Propco I's indebtedness, and reduced, but not below zero, by the sum of (a) the Holder's allocable share of Reorganized Propco I's losses (including the allocable share of loss on the disposition of Claims by Reorganized Propco I described in the definition of Intended Tax Treatment), and (b) the amount of money or the adjusted tax basis of property distributed to such Holder, including constructive distributions of cash resulting from reductions in such Holder's allocable share of Reorganized Propco I's indebtedness.

A sale of all or part of the New Common Stock will result in the recognition of gain or loss in an amount equal to the difference between the amount of the sales proceeds or distribution (including any constructive distribution) and such Holder's adjusted tax basis for the New Common Stock disposed of. Any gain or loss recognized with respect to such a sale generally will be treated as capital gain or loss, and will be long-term capital gain or loss if the New Common Stock have been held for more than one year, except to the extent (a) that the proceeds of the sale are attributable to a Holder's allocable share of certain of Reorganized Propco I's ordinary income items and such proceeds exceed the Holder's adjusted tax basis attributable to such ordinary income items and (b) of previously allowed bad debt or ordinary loss deductions. A U.S. Holder's ability to deduct any loss recognized on the sale of the New Common Stock will depend on the Holder's own circumstances and may be restricted under the IRC.

Reorganized Propco I is expected to derive income that would constitute unrelated business taxable income ("UBTI") for tax-exempt U.S. Holders. Such tax-exempt U.S. Holders should consult their own advisors regarding the potentially detrimental consequences of such treatment.

b. Blocker Equity.

The Blockers will be treated as corporations for U.S. federal income tax purposes. As such, items of taxable income, gain, loss, and deduction of Reorganized Propco I will not flow through the Blockers to owners of Blocker equity.

Any distributions made on account of the Blocker equity will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of the Blocker as determined under U.S. federal income tax principles. To the extent that a Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Holder's basis in its shares. Any such distributions in excess of the Holder's basis in its shares (determined on a share by share basis) generally will be treated as capital gain.

Dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends received deduction so long as there are sufficient earnings and profits. However, the dividends received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

Unless a non-recognition provision applies, Holders generally will recognize capital gain or loss upon the sale, redemption, or other disposition of Blocker equity. Such capital gain will be long term capital gain if at the time of the sale, exchange, retirement, or other disposition, the Holder held the Blocker equity for more than one year. Long term capital gains of an individual taxpayer generally are taxed at preferential rates.

10. Ownership of New Warrants.

The New Warrants will be subject to complex rules that govern noncompensatory options issued by partnerships.

As discussed above, the receipt of the New Warrants in exchange for Claims is expected to be subject to section 1001 of the IRC. As such, a Holder should have a tax basis in the New Warrants equal to their fair market value at the time of exercise. Assuming that the New Warrants are not treated as equity of Reorganized Propco I prior to their exercise under applicable testing events, a Holder of New Warrants generally will not be allocated tax items prior to such exercise.

When a New Class A Warrant is exercised, section 721 of the IRC will generally apply to such exercise (subject to certain exceptions). Accordingly, neither the Holder nor Reorganized Propco I should recognize gain or loss in connection with such exercise. Such Holder's capital account will be credited with (a) the property contributed to Reorganized Propco I and (b) the original value contributed to Reorganized Propco I in exchange for the New Class A Warrant (*i.e.*, the value of the property allocable to the New Class A Warrant). Simultaneously, a "book adjustment" event will be performed that will increase (or decrease) such Holder's capital account in Reorganized Propco I to be equal to the liquidation value at the time of the exercise of the New Class A Warrant. Under certain circumstances, this "book adjustment" event could lead to gain or loss to the exercising Holder prior to any economic realization of gains or losses inherent in such book adjustment.

In the event a Holder chooses not to exercise the New Warrants, such Holder should recognize loss equal to the Holder's tax basis in the New Warrants (and Reorganized Propco I would recognize gain).

If the New Warrants were treated as equity prior to their exercise, different treatment could apply, including the allocation of partnership tax items.

11. Ownership of New Contingent Equity Rights.

The U.S. federal income tax treatment of the New Contingent Equity Rights is uncertain. Additionally, because the terms of the New Contingent Equity Rights have not been finally determined, the tax treatment described below could ultimately be different.

Reorganized Propco I intends treat the New Contingent Equity Rights as a class of equity with a junior entitlement to distributions in Reorganized Propco I for U.S. federal income tax purposes. Assuming this treatment is correct, the U.S. federal income tax consequences of holding New Contingent Equity Rights would generally be the same as such consequences of holding New Common Stock, as described in "Ownership of New Common Stock and Blocker Equity—New Common Stock," above, subject to certain rules that will result in a different timing with respect to the allocation of partnership items to Holders of the New Contingent Equity Rights.

Unless a non-recognition provision applies, Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of New Contingent Equity Rights. Such capital gain will be long term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the Holder held the New Contingent Equity Right for more than one year. Long term capital gains of an individual taxpayer generally are taxed at preferential rates.

D. Certain United States Federal Income Tax Consequences to Non-U.S. Holders of Claims.

1. Consequences to Non-U.S. Holders of Claims and Interests.

The following discussion includes only certain U.S. federal income tax consequences of the exchange of Claims for consideration in accordance with the Plan and the subsequent ownership and disposition of such consideration to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, state, and local and the non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holder.

a. Gain Recognition.

Whether a Non-U.S. Holder realizes gain or loss on the exchange of Claims under the Plan, or in connection with a subsequent exchange of the consideration received under the Plan (i.e., the New Common Stock, the New Warrants, and the New Debt), is generally determined in the same manner as set forth above in connection with U.S. Holders (including, in the case of any Electing Holder that is a Non-U.S. Holder, with respect to Claim Contributions to Blockers).

Any gain realized by a Non-U.S. Holder on the exchange of its Claim under the Plan, or in connection with an exchange of the consideration received under the Plan, generally will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transactions or other applicable transactions occur and certain other conditions are met, (ii) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), or (iii) any gain is subject to taxation under FIRPTA (as defined and discussed below).

If the first exception applies, to the extent that any gain is taxable, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to

U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. Importantly, as discussed below, the second exception would be expected to apply with respect to any disposition of New Common Stock by a Non-U.S. Holder.

b. Interest Payments; Accrued but Untaxed Interest and OID.

Payments to a Non-U.S. Holder that are attributable to either (a) interest on (or OID accruals with respect to) the New Debt received under the Plan, or (b) accrued but untaxed interest on their Allowed Claim generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person, unless:

(a) the Non-U.S. Holder actually or constructively owns 10% or more of the total combined voting power of all classes of the stock or other equity of the Debtor obligor on a Claim (in the case of consideration received under the Plan) or Reorganized Propco I (in the case of interest or OID on the New Debt);

(b) the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to the Plan Debtors or Reorganized Plan Debtors (each, within the meaning of the IRC);

(c) the Non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the IRC; or

(d) such interest and OID is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to accrued but untaxed interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30% rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to accrued but untaxed interest. For purposes of providing a properly executed IRS Form W-8BEN or W-BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

c. Ownership of New Common Stock.

Any income generated by Reorganized Propco I and its subsidiaries that are disregarded entities would be expected to give rise to "effectively connected income" (or "ECI") to Non-U.S. Holders. In such case, a Non-U.S. Holder of New Common Stock would be subject to U.S. federal income tax on its share of such income. A Non-U.S. Holder's share of ECI would be subject to tax at normal graduated U.S. federal income tax rates and, if the Non-U.S. Holder is a corporation for U.S. federal income tax purposes, may also be subject to U.S. branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. Additionally, some or all of the gain on a disposition of New Common Stock would be treated as ECI to the extent that such gain is attributable to assets that generate ECI, including real estate located in the United States and other U.S. real property interests (as defined in the IRC).

Under section 1446 of the IRC, Reorganized Propco I would be subject to withholding obligations with respect to any Non-U.S. Holder of New Common Stock, and any purchaser of New Common Stock would also be subject to withholding requirements.

In addition to these considerations, Non-U.S. Holders of New Common Stock would be subject to certain rules under FIRPTA, as described in greater detail below.

d. Ownership of Blocker Equity.

Any non-liquidating distributions made with respect to Blocker equity will constitute dividends for U.S. federal income tax purposes to the extent of the issuer's current or accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent that a Non-U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Non-U.S. Holder's basis in its shares. Any such distributions in excess of a Non-U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain from a sale or exchange (and the respective excess distributions as proceeds from a sale or exchange). Except as described below, dividends paid with respect to Blocker equity held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) will be subject to withholding at a rate of 30% (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E (or a successor form) upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to Blocker equity held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty). Distributions to a Non-U.S. Holder treated as capital gain from a sale or exchange may also be subject to taxation under FIRPTA (as discussed below).

Dispositions of Blocker equity are expected to be subject to taxation under FIRPTA (as discussed below), unless, at the time of such a disposition, the applicable Blocker does not directly or indirectly hold any U.S. real property interests ("USRPIs") as defined in the IRC, and it had directly or indirectly disposed of all of the USRPIs it directly or indirectly owned in one or more fully taxable transactions.

e. Ownership of New Warrants.

As discussed above, the New Warrants will be subject to the rules applicable to noncompensatory partnership options. The treatment of a Non-U.S. Holder should be substantially similar to the treatment of a U.S. Holder, subject to the rules relating to FIRPTA discussed below.

f. Ownership of New Contingent Equity Rights.

As discussed above with respect to U.S. Holders, the U.S. federal income tax treatment of the New Contingent Equity Rights is subject to uncertainty. However, as discussed above, Reorganized Propco I intends treat the New Contingent Equity Rights as a class of equity with a junior entitlement to distributions in Reorganized Propco I for U.S. federal income tax purposes. Assuming this treatment is correct, the U.S. federal income tax consequences of holding New Contingent Equity Rights would generally be the same as such consequences of holding New Common Stock, as described in "Ownership of New Common Stock," above, subject to certain rules that will result in a different timing with respect to the allocation of partners.

g. FIRPTA.

Under the Foreign Investment in Real Property Tax Act ("FIRPTA"), the disposition of certain investments in U.S. property is subject to taxation in the hands of Non-U.S. Holders and treated as ECI even if a Non-U.S. Holder is not otherwise engaged in a U.S. trade or business. Different rules apply with respect to Blocker equity, on one hand, and interests issued directly by Reorganized Propco I, on the other hand.

With respect to Blocker equity, rules with respect to U.S. real property holding corporations ("USRPHCs") may apply. In general, a corporation is a USRPHC if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition or the period of time the Non-U.S. Holder held such interest. The Plan Debtors currently anticipate that the Blockers will constitute USRPHCs on the Effective Date. Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such Non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income. In general, the FIRPTA provisions will not apply if (a)(i) the Non-U.S. Holder does not directly or indirectly own more than 5% of the value of such interest during a specified testing period and (ii) such interest is regularly traded on an established securities market, or (b) at the time of such a disposition, the corporation does not directly or indirectly hold any USRPIs and it had directly or indirectly disposed of all of the USRPIs it directly or indirectly owned in one or more fully taxable transactions. Further, the buyer of the Blocker equity may be required to withhold a tax equal to 15% of the amount realized on the sale. The amount of any such withholding would be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the Non-U.S. Holder properly and timely files a tax return with the IRS. However, in the event Blocker equity is regularly traded on an established securities market, the withholding obligation described above would not apply, even if a Non-U.S. Holder is subject to the substantive FIRPTA tax.

With respect to the New Common Stock and New Warrants, the Plan Debtors anticipate that all or substantially all of the assets of Reorganized Propco I and its subsidiaries will constitute USRPIs. As such, a disposition of assets by Reorganized Propco I and its subsidiaries generally will subject a Non-U.S. Holder of New Common Stock to taxation as if the ECI rules discussed above applied (even if Reorganized Propco I and its subsidiaries were not otherwise determined to be engaged in a U.S. trade or business), and certain withholding requirements would also apply. Additionally, the disposition of New Common Stock and New

Warrants would be treated as a disposition of a proportionate share of such USRPIs for purposes of substantive FIRPTA taxation as well as withholding requirements.

Assuming the New Debt is not treated as an interest in Reorganized Propco I other than solely as a creditor, the FIRPTA rules should not apply to such New Debt.

The New Contingent Equity Rights would likely be treated as an interest in Reorganized Propco I other than solely as a creditor, and thus are expected to be treated as USRPIs, because the value of the New Contingent Equity Right depends entirely upon the value of the equity of Reorganized Propco I. As such, substantive FIRPTA taxation and withholding obligations would likely apply to dispositions of the New Contingent Equity Rights.

h. FATCA.

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

As currently proposed, FATCA withholding rules would apply to payments of gross proceeds from the sale or other disposition of property of a type which can produce U.S. source interest or dividends that occur after December 31, 2018. Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of these rules on such Non-U.S. Holder.

E. Information Reporting and Back-Up Withholding.

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

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders of Claims subject to the Plan are urged

to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

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

XII. RECOMMENDATION

In the opinion of the Plan Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Plan Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Plan Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: November 15, 2018

Respectfully submitted,

Toys "R" Us Property Company I, LLC,
on behalf of itself and each of the other Debtors

By: */s/ Daniel Hurwitz*
Name: Daniel Hurwitz
Title: Founder & CEO, Raider Hill Advisors, LLC

Exhibit A

Chapter 11 Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	)	Chapter 11
TOYS "R" US, PROPERTY COMPANY I, LLC, *et al.*,[1]	)	Case No. 18-31429 (KLP)
Debtors.	)	(Jointly Administered)

JOINT CHAPTER 11 PLAN OF TOYS "R" US, PROPERTY COMPANY I, LLC AND ITS DEBTOR AFFILIATES

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE PLAN DEBTORS OR ANY OTHER PARTY IN INTEREST.

YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

THIS PLAN IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS PLAN IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
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-and-

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Co-Counsel to the Plan Debtors and Debtors in Possession

Dated: November 15, 2018

[1] The Plan Debtors in these chapter 11 cases, along with the last four digits of each Plan Debtor's federal tax identification number, are set forth in the *Propco I Debtors' Motion for Entry of an Order (I) Directing Joint Administration of the Plan Debtors' Chapter 11 Cases and (II) Granting Related Relief* filed on March 28, 2018 [Docket No. 3]. The location of the Plan Debtors' service address is One Geoffrey Way,Wayne, NJ 07470.

TABLE OF CONTENTS

Page

INTRODUCTION[2]

The Plan Debtors propose the following plans for the Propco I Debtors and Wayne Holdings pursuant to chapter 11 of the Bankruptcy Code (together with the documents comprising the Plan Supplement, the "Plan"). Capitalized terms used in the Plan and not otherwise defined have the meanings ascribed to such terms in Article I.A.

The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Bankruptcy Court. Reference is made to the Disclosure Statement for a discussion of the Plan Debtors' history, businesses, results of operations, historical financial information, projections, and future operations, as well as a summary and analysis of the Plan and certain related matters, including distributions to be made under the Plan. Each of the Plan Debtors is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code. The chapter 11 plan for the Propco I Debtors is independent of the plan for Wayne Holdings, and the Propco I Debtors seek confirmation of their plan regardless of whether the plan proposed by Wayne Holdings is confirmed. For the avoidance of doubt, the Plan Debtors' Chapter 11 Cases are being separately administered from the TRU Retail Debtors' chapter 11 cases. Accordingly, this Plan is separate from the Propco II Plan,[3] the Toys Delaware Plan, and any other plan for any entity other than the Plan Debtors.

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.

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

A. Defined Terms.

As used in this Plan, capitalized terms have the meanings and effect as set forth below.

1. "*Accrued Creditors' Committee Member Expense Claims*" means, at any given moment, all Claims for accrued expenses incurred by members of the Creditors' Committee in the performance of the duties of the Creditors' Committee through and including the Effective Date, to the extent such expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court and regardless of whether a expense statement has been Filed for such expenses. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of reimbursement of a member of the Creditors' Committee's expenses, then the amount by which such reimbursement of expenses is reduced or denied shall reduce the applicable Accrued Creditors' Committee Member Expense Claim.

2. "*Accrued Other Fee Claims*" means all Claims for accrued fees and expenses for (i) payment of reasonable fees and expenses in an amount of $250,000.00 incurred by Kelley Drye & Warren LLP on account of its representation of Site Centers Corp. and Brookfield Properties REIT, Inc.; (ii) payment and reimbursement of reasonable fees and expenses in an amount of $378,000.00 incurred by the Propco I Agent in its capacity as Propco I Agent, which fees and expenses shall include fees and expenses incurred by Seward & Kissel LLP and Roussos, Glanzer & Barnhart, PLC, as main and Virginia counsel, respectively, to the Propco I Agent; and (iii) reimbursement of reasonable fees and expenses in an amount of $338,631.70 incurred by the Term Lender Group on account of Jones Day's representation of the Term Lender Group prior to Jones Day being retained as counsel to the Creditors' Committee.

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[2] The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

[3] The Propco II Plan was confirmed by the Bankruptcy Court on August 22, 2018.

3. "*Accrued Professional Compensation Claims*" means, at any given moment, all Claims for accrued fees and expenses (including success fees) for services rendered by a Professional through and including the Effective Date, to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court and regardless of whether a fee application has been Filed for such fees and expenses. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Accrued Professional Compensation Claim.

4. "*Ad Hoc Group of Term B-4 Lenders*" means the ad hoc group of certain unaffiliated holders of Secured Term Loan B Credit Facility Claims (as defined in the Toys Delaware Plan) consisting of funds and accounts managed or advised by Angelo, Gordon & Co., L.P.; Franklin Mutual Advisors, LLC; Highland Capital Management, LP; Oaktree Capital Management, L.P.; and Solus Alternative Asset Management LP.

5. "*Ad Hoc Vendor Group*" means the ad hoc group of merchandise vendors represented by Foley & Lardner LLP, Fox Rothschild LLP; Schiff Hardin LLP; Saul Ewing Arnstein & Lehr LLP; Morris, Nichols, Arsht & Tunnell; and Wasserman, Jurista & Stolz, P.C.

6. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Plan Debtors' estates pursuant to sections 328, 330, 503(b) or 507(a)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estates and operating the business of the Plan Debtors incurred after the Petition Date and through and including the Effective Date; (b) Accrued Professional Compensation Claims; and (c) fees and charges assessed against the Estates pursuant to chapter 123 of the Judicial Code, including the U.S. Trustee fees.

7. "*Administrative Claims Bar Date*" means, except for Accrued Professional Compensation Claims, the first Business Day that is 30 days following the Effective Date, except as specifically set forth in the Plan or a Final Order.

8. "*Administrative Claims Objection Bar Date*" means the deadline to filing objections to requests for payment of Administrative Claims (other than requests for payment of Accrued Professional Fee Claims and Claims arising under sections 503(b)(9) of the Bankruptcy Code), which shall be the later of (a) 60 days after the Effective Date or (b) 60 days after the Filing of the applicable request for payment of an Administrative Claim, *provided, that* the Administrative Claims Objection Bar Date may be extended by order of the

9. "*Agent Fees*" means the reasonable and documented fees and expenses of the Propco I Agent.

10. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

11. "*Allowed*" means, with reference to any Claim or Interest, as may be applicable, (a) any Claim that is evidenced by a Proof of Claim or a request for payment of an Administrative Claim, as applicable, that is Filed on or before the applicable Claims Bar Date or Administrative Claims Bar Date or which, pursuant to the Bankruptcy Code or a Final Order, is not required to be Filed; (b) any Claim that is listed in the Schedules as of the Effective Date as neither contingent, unliquidated, nor disputed, and for which no Proof of Claim has been timely filed; or (c) any Claim Allowed pursuant to the Plan; *provided*, *however*, that with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or such an objection is so interposed and the Claim shall have been Allowed by a Final Order. Except as otherwise specified in the Plan, any Final Order, or as otherwise agreed by the Plan Debtors, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claim (as determined by Final Order of the Bankruptcy Court), the amount of an Allowed Claim shall not include interest or fees on such Claim accruing from and after the Petition Date. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged without further action by the Plan Debtors and without any further notice to or action, order or approval of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy

Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Plan Debtor or Reorganized Plan Debtor, as the case may be. "Allow" and "Allowing" shall have correlative meanings.

12. "*Assumed Liabilities*" means any liability of any Plan Debtor that is fully assumed by a Purchaser or other entity pursuant to Sale Transaction Documents.

13. "*Avoidance Actions*" means any and all actual or potential avoidance, recovery, subordination, or other Causes of Action or remedies that may be brought by or on behalf of the Plan Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including Causes of Action or remedies under sections 502, 510, 542, 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws.

14. "*Ballot*" means the ballot form for accepting or rejecting this Plan and making certain elections under this Plan, distributed to the Holders of Claims or Interests that are Impaired under this Plan and entitled to vote to accept or reject this Plan pursuant to Article III.

15. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532.

16. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Eastern District of Virginia having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Eastern District of Virginia.

17. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

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

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

20. "*Causes of Action*" means any claim (including any Claim), cause of action, controversy, right of setoff, cross claim, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, debt, damage, remedy, judgment, account, defense, offset, power, privilege, license, or franchise of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. For the avoidance of doubt, "Causes of Action" include: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) any claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, violation of local, state, federal, or foreign law, or breach of any duty imposed by law or in equity, including securities laws, negligence, and gross negligence; (c) any right to object to or otherwise contest Claims or Interests; (d) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress, usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (f) any Avoidance Action.

21. "*Certificate*" means any instrument evidencing a Claim or Interest.

22. "*Chapter 11 Cases*" means the jointly-administered chapter 11 cases of the Plan Debtors pending before the Bankruptcy Court under the lead case of Toys "R" Us, Property Company I, LLC, Case No. 18-31429 (KLP) (Bankr. E.D. Va.).

23. "*Claim*" means any claim against the Plan Debtors, as defined in section 101(5) of the Bankruptcy Code, including: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

24. "*Claims Bar Date*" means, either, the General Claims Bar Date or the Governmental Claims Bar Date, as applicable.

25. "*Claims Objection Bar Date*" means the later of: (a) the date that is 180 days after the Effective Date; and (b) such other date as may be fixed by the Bankruptcy Court, after notice and hearing, upon a motion filed before the expiration of the deadline to object to Claims or Interests.

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

27. "*Class*" means a category of Holders of Claims or Interests as set forth in Article III in accordance with section 1122(a) of the Bankruptcy Code.

28. "*Confirmation*" means the entry on the docket of the Chapter 11 Cases of a Confirmation Order.

29. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order.

30. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court to consider Confirmation pursuant to section 1129 of the Bankruptcy Code.

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

32. "*Consummation*" means the occurrence of the Effective Date for the Plan.

33. "*Creditors' Committee*" means the official committee of unsecured creditors appointed in the Chapter 11 Cases.

34. "*Cure Claims*" means all Claims for Cure Obligations.

35. "*Cure Obligations*" means all (a) amounts (or such lesser amount as may be agreed upon by the parties under an Executory Contract, Unexpired Lease, or Sale Transaction Document) required to cure any monetary defaults and (b) other obligations required to cure any non-monetary defaults (the performance required to cure such non-monetary defaults and the timing of such performance will be described in reasonable detail in a notice of proposed assumption and assignment) under any Executory Contract or Unexpired Lease that is to be assumed by the Plan Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

36. "*D&O Liability Insurance Policies*" means all insurance policies for directors, members, trustees, officers, and managers' liability maintained by the Plan Debtors as of the Effective Date.

37. "*Disallowed*," when used with respect to a Claim, means a Claim that has been disallowed by the Bankruptcy Code or Final Order (including, for the avoidance of doubt, the Confirmation Order).

38. "*Disclosure Statement*" means the *Disclosure Statement for the Joint Chapter 11 Plan of Toys "R" Us, Property Company I, LLC and its Plan Debtor Affiliates*, including all exhibits and schedules thereto.

39. "*Disclosure Statement Order*" means the Order approving the Disclosure Statement and certain procedures for solicitation of votes on the Plan and granting related relief.

40. "*Disputed*" means a Claim or an Interest or any portion thereof: (a) that is not Allowed; and (b) that is not Disallowed under the Plan, the Bankruptcy Code, or a Final Order.

41. "*Disputed Claims Reserve*" means one or more reserves that may be funded on or after the Effective Date pursuant to Article IV hereof.

42. "*Disputed Claims Reserve Amount*" means an amount, sufficient to pay, in full, in Cash, all Disputed Claims, funded into the Disputed Claims Reserve.

43. "*Disbursing Agent*" means the party to be selected by the Creditors' Committee in its sole discretion to make or facilitate distributions that are to be made on or after the Effective Date pursuant to the Plan, including, if applicable, the Equity Option 1 Payment.

44. "*Distribution Record Date*" means the date for determining which holders of Claims or Interests are eligible to receive distributions hereunder and shall be the Confirmation Date or such other date as designated in a Final Order of the Bankruptcy Court.

45. "*DTC*" means Depository Trust Company.

46. "*Effective Date*" means, with respect to the Plan, the date that is a Business Day selected by the Plan Debtors after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.A have been satisfied or waived (in accordance with Article IX.C); and (c) the Plan is declared effective by the Plan Debtors, after consultation with the Creditors' Committee. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

47. "*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

48. "*Equity Option 1 Conditions*" means all of the following: (a) an election made in writing, no later than five (5) calendar days following the Confirmation Date, by the Holders of Interests in Propco I to make the Equity Option 1 Payment; (b) the deposit by the Holders of Interests in Propco I, no later than 30 calendar days after the Effective Date of the Equity Option 1 Deposit; and (c) the actual use of the Equity Option 1 Deposit to (i) make the Equity Option 1 Payment and (ii) fund the Disputed Claims Reserve in the amount of the Disputed Claims Reserve Amount.

49. "*Equity Option 1 Deposit*" means a Cash deposit in the amount of the Equity Option 1 Payment Amount, to be made to an account established the Disbursing Agent, by Holders of Interests in Propco I no later than 30 calendar days after the Effective Date.

50. "*Equity Option 1 Payment*" means the payment of the Equity Option 1 Payment Amount in full satisfaction of all Allowed Claims (including Allowed Priority Claims and Allowed Administrative Claims).

51. "*Equity Option 1 Payment Amount*" means an amount equal to all Allowed Claims (including, for the avoidance of doubt and without limitation, all Allowed Administrative Claims, Accrued Professional Compensation Claims, Accrued Creditors' Committee Member Expense Claims, Accrued Other Fee Claims, and Other Priority Claims) against the Propco I Debtors, *plus* interest on such Allowed Claims calculated from the

Petition Date to the 30th calendar day following the Effective Date at a rate of [___],[4] *plus* an amount sufficient to fund the Disputed Claims Reserve in the amount of the Disputed Claims Reserve Amount. [5]

52. "*Equity Option 1 Recovery*" means shares of New Common Stock equal to 100% of the New Common Stock to be issued and outstanding on the Effective Date.

53. "*Equity Option 2 Recovery*" means the extinguishment, cancellation, and discharge of all Interests in Propco I with no distribution or other consideration in respect thereof.

54. "*Estate*" means, as to each Plan Debtor, the estate created for each Plan Debtor on the Petition Date pursuant to sections 301 and 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired after the Petition Date through the Effective Date.

55. "*Exculpated Parties*" means, subject to Article VIII, collectively, and in each case in its capacity as such: (a) the Plan Debtors; (b) the Reorganized Plan Debtors; (c) the TRU Retail Debtor Parties; (d) the Holders of Term Loan Claims; (e) the Creditors' Committee and its members; (f) the Propco I Agent; (g) the Sponsors; and (h) with respect to each of the foregoing entities in clauses (a) through (g), such entity's current and former affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

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

57. "*Federal Judgment Rate*" means the federal judgment rate in effect as of the Effective Date.

58. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

59. "*Final Order*" means, an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, reconsideration, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, or motion for reargument, reconsideration, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

60. "*Former Debtor*" means any former TRU Retail Debtor for which a chapter 11 plan of reorganization has been confirmed and declared effective.

61. "*General Claims Bar Date*" means November 12, 2018 at 5:00 p.m. prevailing Eastern Time, or such other date established by the Bankruptcy Court by which Proofs of Claim must have been Filed by a Governmental Unit, as ordered by the Bankruptcy Court in the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date*

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4 The Creditors' Committee proposes LIBOR plus 5%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

5 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief [Docket No. 642].

62. "*General Unsecured Claim*" means any other Claims against any Plan Debtor that are not otherwise paid in full during the Chapter 11 Cases pursuant to an order of the Bankruptcy Court and are not: (a) an Administrative Claim; (b) an Other Secured Claim; (c) an Other Priority Claim; (d) an Intercompany Claim; or (e) a TRU Retail Claim.

63. "*Geoffrey Debtors*" means, collectively, Geoffrey Holdings, LLC, Geoffrey, LLC and Geoffrey International, LLC.

64. "*Giraffe Junior*" means Giraffe Junior Holdings, LLC.

65. "*Governmental Claims Bar Date*" means November 12, 2018 at 5:00 p.m. prevailing Eastern Time or such other date established by the Bankruptcy Court by which Proofs of Claim must have been Filed by a Governmental Unit, as ordered by the Bankruptcy Court in the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief* [Docket No. 642].

66. "*Governmental Unit*" shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

67. "*GUC Recovery*" means the Propco I GUC Recovery, MAP RE GUC Recovery, TRU RE I GUC Recovery, TRU RE II GUC Recovery, or Wayne RE GUC Recovery, as applicable.

68. "*Holder*" means any Entity holding a Claim or an Interest.

69. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Unimpaired.

70. "*Intercompany Claim*" means any Claim in a Plan Debtor held by another Plan Debtor.

71. "*Intercompany Interest*" means other than Interests in Propco I and Interests in Wayne Holdings, an Interest in one Plan Debtor held by another Plan Debtor.

72. "*Interests*" means any interest, equity, or share in the Plan Debtors, including all options, warrants, or other rights to obtain such an interest or share in such Plan Debtor, whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security, including any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising therefrom.

73. "*Interest in Propco I*" means an Interest in Propco I.

74. "*Interest in Wayne Holdings*" means an Interest in Wayne Holdings.

75. "*Interim Compensation Order*" means the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief*, entered June 28, 2018 [Docket No. 269].

76. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

77. "*Lien*" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

78. "*MAP RE*" means Plan Debtor Map Real Estate, LLC.

79. "*MAP RE Convenience Claim*" means an Allowed General Unsecured Claim against MAP RE (i) as to which no other Propco I Debtor is liable, (ii) that otherwise would be classified in Class A-3d, and (iii) that is in an amount that has been reduced to [___]%[6] of such Allowed General Unsecured Claim against MAP RE pursuant to the MAP RE Convenience Claim Election made by the Holder of such Claim. [7]

80. "*MAP RE Convenience Claim Election*" means an irrevocable election made on the Ballot by the Holder of an Allowed General Unsecured Claim against MAP RE to reduce such Claim to [__]%[8] of such Holder's Allowed General Unsecured Claim against MAP RE.

81. "*MAP RE GUC Recovery*" means: (a) New Secured Debt having a principal amount equal to [__]%[9] of such Holder's Allowed General Unsecured Claim against MAP RE; (b) New PIK Debt having a principal amount equal to [___]%[10] of the amount of such Holder's Allowed General Unsecured Claim against MAP RE; (c) a number of shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against MAP RE divided by (ii) [___],[11] rounded down to the nearest whole number; and (d) New Warrants entitling the holders thereof to purchase shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against MAP RE divided by (ii) [___],[12] rounded down to the nearest whole number. Each Holder of a General Unsecured Claim against MAP RE shall have the option to take some or all of the foregoing consideration directly or through assignees or blocker corporations to be created in connection with the implementation of the Plan, as described in Article IV.D. [13]

82. "*New Board*" means the board of directors of Reorganized Propco I, to be identified prior to or at the Confirmation Hearing.

83. "*New Common Stock*" means the common stock in Reorganized Propco I.

84. "*New Common Stock Summary*" means the term sheet summarizing the characteristics of the New Common Stock, to be included in the Plan Supplement.

85. "*New Contingent Equity Rights*" means new contingent equity rights to be issued by the Reorganized Propco I, intended to provide holders with [___],[14] consistent with the terms of the New Contingent Equity Rights Term Sheet. [15]

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6 The Creditors' Committee proposes 32%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

7 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

8 The Creditors' Committee proposes 32%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

9 The Creditors' Committee proposes 1.9%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

10 The Creditors' Committee proposes 0.5%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

11 The Creditors' Committee proposes 7,809. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

12 The Creditors' Committee proposes 4,586. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

13 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

14 The Creditors' Committee proposes 10% of the value of the Reorganized Propco I Debtors above a total enterprise valuation of $975 million. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

86. "*New Contingent Equity Rights Term Sheet*" means the term sheet, to be included in the Plan Supplement, governing the terms of the New Contingent Equity Rights a draft form of which is attached hereto as Exhibit D. [16]

87. *"New Organizational Documents"* means such certificates or articles of incorporation, certificates of formation, certificates of conversion, by-laws, limited liability company agreements, stockholders' agreements, or such other applicable formation and governance documents of some or all of the Reorganized Plan Debtors in form and substance reasonably acceptable to the Creditors' Committee, forms of which shall be included in the Plan Supplement.

88. "*New Debt Instruments*" means together, collectively, the New PIK Debt and New Secured Debt.

89. "*New Debt Documents*" means together, collectively, the New Secured Debt Documents and New PIK Debt Documents.

90. "*New PIK Debt* means the new paid-in-kind notes to be issued on, or new paid-in-kind term loans to be incurred on, the Effective Date in the initial principal amount of $[___][17] bearing interest [____][18] pursuant to the applicable New PIK Debt Documents.[19]

91. "*New PIK Debt Documents*" means in connection with the New PIK Debt, the New PIK Debt Governing Document, notes, deeds of trust, Uniform Commercial Code statements, and other documents, to be dated as of the Effective Date, governing the New PIK Debt, which documents shall be (i) included in the Plan Supplement, and (ii) which shall be in form and substance reasonably acceptable to the Plan Debtors and the Creditors' Committee.

92. "*New PIK Debt Governing Document*" means an indenture or credit agreement, as applicable, governing the New PIK Debt.

93. "*New PIK Debt Term Sheet*" means the draft form of term sheet attached hereto as Exhibit A. [20]

94. "*New Secured Debt*" means the new secured notes to be issued on, or new secured term loans to be incurred on, the Effective Date, in the initial principal amount of $[___][21] and bearing interst at a rate of [___][22] pursuant to the applicable New Secured Debt Documents. [23]

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15 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

16 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

17 The Creditors' Committee proposes $150 million. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

18 The Creditors' Committee proposes Cash interest at a rate of 10% per annum, and at the option of the issuer, paid-in-kind interest at a rate of 14% per annum. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

19 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

20 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

21 The Creditors' Committee proposes $550 million. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

95. "*New Secured Debt Documents*" means, collectively, the New Secured Debt Governing Document, and all other agreements, documents, and instruments governing, evidencing, or securing the New Secured Debt (including any guarantee agreements, pledge or collateral documents, intercreditor agreements, subordination agreements, security documents, fee letters, deeds of trust, Uniform Commercial Code statements, and other documents), to be dated as of the Effective Date, governing the New Secured Debt, which documents shall be (i) included in the Plan Supplement, and (ii) in form and substance reasonably acceptable to the Plan Debtors and the Creditors' Committee.

96. "*New Secured Debt Governing Document*" means an indenture or credit agreement, as applicable, governing the New Secured Debt.

97. "*New Secured Debt Term Sheet*" means the draft form of term sheet attached hereto as Exhibit B.[24]

98. "*New Warrants*" means warrants exercisable into [___][25] of the New Common Stock at an exercise price of [___][26] and on the terms and conditions set forth in the New Warrant Agreement. [27]

99. "*New Warrant Agreement*" means the definitive document governing the New Warrants, consistent with the New Warrant Term Sheet, the form of which will be included in the Plan Supplement.

100. "*New Warrant Term Sheet*" means that certain term sheet, to be included in the Plan Supplement, governing the terms of the New Warrants, a draft form of which is attached hereto as Exhibit C. [28]

101. "*Notice and Claims Agent*" means Prime Clerk LLC.

102. "*Other Fee Escrow Account*" means an interest-bearing escrow account to hold and maintain an amount of Cash equal to the Other Fee Escrow Amount funded by the Plan Debtors on or before the Effective Date solely for the purpose of paying all Allowed and unpaid Accrued Other Fee Claims. Such Cash shall remain subject to the jurisdiction of the Bankruptcy Court.

103. "*Other Fee Escrow Amount*" means the aggregate Accrued Other Fee Claims through the Effective Date.

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22 The Creditors' Committee proposes LIBOR plus 6% per annum. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

23 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

24 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

25 The Creditors' Committee proposes that the New Warrants be exercisable into 63% of the 10 million shares of issued and outstanding shares. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

26 The Creditors' Committee proposes an exercise price of $27.03 per share. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

27 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

28 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

104. "*Other Fee Parties*" means (i) Kelley Drye & Warren LLP, (ii) the Propco I Agent, and (iii) the Term Lender Group.]

105. "*Other Priority Claim*" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or Claims entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code.

106. "*Other Secured Claim*" means any secured Claim against the Plan Debtors not specifically described in the Plan.

107. "*Petition Date*" means March 20, 2018.

108. "*Plan*" means this J*oint Chapter 11 Plan of Toys "R" Us, Property Company I, LLC and its Plan Debtor Affiliates*, including the Plan Supplement which is incorporated herein by reference and made part of this Plan as if set forth herein.

109. "*Plan Debtors*" means together, collectively, the Propco I Debtors and Wayne Holdings.

110. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed at least seven (7) days prior to the Voting Deadline, as amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) a list of Executory Contracts and Unexpired Leases to be assumed or assumed and assigned pursuant to the Plan, and as may be amended by the Plan Debtors in accordance with the Plan prior to the Effective Date; (b) a schedule of the retained Causes of Action; (c) the New Debt Documents; (d) the New Common Stock Summary; (e) the New Organizational Documents; (f) the New Warrants Term Sheet; (g) the New Contingent Equity Rights Summary Term Sheet; (h) the identity of the New Board; and (i) the Restructuring Transactions Memorandum, subject to appropriate confidentiality protections. The Plan Supplement shall be in form and substance reasonably acceptable to the Creditors' Committee.

111. "*Priority Claims*" means Priority Tax Claims and Other Priority Claims.

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

113. "*Professional*" means an Entity: (a) retained in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 328, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 363, or 331 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

114. "*Professional Fee Escrow Account*" means an interest-bearing escrow account to hold and maintain an amount of Cash equal to the Professional Fee Escrow Amount and Accrued Creditors' Committee Member Expense Claims to be funded by the Plan Debtors on or before the Effective Date solely for the purpose of paying all Allowed and unpaid Accrued Professional Compensation Claims and Accrued Creditor's Committee Member Expense Claims. Such Cash shall remain subject to the jurisdiction of the Bankruptcy Court.

115. "*Professional Fee Escrow Amount*" means the aggregate Accrued Professional Compensation Claims through the Effective Date as estimated in accordance with Article II.B.

116. "*Proof of Claim*" means a proof of Claim Filed against any of the Plan Debtors in the Chapter 11 Cases.

117. "*Propco I*" means Toys "R" Us Property Company I, LLC.

118. "*Propco I Agent*" means Cantor Fitzgerald Securities, as the successor administrative agent to the Propco I Credit Agreement.

119. "*Propco I Convenience Claim*" means an Allowed General Unsecured Claim against Propco I (i) as to which no other Propco I Debtor is liable, (ii) that otherwise would be classified in Class A-3a, and (iii) that is in an amount that has been reduced to [__]%[29] of such Allowed General Unsecured Claim against Propco I pursuant to the Propco I Convenience Claim Election made by the Holder of such Claim..

120. "*Propco I Convenience Claim Election*" means an irrevocable election made on the Ballot by the Holder of an Allowed General Unsecured Claim against Propco I to reduce such Claim to [__]%[30] of such Holder's Allowed General Unsecured Claim against Propco I. [31]

121. "*Propco I Credit Agreement*" means that certain Term Loan Credit Agreement, dated as of August 21, 2013 (as amended, novated, supplemented, extended or restated from time to time) by and between Propco I, the Term Lenders, the Propco I Agent, and the other agents and arrangers named therein.

122. "*Propco I Debtors*" means Propco I, MAP RE, Wayne RE, TRU RE I, and TRU RE II.

123. "*Propco I GUC Recovery*" means: (a) New Secured Debt having a principal amount equal to [__]%[32] of such Holder's Allowed General Unsecured Claim against Propco I; (b) New PIK Debt having a principal amount equal to [__]%[33] of the amount of such Holder's Allowed General Unsecured Claim against Propco I; (c) a number of shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against Propco I divided by (ii) [___],[34] rounded down to the nearest whole number; and (d) New Warrants entitling the holders thereof to purchase shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against Propco I divided by (ii) [___],[35] rounded down to the nearest whole number. Each Holder of a General Unsecured Claim against Propco I shall have the option to take some or all of the foregoing consideration directly or through assignees or blocker corporations to be created under the Plan as described in Article IV.D. [36]

124. "*Propco I Plan*" means the chapter 11 plan of the Propco I Debtors provided for herein.

125. "*Propco I Term Loan*" means the term loan in the currently outstanding amount of $[859 million] provided for by the Propco I Credit Agreement.

126. "*Propco II*" means Toys "R" Us Property Company II, LLC.

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29 The Creditors' Committee proposes 5.8%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

30 The Creditors' Committee proposes 5.8%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

31 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

32 The Creditors' Committee proposes 4.0%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

33 The Creditors' Committee proposes 1.1%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

34 The Creditors' Committee proposes 3,725. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

35 The Creditors' Committee proposes 2,187. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

36 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

127. "*Propco II Plan*" means the chapter 11 plan of the Propco II Plan Entities.

128. "*Propco II Plan Entities*" means together, Propco II and Giraffe Junior.

129. "*Purchaser*" means each Entity that is a purchaser under the Sale Transaction Documents to which it is a party.

130. "*Raider Hill*" means Raider Hill Advisors, LLC.

131. "*Raider Hill Retention Order*" means the *Order Pursuant to Sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1 Authorizing the Employment and Retention of Raider Hill Advisors, LLC as Real Estate Advisor Nunc Pro Tunc to June 11, 2018* [Docket No. 377].

132. "*Reinstated*" means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

133. "*Released Party*" means, subject to Article VIII collectively, and in each case in its capacity as such: (a) the Plan Debtors; (b) the Reorganized Plan Debtors; (c) the TRU Retail Debtor Parties; (d) the Creditors' Committee and its members; (e) the Holders of Term Loan Claims; (f) the Propco I Agent; (g) the Sponsors; and (h) with respect to each of the foregoing entities in clauses (a) through (g), such entity's current and former affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, *provided* that any party that opts out of the releases contained in the Plan shall not be a "Released Party.".

134. "*Releasing Parties*' means, subject to Article VIII, collectively, and in each case in its capacity as such: (a) the Plan Debtors; (b) the Reorganized Plan Debtors; (c) the TRU Retail Debtor Parties; (d) the Creditors' Committee and its members; (e) the Holders of Term Loan Claims; (f) the Propco I Agent; (g) the Sponsors; (h) with respect to each of the foregoing entities in clauses (a) through (g), such entity's current and former affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; (h) all Holders of Claims and Interests that are deemed to accept the Plan; (i) all Holders of Claims and Interests who vote to accept the Plan; (j) all Holders in voting classes who abstain from voting on the Plan; and (k) all Holders of Claims in voting classes who vote against the Plan but do not opt-out of the releases.

135. "*Reorganized Plan Debtors*" means the Plan Debtors as reorganized hereunder.

136. "*Reorganized Plan Debtors Assets*" means, on the Effective Date, all assets and interests of the Estates, control over which will be vested in the Reorganized Plan Debtors, and, thereafter, all assets from time to time controlled by the Reorganized Plan Debtors; *provided*, *however*, that for the avoidance of doubt, the ownership of such assets and interests shall not be transferred solely as a result of such assets and interests becoming Reorganized Plan Debtors Assets. For the avoidance of doubt, any assets sold pursuant to a Sale Transaction prior to the Effective Date shall not be a Reorganized Plan Debtors Asset.

137. "*Reorganized Propco I Subsidiaries*" means, on the Effective Date, MAP RE, Wayne RE, TRU RE I, and TRU RE II.

138. "*Restructuring Transactions*" has the meaning set forth in Article IV.D.

139. "*Restructuring Transactions Memorandum*" means a description of the Restructuring Transactions.

140. "*Sale Transaction*" means one or more transactions for the sale of certain of the Plan Debtors' assets that has been approved by a Final Order of the Bankruptcy Court.

141. "*Sale Transaction Documents*" means the documents effectuating the Sale Transactions.

142. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Plan Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the official bankruptcy forms.

143. "*Secured*" means when referring to a Claim secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order or the Plan, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

144. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa.

145. "*Securities Exchange Act*" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a–78nn.

146. "*Security*" shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

147. "*Settlement Agreement*" means that certain settlement agreement by and among certain TRU Retail Debtors and certain Holders of Claims and Interests against the TRU Retail Debtors, including the TRU Retail Creditors' Committee and certain of its members, the Ad Hoc Vendor Group and its members, the Sponsors, and the Ad Hoc Group of Term B-4 Lenders and its members, dated as of July 17, 2018.

148. "*Settlement Motion*" means the *Debtors' Motion for Entry of an Order (I) Approving (A) the Settlement Agreement, (B) Opt-Out Procedures Applicable to the Settlement Agreement, and (C) a Substantial Contribution Claim Under Section 503(b)(3)(D) of the Bankruptcy Code; and (II) Granting Related Relief* [Case No. 17-34665 (KLP); Docket No. 3814].

149. "*Sponsors*" means, collectively, (a) Bain Capital Private Equity, LP, (b) Kohlberg Kravis Roberts & Co. L.P., (c) Vornado Realty Trust, and (d) funds and entities advised by each such Entity, and each such Entity's current and former Affiliates.

150. "*Term Lenders*" means the lenders party to the Propco I Credit Agreement from time to time.

151. "*Term Lender Group*" means (i) Eaton Vance Management, (ii) Empyrean Capital Partners, LP, (iii) Glendon Capital Management LP, (iv) Oaktree Capital Management, L.P., (v) Par-Four Investment Management, LLC, (vi) Redwood Capital Management, LLC, and (vii) Westport Capital Partners LLC.

152. "*Term Loan Claims*" means any Claim arising under the Propco I Credit Agreement and the Term Loan Guarantee, which shall be Allowed against each of the Propco I Debtors in an amount equal to (i) the outstanding principal amount of the term loans under the Propco I Credit Agreement as of the Petition Date; (ii) accrued but unpaid interest on the term loans under the Propco I Credit Agreement as of the Petition Date; and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement as of the Petition Date.

153. "*Term Loan Documents*" means, collectively, the Propco I Credit Agreement, the Term Loan Guarantee and such other documents prepared in connection therewith.

154. "*Term Loan Guarantee*" means that certain Guarantee, dated as of August 21, 2013 (as amended, novated, supplemented, extended or restated from time to time) by the Term Loan Guarantors in favor of the Propco I Agent for the benefit of the Guaranteed Parties (as such term is defined in the Propco I Credit Agreement) pursuant to which each of the Term Loan Guarantors jointly and severally guaranteed the Propco I Term Loan.

155. "*Toys Delaware Debtors*" means Toys Delaware, TRU Guam, LLC, Toys Acquisition, LLC, Giraffe Holdings, LLC, TRU of Puerto Rico, Inc., and TRU-SVC, Inc.

156. "*Toys Delaware Plan*" means the chapter 11 plan of the Toys Delaware Debtors.

157. "*TRU Inc.*" means Toys "R" Us, Inc.

158. "*TRU RE I*" means Plan Debtor TRU 2005 RE I, LLC.

159. "*TRU RE I Convenience Claim*" means an Allowed General Unsecured Claim against TRU RE I (i) as to which no other Propco I Debtor is liable, (ii) that otherwise would be classified in Class A-3b, and (iii) that is in an amount that has been reduced to [__]%[37] of such Allowed General Unsecured Claim against TRU RE I pursuant to the TRU RE I Convenience Claim Election made by the Holder of such Claim. [38]

160. "*TRU RE I Convenience Claim Election*" means an irrevocable election made on the Ballot by the Holder of an Allowed General Unsecured Claim against TRU RE I to reduce such Claim to [___]%[39] of such Holder's Allowed General Unsecured Claim against TRU RE I.

161. "*TRU RE I GUC Recovery*" means: (a) New Secured Debt having a principal amount equal to [__]%[40] of such Holder's Allowed General Unsecured Claim against TRU RE I; (b) New PIK Debt having a principal amount equal to [__]%[41] of the amount of such Holder's Allowed General Unsecured Claim against TRU RE I; (c) a number of shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against TRU RE I divided by (ii) [__],[42] rounded down to the nearest whole number; and (d) New Warrants entitling the holders thereof to purchase shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against TRU RE I divided by (ii) [__],[43] rounded down to the nearest whole number. Each Holder of a General Unsecured Claim against TRU RE I shall have the option to take some or all of the foregoing consideration directly or through assignees or blocker corporations to be created in connection with the implementation of the Plan as described in Article IV.D. [44]

162. "*TRU RE II*" means Plan Debtor TRU 2005 RE II Trust.

163. "*TRU RE II Convenience Claim*" means an Allowed General Unsecured Claim against TRU RE II (i) as to which no other Propco I Debtor is liable, (ii) that otherwise would be classified in Class A-3c, and (iii) that

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37 The Creditors' Committee proposes 65%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

38 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

39 The Creditors' Committee proposes 65%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

40 The Creditors' Committee proposes 51.0%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

41 The Creditors' Committee proposes 13.9%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

42 The Creditors' Committee proposes 291. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

43 The Creditors' Committee proposes 171. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

44 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

is in an amount that has been reduced to [___]%[45] of such Allowed General Unsecured Claim against TRU RE II pursuant to the TRU RE II Convenience Claim Election made by the Holder of such Claim. [46]

164. "*TRU RE II Convenience Claim Election*" means an irrevocable election made on the Ballot by the Holder of an Allowed General Unsecured Claim against TRU RE II to reduce such Claim to [___]%[47] of such Holder's Allowed General Unsecured Claim against TRU RE II.

165. "*TRU RE II GUC Recovery*" means: (a) New Secured Debt having a principal amount equal to [__]%[48] of such Holder's Allowed General Unsecured Claim against TRU RE II; (b) New PIK Debt having a principal amount equal to [___]%[49] of the amount of such Holder's Allowed General Unsecured Claim against TRU RE II; (c) a number of shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against TRU RE II divided by (ii) [___],[50] rounded down to the nearest whole number; and (d) New Warrants entitling the holders thereof to purchase shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against TRU RE II divided by (ii) [___],[51] rounded down to the nearest whole number. Each Holder of a General Unsecured Claim against TRU RE II shall have the option to take some or all of the foregoing consideration directly or through assignees or blocker corporations to be created in connection with the implementation of the Plan as described in Article IV. [52]

166. "*TRU Retail Claim*" means the Claims of any TRU Retail Debtor against any Plan Debtor.

167. "*TRU Retail Claim Allowed Amount*" means with respect to any TRU Retail Debtor, the aggregate amount of non-subordinated Allowed TRU Retail Claims held by such TRU Retail Debtor in excess of the Causes of Action by the applicable Plan Debtor against such TRU Retail Debtor.

168. "*TRU Retail D&O Party*" means all current and former directors, officers, or managers (including Sponsor-affiliated directors, officers, and managers) of the Toys Delaware Debtors, the Geoffrey Debtors, TRU Inc. and the other TRU Retail Debtors party to the Settlement Agreement.

169. "*TRU Retail Debtor Parties*" means, excluding the Plan Debtors, (a) the TRU Retail Debtors, (b) the Sponsors, and (c) with respect to each of the foregoing entities in clauses (a) and (b), such entity's current and former affiliates (for the avoidance of doubt, not including the Plan Debtors), and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

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45 The Creditors' Committee proposes 4.6%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

46 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

47 The Creditors' Committee proposes 4.6%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

48 The Creditors' Committee proposes 3.2%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

49 The Creditors' Committee proposes 0.9%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

50 The Creditors' Committee proposes 4,654. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

51 The Creditors' Committee proposes 2,733. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

52 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

170. "*TRU Retail Debtors*" means Toys "R" Us, Inc. and its affiliated debtors and debtors-in-possession in the cases jointly administered under Case No. 17-34665 (KLP), which includes, for the avoidance of doubt, the Toys Delaware Debtors.

171. "*TRU Retail Creditors' Committee*" means the official committee of unsecured creditors appointed in the TRU Retail Debtors' chapter 11 cases.

172. "*U.S. Trustee*" means the Office of the United States Trustee for the Eastern District of Virginia.

173. "*Unexpired Lease*" means a lease to which one or more of the Plan Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

174. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Claim or an Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

175. "*United States*" means the United States of America, its agencies, departments, or agents.

176. "*Voting Deadline*" means January 18, 2019, or such other date ordered by the Bankruptcy Court.

177. "*Wayne Holdings*" means Wayne Real Estate Holding Company, LLC.

178. "*Wayne Holdings Plan*" means the chapter 11 plan of Wayne Holdings provided for herein.

179. "*Wayne Parent*" means Wayne Real Estate Parent Company, LLC, one of the TRU Retail Debtors.

180. "*Wayne RE*" means Wayne Real Estate Company, LLC, one of the Propco I Debtors.

181. "*Wayne RE Convenience Claim*" means an Allowed General Unsecured Claim against Wayne RE (i) as to which no other Propco I Debtor is liable, (ii) that otherwise would be classified in Class A-3e, and (iii) that is in an amount that has been reduced to [___]%[53] of such Allowed General Unsecured Claim against Wayne RE pursuant to the Wayne RE Convenience Claim Election made by the Holder of such Claim.

182. "*Wayne RE Convenience Claim Election*" means an irrevocable election made on the Ballot by the Holder of an Allowed General Unsecured Claim against Wayne RE to reduce such Claim to [__]%[54] of such Holder's Allowed General Unsecured Claim against Wayne RE. [55]

183. "*Wayne RE GUC Recovery*" means: (a) New Secured Debt having a principal amount equal to [___]%[56] of such Holder's Allowed General Unsecured Claim against Wayne RE; (b) New PIK Debt having a principal amount equal to [__]%[57] of the amount of such Holder's Allowed General Unsecured Claim against Wayne RE; (c) a number of shares of New Common Stock equal to the dividend of (i) the amount of such Holder's

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53 The Creditors' Committee proposes 2.3%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

54 The Creditors' Committee proposes 2.3%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

55 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

56 The Creditors' Committee proposes 1.6%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

57 The Creditors' Committee proposes 0.4%. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

Allowed General Unsecured Claim against Wayne RE divided by (ii) [___],[58] rounded down to the nearest whole number; and (d) New Warrants entitling the holders thereof to purchase shares of New Common Stock equal to the dividend of (i) the amount of such Holder's Allowed General Unsecured Claim against Wayne RE divided by (ii) [___],[59] rounded down to the nearest whole number. Each Holder of a General Unsecured Claim against Wayne RE shall have the option to take some or all of the foregoing consideration directly or through assignees or blocker corporations to be created under the Plan as described in Article IV.D.[60]

B. Rules of Interpretation.

For purposes of the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the Plan; (11) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (14) any immaterial effectuating provisions may be interpreted 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. References in the Plan to the Plan Debtors shall mean the Plan Debtors or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date, as applicable.

C. Computation of Time.

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

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58 The Creditors' Committee proposes 9,291. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

59 The Creditors' Committee proposes 5,457. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

60 The economics of the recoveries described herein reflect initial proposals discussed between the Creditors' Committee and the Plan Debtors. The Plan Debtors continue to negotiate with their stakeholders to finalize the economics of the Plan.

D. Governing Law.

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

E. Reference to Monetary Figures.

All references in the Plan to monetary figures shall refer to the legal tender of the United States, unless otherwise expressly provided.

F. Reference to the Plan Debtors or the Reorganized Plan Debtors.

Except as otherwise specifically provided in the Plan to the contrary references to the Reorganized Plan Debtors means the Plan Debtors to the extent context requires.

G. Controlling Document.

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other 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, with respect to any conflict or inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern.

ARTICLE II
ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

A. Administrative Claims.

Except with respect to Administrative Claims that are Accrued Professional Compensation Claims and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Administrative Claim and the applicable Plan Debtor(s) agree to less favorable treatment, each holder of an Administrative Claim shall be paid in full in Cash on the unpaid portion of its Administrative Claim in accordance with the following: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) if such Administrative Claim is not Allowed as of the Effective Date, on or as soon as reasonably practicable after the date such Administrative Claim is Allowed pursuant to a Final Order; (c) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court, or (d) if an Allowed Administrative Claim is not due and payable as of the Effective Date, the date such Allowed Administrative Claim becomes due and payable in accordance with the terms and conditions agreed upon by the Holder of such Allowed Administrative Claim and the Plan Debtors or Reorganized Plan Debtors, as applicable, or as soon thereafter as is reasonably practicable; *provided* that Allowed Administrative Claims that arise in the ordinary course of the Plan Debtors' businesses, including Claims held by Governmental Units for taxes incurred by the Plan Debtors following the Petition Date (in accordance with section 503(b)(1)(D) of the Bankruptcy Code), shall be paid in the ordinary course of business in accordance with applicable law and the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions; *provided* that any Administrative Claim that has been expressly assumed by a Purchaser pursuant to Sale Transaction Documents to which it is a party shall not be an obligation of the Plan Debtors.

Except as otherwise provided in this Article II.A and except with respect to Administrative Claims that are Accrued Professional Compensation Claims, requests for payment of Administrative Claims must be Filed and served on the Plan Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of

the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Plan Debtors or their property and such Administrative Claims shall be deemed discharged, compromised, settled, and released as of the Effective Date. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

Objections to requests for payment of such Administrative Claims, if any, must be Filed and served on the requesting party and the Reorganized Plan Debtors by the Administrative Claims Objection Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims as to which an objection is Filed shall be determined by, and satisfied in accordance with, an order that becomes a Final Order of the Bankruptcy Court.

B. Accrued Professional Compensation Claims.

1. **Professional Fee Escrow Account.**

As soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Plan Debtors shall establish the Professional Fee Escrow Account. The Plan Debtors shall fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount and the Creditors' Committee Member Expense Escrow Amount. The Professional Fee Escrow Account shall be funded no later than the Effective Date and maintained in trust for the Professionals and members of the Creditors' Committee and shall not be considered property of the Plan Debtors' Estates or the Reorganized Plan Debtors; *provided* that the Estates shall have a reversionary interest in the excess amount, if any, remaining in the Professional Fee Escrow Account when all such Allowed amounts owing to Professionals and members of the Creditors' Committee have been paid in full, and any remaining amount in the Professional Fee Escrow Account shall promptly be transferred to the Estates and shall be distributed by the Reorganized Plan Debtors in accordance with the Plan without any further action or order of the Bankruptcy Court.

2. **Final Fee Applications, Payment of Accrued Professional Compensation Claims, and Payment of Accrued Creditors' Committee Member Expense Claims.**

All final requests for payment of Accrued Professional Compensation Claims incurred during the period from the Petition Date through the Confirmation Date, shall be Filed no later than the first Business Day that is 60 days following the Effective Date. All Entities' respective rights (if any) to object to allowance or payment of all or any portion of any Accrued Professional Compensation Claims shall be preserved. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules and prior Bankruptcy Court orders, the Allowed amounts of such Accrued Professional Compensation Claims shall be determined by the Bankruptcy Court. The amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. To the extent that funds held in the Professional Fee Escrow Account are unable to satisfy the Allowed amount of Accrued Professional Compensation Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, which shall be satisfied in accordance with Article II.A of the Plan.

All final requests for payment of Accrued Creditors' Committee Member Expense Claims incurred during the period from the Petition Date through the Confirmation Date, shall be Filed no later than the first Business Day that is 60 days following the Effective Date. All Entities' respective rights (if any) to object to allowance or payment of all or any portion of any Accrued Creditors' Committee Member Expense Claims shall be preserved. The amount of Accrued Creditors' Committee Member Expense Claims owing to the such members of the Creditors' Committee shall be paid in Cash to such members of the Committee from funds held in the Professional Fee Escrow Account in accordance with the Interim Compensation Order.

3. **Professional Fee Escrow Amount.**

To receive payment for unbilled fees and expenses incurred through the Confirmation Date, the Professionals shall estimate their Accrued Professional Compensation Claims before and as of the Confirmation Date and shall deliver such estimate to the Plan Debtors no later than 10 days prior to the Effective Date; provided that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Plan Debtors may estimate the unbilled fees and expenses of such Professional. The total aggregate amount so estimated shall be utilized by the Plan Debtors to determine the Professional Fee Escrow Amount; *provided that* the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. **Post-Confirmation Fees and Expenses.**

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

C. Satisfaction of Other Fee and Expense Claims.

1. **Other Fee Escrow Account.**

As soon as reasonably practicable after the Confirmation Date, the Plan Debtors shall establish and maintain the Other Fee Escrow Account. The Plan Debtors shall fund the Other Fee Escrow Account with Cash equal to the Other Fee Escrow Amount. The Other Fee Escrow Account shall be funded no later than the Effective Date and maintained in trust for the Other Fee Parties and shall not be considered property of the Plan Debtors' Estates or the Reorganized Plan Debtors.

2. **Satisfaction of Accrued Other Fee Claims.**

As soon as reasonably practicable after the Effective Date, the Disbursing Agent shall pay in Cash the amount of Accrued Other Fee Claims to the Other Fee Parties from funds held in the Other Fee Escrow Account. Payment or lack of payment pursuant to this provision shall have no bearing on the rights of the Other Fee Parties to payment or reimbursement outside this provision.

D. Priority Tax Claims.

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

ARTICLE III
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

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 and Interests set forth in this Article III.

A. Summary of Classification.

Claims and Interests, except for Administrative Claims, Accrued Professional Compensation Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or 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 is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

Class	Claims and Interests	Status	Voting Rights
Propco I Plan			
Class A-1	Other Secured Claims against the Propco I Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-2	Other Priority Claims against the Propco I Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-3a	General Unsecured Claims against Propco I	Impaired	Entitled to Vote
Class A-3b	General Unsecured Claims against TRU RE I	Impaired	Entitled to Vote
Class A-3c	General Unsecured Claims against TRU RE II	Impaired	Entitled to Vote
Class A-3d	General Unsecured Claims against MAP RE	Impaired	Entitled to Vote
Class A-3e	General Unsecured Claims against Wayne RE	Impaired	Entitled to Vote
Class A-4a	Propco I Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4b	TRU RE I Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4c	TRU RE II Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4d	MAP RE Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-4e	Wayne RE Convenience Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-5	TRU Retail Claims against the Propco I Debtors	Impaired	Entitled to Vote
Class A-6	Intercompany Claims against the Propco I Debtors	Unimpaired or Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class A-7	Intercompany Interests in the Propco I Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A-8	Section 510(b) Claims against the Propco I Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)
Class A-9	Interests in Propco I	Impaired	Entitled to Vote
Wayne Holdings Plan			
Class B-1	Other Secured Claims against Wayne Holdings	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B-2	Other Priority Claims against Wayne Holdings	Unimpaired	Not Entitled to Vote (Deemed to Accept)

Class	Claims and Interests	Status	Voting Rights
Propco I Plan			
Class B-3	General Unsecured Claims against Wayne Holdings	Impaired	Entitled to Vote
Class B-4	Intercompany Claims against Wayne Holdings	Unimpaired or Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class B-5	Interests in Wayne Holdings	Impaired	Entitled to Vote

B. Treatment of Claims and Interests.

The treatment provided to each Class relating to each of the Plan Debtors for distribution purposes and voting rights are specified below:

1. **Class A-1 - Other Secured Claims against the Propco I Debtors.**

(a) *Classification*: Class A-1 consists of all Other Secured Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Secured Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Secured Claim against the Propco I Debtors, each Holder thereof shall receive, either: (a) payment in full in Cash; or (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

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

2. **Class A-2 - Other Priority Claims against the Propco I Debtors.**

(a) *Classification*: Class A-2 consists of all Other Priority Claims against the Propco I Debtors.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Priority Claim against the Propco I Debtors, each Holder thereof shall receive, either: (a) payment in full in Cash or (b) such other treatment as shall render such Claim Unimpaired.

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

3. **Class A-3a - General Unsecured Claims against Propco I.**

(a) *Classification*: Class A-3a consists of all General Unsecured Claims against Propco I including Term Loan Claims.

(b) *Allowance*: Solely with respect to Term Loan Claims against Propco I, such Claims shall be Allowed, without offset, recoupment, reductions, or deduction of any kind, in an amount equal to the sum of, as of the Petition Date: (i) the outstanding principal amount of Propco I Term Loan under the Propco I Credit Agreement; (ii) accrued but unpaid interest under the Propco I Credit Agreement in the amount of $[____];[61] and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Propco I agrees to a less favorable treatment, and subject to the option to make the Propco I Convenience Claim Election to participate in Class A-4a (solely with respect to Propco I Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against Propco I, each Holder of an Allowed General Unsecured Claim against Propco I shall receive their pro rata share of the Propco I GUC Recovery.

(d) *Voting*: Class A-3a is Impaired under the Plan. Holders of Allowed Claims in Class A-3a are entitled to vote to accept or reject the Plan.

4. **Class A-3b – General Unsecured Claims against TRU RE I.**

(a) *Classification*: Class A-3b consists of all General Unsecured Claims against TRU RE I including Term Loan Claims.

(b) *Allowance*: Solely with respect to Term Loan Claims against TRU RE I, such Claims shall be Allowed, without offset, recoupment, reductions, or deduction of any kind, in an amount equal to the sum of, as of the Petition Date: (i) the outstanding principal amount of Propco I Term Loan under the Propco I Credit Agreement; (ii) accrued but unpaid interest under the Propco I Credit Agreement in the amount of $[___];[62] and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against TRU RE I agrees to a less favorable treatment, and subject to the option to make the TRU RE I Convenience Claim Election to participate in Class A-4b (solely with respect to TRU RE I Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against TRU RE I, each Holder of an Allowed General Unsecured Claim against TRU RE I shall receive their pro rata share of the TRU RE I GUC Recovery.

(d) *Voting*: Class A-3b is Impaired under the Plan. Holders of Allowed Claims in Class A-3b are entitled to vote to accept or reject the Plan.

5. **Class A-3c – General Unsecured Claims against TRU RE II.**

(a) *Classification*: Class A-3c consists of all General Unsecured Claims against TRU RE II including Term Loan Claims.

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61 The Creditors' Committee proposes $3,170,957.77. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

62 The Creditors' Committee proposes $3,170,957.77. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

(b) *Allowance*: Solely with respect to Term Loan Claims against TRU RE II, such Claims shall be Allowed, without offset, recoupment, reductions, or deduction of any kind, in an amount equal to the sum of, as of the Petition Date: (i) the outstanding principal amount of Propco I Term Loan under the Propco I Credit Agreement; (ii) accrued but unpaid interest under the Propco I Credit Agreement in the amount of $[____];[63] and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against TRU RE II agrees to a less favorable treatment, and subject to the option to make the TRU RE II Convenience Claim Election to participate in Class A-4c (solely with respect to TRU RE II Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against TRU RE II, each Holder of an Allowed General Unsecured Claim against TRU RE II shall receive their pro rata share of the TRU RE II GUC Recovery.

(d) *Voting*: Class A-3c is Impaired under the Plan. Holders of Allowed Claims in Class A-3c are entitled to vote to accept or reject the Plan.

6. **Class A-3d – General Unsecured Claims against MAP RE.**

(a) *Classification*: Class A-3d consists of all General Unsecured Claims against MAP RE including Term Loan Claims.

(b) *Allowance*: Solely with respect to Term Loan Claims against MAP RE, such Claims shall be Allowed, without offset, recoupment, reductions, or deduction of any kind, in an amount equal to the sum of, as of the Petition Date: (i) the outstanding principal amount of Propco I Term Loan under the Propco I Credit Agreement; (ii) accrued but unpaid interest under the Propco I Credit Agreement in the amount of $[___];[64] and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against MAP RE agrees to a less favorable treatment, and subject to the option to make the MAP RE Convenience Claim Election to participate in Class A-4d (solely with respect to MAP RE Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against MAP RE, each Holder of an Allowed General Unsecured Claim against MAP RE shall receive their pro rata share of the MAP RE GUC Recovery.

(d) *Voting*: Class A-3d is Impaired under the Plan. Holders of Allowed Claims in Class A-3d are entitled to vote to accept or reject the Plan.

7. **Class A-3e – General Unsecured Claims against Wayne RE.**

(a) *Classification*: Class A-3e consists of all General Unsecured Claims against Wayne RE including Term Loan Claims.

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63 The Creditors' Committee proposes $3,170,957.77. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

64 The Creditors' Committee proposes $3,170,957.77. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

(b) *Allowance*: Solely with respect to Term Loan Claims against Wayne RE, such Claims shall be Allowed, without offset, recoupment, reductions, or deduction of any kind, in an amount equal to the sum of, as of the Petition Date: (i) the outstanding principal amount of Propco I Term Loan under the Propco I Credit Agreement; (ii) accrued but unpaid interest under the Propco I Credit Agreement in the amount of $[____];[65] and (iii) all other fees, charges, premiums and other amounts provided for under the Propco I Credit Agreement.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne RE agrees to a less favorable treatment, and subject to the option to make the Wayne RE Convenience Claim Election to participate in Class A-4e (solely with respect to Wayne RE Convenience Claims), in full and final satisfaction of each Allowed General Unsecured Claim against Wayne RE, each Holder of an Allowed General Unsecured Claim against Wayne RE shall receive their pro rata share of the Wayne RE GUC Recovery.

(d) *Voting*: Class A-3e is Impaired under the Plan. Holders of Allowed Claims in Class A-3e are entitled to vote to accept or reject the Plan.

8. **Class A-4a – Propco I Convenience Claims.**

(a) *Classification*: Class A-4a consists of all Propco I Convenience Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Propco I Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed Propco I Convenience Claim, each Holder of an Allowed Propco I Convenience Claim shall receive payment in full in Cash on account of such Claim.

(c) *Voting*: Class A-4a is Unimpaired under the Plan. Holders of Claims in Class A-4a are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

9. **Class A-4b – TRU RE I Convenience Claims.**

(a) *Classification*: Class A-4b consists of all TRU RE I Convenience Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed TRU RE I Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed TRU RE I Convenience Claim, each Holder of an Allowed TRU RE I Convenience Claim shall receive payment in full in Cash on account of such Claim.

(c) *Voting*: Class A-4b is Unimpaired under the Plan. Holders of Claims in Class A-4b are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

10. **Class A-4c – TRU RE II Convenience Claims.**

[65] The Creditors' Committee proposes $3,170,957.77. The Plan Debtors continue to evaluate the Creditors' Committee's proposal.

(a) *Classification*: Class A-4c consists of all TRU RE II Convenience Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed TRU RE II Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed TRU RE II Convenience Claim, each Holder of an Allowed TRU RE II Convenience Claim shall receive payment in full in Cash on account of such Claim.

(c) *Voting*: Class A-4c is Unimpaired under the Plan. Holders of Claims in Class A-4c are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

11. **Class A-4d – MAP RE Convenience Claims.**

(a) *Classification*: Class A-4d consists of all MAP RE Convenience Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed MAP RE Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed MAP RE Convenience Claim, each Holder of an Allowed MAP RE Convenience Claim shall receive payment in full in Cash on account of such Claim.

(c) *Voting*: Class A-4d is Unimpaired under the Plan. Holders of Claims in Class A-4d are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

12. **Class A-4e – Wayne RE Convenience Claims.**

(a) *Classification*: Class A-4e consists of all Wayne RE Convenience Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Wayne RE Convenience Claim agrees to a less favorable treatment, and in full and final satisfaction, settlement, release and discharge of each Allowed Wayne RE Convenience Claim, each Holder of an Allowed Wayne RE Convenience Claim shall receive payment in full in Cash on account of such Claim.

(c) *Voting*: Class A-4e is Unimpaired under the Plan. Holders of Claims in Class A-4e are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

13. **Class A-5 -TRU Retail Claims against the Propco I Debtors.**

(a) *Classification*: Class A-5 consists of all TRU Retail Claims against the Propco I Debtors.

(b) *Allowance*: Each TRU Retail Claim against the Propco I Debtors shall be Allowed in the amount of its TRU Retail Claim Allowed Amount, if any.

(c) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, to the extent Allowed and except to the extent that a Holder of an Allowed TRU Retail Claim against the Propco I Debtors agrees to a less favorable treatment, in full and final satisfaction of each Allowed TRU Retail Claim against the Propco I Debtors, each Holder of an Allowed TRU Retail Claim against the Propco I Debtors shall receive the GUC

Recovery against the applicable Propco I Debtor. For the avoidance of doubt, Holders of Allowed TRU Retail Claims shall not be entitled to make an election to participate in Class A-4a, Class A-4b, Class A-4c, Class A-4d, or Class A-4e.

(d) *Voting*: Class A-5 is Impaired under the Plan. Holders of Allowed Claims in Class A-5 are entitled to vote to accept or reject the Plan.

14. **Class A-6 - Intercompany Claims against the Propco I Debtors.**

(a) *Classification*: Class A-6 consists of all Intercompany Claims against the Propco I Debtors.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Claim against the Propco I Debtors shall be Reinstated or canceled without any distribution on account of such Intercompany Claim as determined by the Creditors' Committee in its sole discretion.

(c) *Voting*: Holders of Claims in Class A-6 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

15. **Class A-7 - Intercompany Interests in the Propco I Debtors.**

(a) *Classification*: Class A-7 consists of all Intercompany Interests in the Propco I Debtors.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Interest in the Propco I Debtors shall be Reinstated.

(c) *Voting*: Holders of Interests in Class A-7 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

16. **Class A-8 - Section 510(b) Claims against the Propco I Debtors.**

(a) *Classification*: Class A-8 consists of all Section 510(b) Claims against the Propco I Debtors.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, each Section 510(b) Claim shall be discharged without any distribution.

(c) *Voting*: Holders of Claims in Class A-8 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

17. **Class A-9 - Interests in Propco I.**

(a) *Classification*: Class A-9 consists of all Interests in Propco I.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, in full and final satisfaction and discharge of each Interest in Propco I, each Holder of an Interest in Propco I shall receive:

(i) If Class A-9 votes to accept the Plan, its pro rata share of the New Contingent Equity Rights after the satisfaction in full of any General Unsecured Claims against Wayne Holdings and Interests in Wayne Holdings; or

(ii) If Class A-9 votes to reject the Plan and (x) the Equity Option 1 Conditions are satisfied, its pro rata share of the Equity Option 1 Recovery, or (y) if the Equity Option 1 Conditions are not satisfied or there is any default whatsoever by any Holder of an Interest in Propco I with respect to any of the Equity Option 1 Conditions, the Equity Option 2 Recovery.

(c) *Voting*: Class A-9 is Impaired under the Plan. Holders of Allowed Claims in Class A-8 are entitled to vote to accept or reject the Plan.

18. **Class B-1 - Other Secured Claims against Wayne Holdings.**

(a) *Classification*: Class B-1 consists of all Other Secured Claims.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Secured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Secured Claim against Wayne Holdings, each Holder thereof shall receive, either: (a) payment in full in Cash; (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) reinstatement of such Other Secured Claim; or (d) such other treatment as shall render such Claim Unimpaired.

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

19. **Class B-2 - Other Priority Claims against Wayne Holdings.**

(a) *Classification*: Class B-2 consists of all Other Priority Claims against Wayne Holdings.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed Other Priority Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction and discharge of each Allowed Other Priority Claim against Wayne Holdings, each Holder thereof shall receive payment in full in Cash or such other treatment as shall render such Claim Unimpaired.

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

20. **Class B-3 – General Unsecured Claims against Wayne Holdings.**

(a) *Classification*: Class B-3 consists of all General Unsecured Claims against Wayne Holdings.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction of each Allowed General Unsecured Claim against Wayne Holdings, each Holder of an Allowed General Unsecured Claim against Wayne Holdings shall receive the New Contingent Equity Rights .

(c) *Voting*: Class B-3 is Impaired under the Plan. Holders of Allowed Claims in Class B-3 are entitled to vote to accept or reject the Plan.

21. **Class B-4 - Intercompany Claims against Wayne Holdings.**

(a) *Classification*: Class B-4 consists of all Intercompany Claims against Wayne Holdings.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, each Intercompany Claim against Wayne Holdings shall be Reinstated, canceled, or compromised as determined by the Reorganized Propco I Debtors in their sole discretion.

(c) *Voting*: Holders of Claims in Class B-4 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

22. **Class B-5 - Interests in Wayne Holdings.**

(a) *Classification*: Class B-5 consists of all Interests in Wayne Holdings.

(b) *Treatment*: On the Effective Date, or as soon as reasonably practicable thereafter, except to the extent that a Holder of an Allowed General Unsecured Claim against Wayne Holdings agrees to a less favorable treatment, in full and final satisfaction of each Allowed General Unsecured Claim against Wayne Holdings, each Holder of an Allowed General Unsecured Claim against Wayne Holdings shall receive the New Contingent Equity Rights after the satisfaction in full of any General Unsecured Claims against Wayne Holdings.

(c) *Voting*: Class B-5 is Impaired under the Plan. Holders of Allowed Claims in Class B-3 are entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the rights of the Plan Debtors or Reorganized Plan Debtors in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan

D. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes.

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class. If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be presumed to have accepted the Plan.

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

The Plan Debtors shall seek Confirmation for the applicable Plan Debtors pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Plan Debtors reserve the right to modify the Plan in accordance with Article X to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

F. Subordinated Claims.

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

ARTICLE IV
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims.

As discussed further in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve such good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Plan Debtors and their Estates. Distributions made to holders of Allowed Claims in any Class are intended to be final.

B. No Substantive Consolidation.

The Plan is being proposed as a joint plan of reorganization of the Plan Debtors for administrative purposes only and constitutes a separate chapter 11 plan of reorganization for each Plan Debtor. The Plan is not premised upon the substantive consolidation of the Plan Debtors with respect to the Classes of Claims or Interests set forth in the Plan.

C. Joint Plan

The Plan is a joint plan for all of the Plan Debtors. To the extent that the Plan Debtors are unable to confirm the Plan with respect to any individual Plan Debtors, the Plan Debtors reserve the right to proceed with Confirmation and Consummation of the Plan with respect to any and all other Plan Debtors, in consultation with the Creditors' Committee.

D. Restructuring Transactions.

On or before the Effective Date, the Plan Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, the Plan Supplement and the Confirmation Order (the "Restructuring Transactions"), including: (1) the execution, filing, and delivery of appropriate agreements or other documents of merger, sale, disposition, transfer, consolidation, reorganization, restructuring, liquidation, dissolution, or equity issuance, certificates of incorporation, certificates of

conversion, certificates of formation, operating agreements, bylaws, or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of sale, equity issuance, transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (3) the issuance and/or incurrence of the New Contingent Equity Rights, New Warrants, New Secured Debt, New PIK Debt, and New Common Stock, (4) the execution of the New Organizational Documents, (5) the vesting of the Plan Debtors' assets in the Reorganized Plan Debtors, in each case in accordance with the Plan and the Plan Supplement; (6) such other transactions that are necessary or appropriate to implement the Plan in the most tax efficient manner, including any mergers, sales, dispositions, transfers, consolidations, restructurings, conversions, formations, organizations, dissolutions or liquidations (including the transactions set forth in the Restructuring Transactions Memorandum); (7) at the election of any Holder of General Unsecured Claims against any of the Propco I Debtors, the organization of one or more "blocker corporations" to receive and hold, at each such Holder's election, New Common Stock, New Warrants, and/or any other consideration to be received by such Holder under this Plan (provided that, only one blocker corporation will be established for the benefit of all Holders that are expected to receive, individually or in the aggregate with any affiliate or fund or other investment vehicle under common management, less than 10% of the New Common Stock; provided, further, that, notwithstanding anything in this Plan to the contrary, including the immediately preceding proviso, any such Holder may assign or otherwise transfer all or a portion of its Claims to another Entity prior to the Effective Date in order to entitle such Entity to receive all or a portion of the associated consideration) and (8) all other transactions or actions that either (x) the Plan Debtors or (y) the Reorganized Plan Debtors, as applicable, determine (in each case, with the consent of the Creditors' Committee, not to be unreasonably withheld) are necessary or appropriate to implement the Plan. The Restructuring Transactions may include a transfer of all or substantially all or a part of the Plan Debtors' assets or entities to a newly-formed entity (or an affiliate or subsidiary of such entity) formed and controlled by certain holders of Claims against the Plan Debtors and, in such case, some or all of the New Common Stock (and/or other interests) issued to holders of Claims pursuant to the Plan may comprise stock (and/or other interests) of such new entity (or an affiliate or subsidiary of such entity).

E. Sources of Consideration for Plan Distributions.

The Plan Debtors Cash on hand, and any other Cash received or generated by the Plan Debtors shall be used to fund the distributions to holders of Allowed Claims against the Plan Debtors in accordance with the treatment of such Claims and subject to the terms provided herein.

F. Disputed Claims Reserve.

On the Effective Date (or as soon thereafter as is reasonably practicable), the Plan Debtors shall deposit in the Disputed Claims Reserve the Disputed Claims Reserve Amount; *provided, however*, that in the case of non-Cash consideration being issued under the Plan, the Plan Debtors may elect, rather than depositing such consideration into the Disputed Claims Reserve, holding back a sufficient amount of such consideration and issuing it directly to appropriate Holders of Claims as Claims are resolved. Notwithstanding the foregoing, if the Holders of Interests in Propco I elect to make the Equity Option 1 Payment in accordance with the Equity Option 1 Conditions, the Disputed Claims Reserve shall be funded from the Equity Option 1 Deposit in accordance with the Equity Option 1 Conditions. For the avoidance of doubt, there shall be no reserve required for Claims against the Plan Debtors, to the extent such Claims are Assumed Liabilities or are released or otherwise extinguished pursuant to the Plan, nor shall there be any reserves, holdbacks, escrows, or indemnities arising from the Sale Transaction Documents or otherwise relating to any Sale Transaction.

The Disputed Claims Reserve will be subject to taxation as a "disputed ownership fund" pursuant to section 1.468B-9 of the United States treasury regulations.

G. Issuance of New Common Stock, New Warrants, and New Contingent Equity Rights.

Upon the Effective Date, all Interests in Propco I shall be cancelled and the New Common Stock, New Warrants, and, as applicable, New Contingent Equity Rights shall be issued as set forth under the Plan. The New Common Stock, New Warrants, and New Contingent Equity Rights shall be freely tradable and eligible for the book-entry delivery, depository and settlement services of DTC. On the Effective Date, the Reorganized Plan

Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, except as provided above with respect to Disputed Claims.

On the Effective Date, Holders of New Common Stock shall be parties to certain New Organizational Documents. On the Effective Date, the Reorganized Plan Debtors and the Holders of New Common Stock (to the extent applicable) shall enter into and deliver the New Organizational Documents to each Entity that is intended to be a party thereto and such New Organizational Documents shall be deemed to be valid, binding, and enforceable in accordance with their terms, and each Holder of New Common Stock shall be bound thereby, in each case, without the need for execution by any party thereto other than the Reorganized Plan Debtors.

All shares of New Common Stock to be received upon exercise (if applicable) of any (x) New Contingent Equity Rights or (y) New Warrants shall be deemed to have been duly authorized, validly issued, fully paid, and nonassessable, and not to have been issued in violation of any preemptive rights, rights of first refusal or similar rights or any applicable law.

H. New Debt Instruments.

On the Effective Date, the Reorganized Plan Debtors shall issue and/or incur the New Debt Instruments, except as provided above with respect to Disputed Claims. The New Debt Instruments shall be issued and/or incurred on terms set forth in the New Debt Documents.

The New Secured Debt and New PIK Debt will be structured either as (i) as debt securities issued under one or more indentures governing such series of debt securities or (ii) as a term loan or similar debt instrument governed by a credit agreement or similar documents, if all of the initial recipients of the such New Secured Debt or New PIK Debt, as applicable, pursuant to this Plan are either bank or non-bank institutional investors, at the Creditors' Committee's option..

The New Debt Instruments, to the extent such New Debt Instruments are "securities" and are not "restricted securities" under applicable securities laws, shall be freely tradable and eligible for book-entry delivery, depository and settlement services of DTC.

Confirmation shall be deemed approval of the New Debt Instruments (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Plan Debtors or the Reorganized Plan Debtors in connection therewith), to the extent not approved by the Bankruptcy Court previously, and the Reorganized Plan Debtors are authorized to execute and deliver those documents necessary or appropriate to issue and/or incur the New Debt Instruments, including any and all documents required to issue and/or incur the New Debt Instruments, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Plan Debtors may deem to be necessary to consummate issuance and/or incurrence of the New Debt Instruments and that are in form and substance reasonably acceptable to the Creditors' Committee.

I. Exemption from Registration Requirements

Each of the New Common Stock, the New Debt Instruments and the New Contingent Equity Rights (if any) are or may be securities within the meaning of Section 2(a)(1) of the Securities Act, Section 101 of the Bankruptcy Code and applicable state securities laws.

The offering, issuance, sale and distribution of (a) all shares of New Common Stock, the New Debt Instruments (to the extent such New Debt Instruments are "securities" under applicable securities laws), the New Warrants, and the New Contingent Equity Rights (if any) under the Plan, (b) all shares of New Common Stock or other securities issued upon exercise of New Contingent Equity Rights (if applicable), and (c) all shares of New Common Stock or other securities issued upon exercise of the New Warrants (if applicable), in each such case, will be exempt from, among other things, the registration and prospectus delivery requirements under the Securities Act or any similar federal, state, or local laws in reliance upon section 1145 of the Bankruptcy Code to the maximum

extent permitted and applicable, without further act or action by the Reorganized Plan Debtors. Each of the foregoing securities (a) is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act unless the initial recipient thereof is an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankrupty Code, and (b) if such security is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act, such security will be freely tradable and transferable by the initial recipient thereof if at the time of transfer such initial recipient is not an "affiliate" (as defined in Rule 144(a)(1) under the Securities Act) of the Reorganized Plan Debtors and has not been such an "affiliate" within 90 days of such transfer.

The Reorganized Plan Debtors need not provide any further evidence to DTC other than the Plan or the Confirmation Order with respect to the treatment of securities to be issued under this Plan (including securities issuable upon exercise of such securities) under applicable securities laws.

DTC shall be required to accept and conclusively rely upon the Plan or Confirmation Order in lieu of a legal opinion regarding whether such securities are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Common Stock, the New Debt Instruments, the New Warrants, or the New Contingent Equity Rights (including securities issuable upon exercise of the foregoing securities) are exempt from registration and/or eligible for DTC book-entry delivery, settlement and depository services.

J. Subordination.

The allowance, classification, and treatment of all Claims and Interests under the Plan conform to and are consistent with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and the Plan recognizes and implements any such rights. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the rights of the Plan Debtors or the Reorganized Plan Debtors, as applicable, are hereby reserved to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto upon entry of a Final Order ruling that such Allowed Claim or Allowed Interest (or portion thereof) is subordinated. On the Effective Date, any and all subordination rights or obligations that a holder of a Claim or Interest may have with respect to any distribution to be made under the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be enjoined permanently. Accordingly, distributions under the Plan to holders of Allowed Claims and Allowed Interests will not be subject to turnover or payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

K. Vesting of Assets in the Reorganized Plan Debtors.

Except as otherwise provided herein, or in any agreement, instrument, or other document incorporated in the Plan (including, without limitation, the Restructuring Transactions Memorandum and the New Debt Documents, as applicable), on the Effective Date, all property in each Plan Debtor's Estate, including the Reorganized Plan Debtors' Assets, all Causes of Action, claims, or defenses, and any property acquired by any of the Plan Debtors under the Plan shall vest in each respective Reorganized Plan Debtor (excluding any Executory Contracts and Unexpired Leases included on the Schedule of Rejected Executory Contracts and Unexpired Leases), free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided herein, each Reorganized Plan Debtor may operate its business and may use, acquire, or dispose of property and pursue, 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, other than any restrictions expressly imposed by the Plan, the Plan Supplement, or the Confirmation Order. Notwithstanding anything to the contrary in the Plan, the Unimpaired Claims against a Plan Debtor shall remain the obligations solely of such Debtor or such Reorganized Debtor and shall not become obligations of any other Plan Debtor or Reorganized Plan Debtor by virtue of the Plan, the Chapter 11 Cases, or otherwise.

L. Cancellation of Securities and Agreements.

On the Effective Date, except to the extent otherwise provided in the Plan, under Article IV.G and IV.H, all notes, instruments, Certificates, and other documents evidencing, or in anyway related to, Claims or Interests shall be canceled and the obligations of the Plan Debtors or Reorganized Plan Debtors thereunder or in any way related thereto shall be released, settled, and compromised; *provided, however*, that notwithstanding Confirmation or the occurrence of the Effective Date, the Term Loan Documents shall continue in effect for purposes of (i) enforcing the rights, Claims and interests of the Propco I Agent and any predecessor thereof vis-a-vis the Term Lenders and any parties other than the Propco I Debtors, (ii) allowing the Propco I Agent to receive distributions under the Plan and to make distributions to the Holders of Term Loan Claims in accordance with the terms of the Term Loan Documents; (iii) preserving the rights of the Propco I Agent and any predecessor thereof to compensation and indemnification under the Term Loan Documents as against any money or property distributable to Holders of Term Loan Claims, including any priority in respect of payment and the right to exercise any charging lien; and (iv) permitting the Propco I Agent to enforce any obligations owed to it under the Plan.

M. Corporate Action.

On the Effective Date, or as soon thereafter as is reasonably practicable, all actions as may be necessary or appropriate to effect any transactions described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the adoption, execution, delivery and/or filing of the New Organizational Documents, (b) the selection of the directors, managers, and officers for the Reorganized Plan Debtors, including the appointment of the New Board, in accordance with the terms of the Plan; (c) the authorization, issuance, delivery and distribution of New Common Stock, New Warrants, and the New Contingent Equity Rights; (d) the authorization, issuance, delivery and distribution of shares of New Common Stock upon exercise of the New Warrants and New Contingent Equity Rights, and the reservation of a sufficient number of shares of New Common Stock for issuance, delivery and distribution upon any such conversion or exercise; (e) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (f) the entry into or issuance of (as applicable) the New Debt Instruments and the execution, delivery, and filing of the New Debt Documents, as applicable, and the granting of the Liens and security interests in the collateral under the New Debt Documents, as applicable; and (g) all other actions that may be required by applicable law. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized Propco I and the other Reorganized Plan Debtors, and any corporate action required by the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors. On or before the Effective Date (as applicable), the appropriate officers of the Plan Debtors, Reorganized Propco I, or the other Reorganized Plan Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the Restructuring Transactions) in the name of and on behalf of Reorganized Propco I and the other Reorganized Plan Debtors, including with respect to the New Debt Instruments, and any and all other agreements, documents, Securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.M shall be effective notwithstanding any requirements under non-bankruptcy law.

N. Corporate Existence; Tax Classification

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, Reorganized Propco I and the Reorganized Propco I Subsidiaries shall continue to exist as separate limited liability companies, with all the powers of a corporation, limited liability company, partnership, or other form of Entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Plan Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended or amended and restated by the Plan (including pursuant to the provisions of Article IV.K of the Plan), the New Organizational Documents, or otherwise, and to the extent such documents are amended or amended and restated, such documents are deemed to be amended or amended and restated pursuant to the Plan and require no

further action or approval (other than any requisite filings required under applicable state, provincial, or federal law). Subject to the Restructuring Transactions Memorandum, Reorganized Propco I will be treated as a partnership for U.S. federal income (and applicable state and local) tax purposes, and the Reorganized Propco I Subsidiaries will be treated as disregarded entities of Reorganized Propco I for U.S. federal income (and applicable state and local) tax purposes; *provided* that, on or before the Effective Date and at the option of the Creditors' Committee, the Propco I Debtors will (and will cause their affiliates to) take any actions necessary to cause Reorganized Propco I and/or one or more of the Reorganized Propco I Subsidiaries to be treated as a corporation for U.S. federal income (and applicable state and local) tax purposes effective as of prior to the actual or constructive receipt of any consideration under this Plan, including by executing and filing one or more IRS Forms 8832 (and analogous forms for applicable state and local tax purposes).

O. Charter, Bylaws, and New Organizational Documents

On the Effective Date, or as soon thereafter as is reasonably practicable, the Plan Debtors' respective certificates of incorporation and bylaws (and other formation and constituent documents relating to limited liability companies) shall be amended or amended and restated as may be required to be consistent with the provisions of the Plan, the New Organizational Documents, the New Debt Documents, and any other documents required to complete the Restructuring Transactions, as applicable, and the Bankruptcy Code. The New Organizational Documents shall, among other things: (a) authorize the issuance of the New Common Stock, the New Warrants and the New Contingent Equity Rights; and (b) be modified or deemed to be modified to include a provision pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, prohibiting the issuance of non-voting equity Securities. After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other formation and constituent documents as permitted by the laws of its respective jurisdiction of formation and the terms of such documents.

P. Effectuating Documents; Further Transactions.

Prior to the Effective Date, the Plan Debtors, and on and after the Effective Date, the Reorganized Plan Debtors, and the officers and members thereof are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

Q. Exemption from Certain Taxes and Fees.

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property or any Interests pursuant to the Plan, including the recording of any amendments to such transfers, or any new mortgages or liens placed on the property in connection with such transfers, 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 upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

R. Directors and Officers

The members of the New Board shall be identified prior to the Confirmation Hearing in the Plan Supplement or at the Confirmation Hearing consistent with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, except as otherwise provided in the Plan Supplement or announced on the record at the Confirmation Hearing, the existing officers of the Plan Debtors shall serve in their current capacities for the Reorganized Plan Debtors. From and after the Effective Date, each director, officer, or manager of the Reorganized Plan Debtors shall serve pursuant to the terms of the respective Reorganized Debtor's charters and bylaws or other formation and constituent documents, and applicable laws of the respective Reorganized Debtor's jurisdiction of formation.

S. Raider Hill Continued Employment

The Propco I Debtors and the Creditors' Committee consent to the continued employment of Raider Hill by Reorganized Propco I after the Effective Date on the same terms and conditions that were approved by the Bankruptcy Court in the Raider Hill Retention Order, subject to any changes that are approved by the Creditors' Committee and Raider Hill.

T. Retention of Causes of Action.

Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order such that the Plan Debtors retain no right or interest in such Cause of Action as of the Effective Date, in accordance with section 1123(b) of the Bankruptcy Code, the Plan Debtors shall reserve, retain, and may enforce, all rights to commence, prosecute or settle, as appropriate, any and all Causes of Action, whether arising or accruing before or after the Petition Date, which authority shall vest in the Reorganized Plan Debtors on the Effective Date pursuant to the terms of the Plan. The Reorganized Plan Debtors may enforce all rights to commence, prosecute, or settle, as appropriate, any and all such Causes of Action, whether arising or accruing before or after the Petition Date, and the Reorganized Plan Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. Any Reorganized Plan Debtor may, in its reasonable business judgment, pursue such Causes of Action and may retain and compensate professionals in the analysis or pursuit of such Causes of Action to the extent the Reorganized Plan Debtor deems appropriate, including on a contingency fee basis.

No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Plan Debtors, or the Reorganized Plan Debtors will not pursue any and all available Causes of Action against them. The Plan Debtors and the Reorganized Plan Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order such that the Plan Debtors hold no right or interest in such Cause of Action as of the Effective Date, the Plan Debtors and the Reorganized Plan Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. The Reorganized Plan Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. The Reorganized Plan Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

U. Avoidance Actions.

As of the Effective Date, the Plan Debtors waive all rights to commence or otherwise pursue any and all Avoidance Actions arising under section 547 of the Bankruptcy Code or any comparable "preference" action arising under applicable non-bankruptcy law, *provided that*, (i) neither the Plan Debtors nor the Reorganized Plan Debtors waive any rights to commence or pursue any Avoidance Actions against the TRU Retail Debtors or any Former Debtors; and (ii) except as expressly provided in the Plan, the Reorganized Plan Debtors shall retain the right to assert any Causes of Action assertable in any Avoidance Action as defenses or counterclaims in any Cause of Action brought by any Entity.

V. Regulatory Requirements

All parties shall abide by, and use their reasonable best efforts to obtain, any regulatory and licensing requirements or approvals as promptly as practicable to achieve Consummation.

ARTICLE V
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, each Executory Contract and Unexpired Lease not previously rejected, assumed, or assumed and assigned, including, without limitation, any employee benefit plans, severance plans, and other Executory Contracts under which employee obligations arise, shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code, unless such Executory Contract or Unexpired Lease: (1) is specifically described in the Plan as to be assumed in connection with Confirmation of the Plan, or is specifically scheduled to be assumed or assumed and assigned pursuant to the Plan or the Plan Supplement; (2) is subject to a pending motion to assume such Unexpired Lease or Executory Contract as of the Effective Date; (3) is to be assumed or assumed and assigned to a third party, as applicable, in connection with any Sale Transaction; (4) is a contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan; (5) is a Sale Transaction Document; or (5) is a D&O Liability Insurance Policy. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions, assignments, and rejections, including the assumption of the Executory Contracts or Unexpired Leases as provided in the Plan Supplement, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by a Final Order of the Bankruptcy Court on or after the Effective Date.

B. Cure of Defaults for Assumed and Assigned Executory Contracts and Unexpired Leases.

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Bankruptcy Court by the later of: (1) the Claims Bar Date, Administrative Claims Bar Date, or the Governmental Bar Date, as applicable; and (2) 4:00 p.m., prevailing Eastern Time, on the date that is thirty (30) days following the entry of an Order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time shall be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Plan Debtors, their Estates, the Reorganized Plan Debtors, or property of the foregoing parties, without the need for any objection by the Plan Debtors, their Estates, the Reorganized Plan Debtors and without the need for any further notice to, or action, order, or approval of the Bankruptcy Court. Claims arising from the rejection of the Plan Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan, as applicable.

C. Claims Based on Rejection of Executory Contracts and Unexpired Leases.

Any Cure Claims under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Claim in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described below, by the Plan Debtors as an Administrative Claim, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of the Cure Claim, (2) the ability of the Plan Debtors' Estates 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 (3) any other matter pertaining to assumption, the Cure Claims required by section 365(b)(1) of the Bankruptcy Code shall be satisfied following the entry of a Final Order or Orders resolving the dispute and approving the assumption.

Unless otherwise provided by an Order of the Bankruptcy Court, at least seven (7) days before the Voting Deadline, the Plan Debtors shall cause notice of proposed assumption and proposed Cure Claims to be sent to applicable counterparties. Any objection by such counterparty must be Filed, served, and actually received by the Plan Debtors not later than seven days after service of notice of the Plan Debtors' proposed assumption and associated Cure Claims. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or Cure Claim.

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, subject to satisfaction of the Cure Claims, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition, restricting use or tenant mix, or other bankruptcy-related defaults, including, without limitation, violation of go-dark or cessation of operation provisions or other provisions which seek to condition or restrict the use or assignment of an Unexpired Lease, arising under any assumed Executory Contract or Unexpired Lease at any time before the effective date of assumption and/or assignment. Any provisions in any lease or other conveyance document that prohibits or conditions the assignment of an Unexpired Lease or allows the landlord or other counterparty, as applicable, to terminate, recapture, or impose any penalty upon assignment of any such Unexpired Lease, or as a result of a closure or failure to operate in the premises, are deemed by this Plan to be unenforceable anti-assignment provisions that are void and of no force and effect. **Any liabilities reflected in the Schedules and any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed and assigned shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.**

D. Preexisting Obligations to the Plan Debtors Under Executory Contracts and Unexpired Leases.

Rejection or repudiation of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Plan Debtors under such contracts or leases as modified, amended, supplemented, or restated. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Plan Debtors expressly reserves and does not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, by the contracting Debtors from counterparties to rejected or repudiated Executory Contracts or Unexpired Leases.

E. D&O Liability Insurance

On the Effective Date, the Plan Debtors shall assume all of the D&O Liability Insurance Policies pursuant to section 365 of the Bankruptcy Code or otherwise, subject to the Plan Debtors' rights to seek amendment to such D&O Liability Insurance Policies. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Plan Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Plan Debtors under the Plan as to which no Proof of Claim need be Filed.

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

Unless otherwise provided in the Plan, each assumed and assigned Executory Contract or Unexpired Lease 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 have 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 Plan 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, unless such Executory Contract or Unexpired Lease was assumed by the Plan Debtors and approved by the Bankruptcy Court.

G. Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the list of Executory Contracts and Unexpired Leases to be assumed pursuant to the Plan contained in the Plan Supplement, nor anything

else in the Plan shall constitute an admission by the Plan Debtors or any other Entity, as applicable, that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that either any Debtor or any other Entity, as applicable, has any liability thereunder.

H. Nonoccurrence of Effective Date.

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

ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed.

Except as otherwise provided in the Plan, on the Effective Date (or if a Claim or Interest is not an Allowed Claim or Allowed Interest on the Effective Date, on the date that such a Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), each holder of an Allowed Claim against or Allowed Interest in the Plan Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests in the applicable Class as applicable; *provided* that the Reorganized Plan Debtors will use reasonable commercial efforts to make distributions to holders of General Unsecured Claims that are Allowed as of the Effective Date within sixty (60) days of the Effective Date. 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, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary herein, no holder of an Allowed Claim or Allowed Interest shall, on account of such Allowed Claim or Allowed Interest, receive a distribution in excess of the Allowed amount of such Claim or Interest payable in accordance with the Plan or other Final Order of the Bankruptcy Court.

B. Disbursing Agent.

All distributions under the Plan shall be made by the Disbursing Agent. The 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. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Disbursing Agent.

Subject to the terms of the Plan, the Disbursing Agent shall be empowered to: (1) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (2) make all distributions contemplated under the Plan; (3) employ professionals to represent it with respect to its responsibilities; (4) object to or otherwise resolve any General Unsecured Claim, Priority Claim, or Other Secured Claim, subject to the terms hereof; and (5) exercise such other powers as may be vested in the Reorganized Plan Debtors 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.

C. Distributions on Account of Claims Allowed After the Effective Date.

1. **Payments and Distributions on Disputed Claims.**

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

2. **Special Rules for Distributions to Holders of Disputed Claims.**

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Plan Debtors or the Reorganized Plan Debtors, on the one hand, and the holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. **Record Date for Distribution.**

On the Distribution Record Date, the Claims Register shall be closed and the Plan Debtors, the Reorganized Plan Debtors, or any other party responsible for making distributions shall instead be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. **Delivery of Distributions in General.**

Except as otherwise provided herein, the Plan Debtors shall make distributions to Holders of Allowed Claims and Allowed Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Plan Debtors' records as of the date of any such distribution; *provided*, *however*, that the manner of such distributions shall be determined at the discretion of the Plan Debtors; *provided further*, *however*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder. If a Holder holds more than one Claim in any one Class, all Claims of the Holder will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.

Distributions to Holders of Term Loan Claims shall be made to or at the direction of the Propco I Agent for further distribution to the Holders of Term Loan Claims in accordance with the Term Loan Documents. For the avoidance of doubt, the Propco I Agent shall not bear any responsibility or liability for any distributions made hereunder, and the Reorganized Plan Debtors shall reimburse the Propco I Agent for any reasonable and documented fees and expenses (including reasonable and documented fees and expenses of its counsel and agents) incurred on or after the Effective Date in connection with the implementation of the Plan, including but not limited to, making distributions pursuant to and in accordance with the Plan.

3. **Minimum; De Minimis Distributions.**

No Cash payment of less than $50.00, in the reasonable discretion of the Plan Debtors or Reorganized Plan Debtors, as applicable, shall be made to a Holder of an Allowed Claim or Allowed Interest on account of such Allowed Claim or Allowed Interest.

4. **Undeliverable Distributions and Unclaimed Property.**

In the event that any notice or distribution to any holder is returned as undeliverable, no such notice of distribution to such holder shall be made unless and until the Reorganized Plan Debtors have determined the then current address of such holder, at which time such notice or distribution shall be made to such holder without interest; *provided* that such notice or distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six (6) months from the date of the attempted distribution to the holder. After such date, all unclaimed property or interests in property shall revert to the Plan Debtors or Reorganized Plan Debtors for the benefit of other Allowed Claims in accordance with the terms of the Plan, and the Claim of any holder to such property or interest in property shall be released, settled, compromised, and forever barred.

5. **Manner of Payment Pursuant to the Plan.**

Any payment in Cash to be made pursuant to the Plan shall be made at the election of the Plan Debtors or Reorganized Plan Debtors by check or by wire transfer, at the sole and exclusive discretion of the Plan Debtors or Reorganized Plan Debtors

E. Compliance with Tax Requirements/Allocations.

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

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

F. No Postpetition Interest on Claims.

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, the Confirmation Order, or documents executed as required by this Plan, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims or Interests and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any such Claim.

G. Setoffs and Recoupment.

Except as otherwise expressly provided herein, the Plan Debtors may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Plan Debtors may have against any Holder, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Plan Debtors of any such Claim, Cause of Action, or legal or equitable defense it may have against the Holder.

H. Claims Paid or Payable by Third Parties.

1. **Claims Paid by Third Parties.**

The Plan Debtors or Reorganized Plan Debtors, as applicable, shall be authorized to reduce in full a Claim, and such Claim shall be Disallowed without a Claims objection having to be Filed and without any further notice to or action, Order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Plan Debtor, as applicable, including on account of recourse to collateral held by third parties that secure such Claim. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Plan Debtor or Reorganized Plan Debtor on account of such Claim, such holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Plan Debtor or Reorganized Plan Debtor, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such holder to timely repay or return such distribution shall result in the holder owing the applicable Plan Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. **Claims Payable by Third Parties.**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Plan Debtors' insurance policies, surety agreements, other non-Plan Debtor payment agreements, or collateral held by a third party, until the holder of such Allowed Claim has exhausted all remedies with respect to

such insurance policy, surety agreement, other non-Plan Debtor payment agreement, or collateral, as applicable. To the extent that one or more of the Plan Debtors' insurers, sureties, or non-Plan Debtor payors pays or satisfies a Claim in full or in part (if and to the extent adjudicated by a court of competent jurisdiction), or such collateral or proceeds from such collateral is used to satisfy such Claim, then immediately upon such payment, the applicable portion of such Claim shall be expunged without a Claim objection having to be Filed and without any further notice to or action, Order, or approval of the Bankruptcy Court.

3. **Applicability of Insurance Policies.**

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

I. Indefeasible Distributions.

Any and all distributions made under the Plan shall be indefeasible and not subject to clawback.

J. Distributions on Account of Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions on account thereof 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 Plan Debtors reserve the right to re-classify any Allowed Claim in accordance with any contractual, legal, or equitable subordination relating thereto. Notwithstanding the foregoing, the Plan shall be without prejudice to the contractual, legal, or equitable subordination rights (if any) in favor of any holder of any Allowed Claim, and any holder of any Allowed Claim (if any) subject to any such contractual, legal, or equitable subordination shall remit any distribution on account of such Claim to which such holder's Claim is subordinated in accordance with and to the extent required under any applicable contractual, legal, or equitable subordination obligation

ARTICLE VII
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims and Interests.

The Plan Debtors and the Reorganized Plan Debtors, as applicable, shall have and shall retain any and all rights and legal or equitable defenses that the Plan Debtors had with respect to any Claim or Interest immediately before the Effective Date. Except as expressly provided in the Plan or in any Order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim or Interest shall become an Allowed Claim or Allowed Interest unless and until such Claim or Interest is deemed Allowed pursuant to the Plan or the Bankruptcy Code or a Final Order, including the Confirmation Order (when it becomes a Final Order), allowing such Claim.

B. Claims and Interests Administration Responsibilities.

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Reorganized Plan Debtors shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Disputed Claims or Disputed Interests; (2) to settle or compromise any Disputed Claim or Disputed Interest without any further notice to or action, Order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect

any such settlements or compromises without any further notice to or action, Order, or approval by the Bankruptcy Court.

C. Estimation of Claims and Interests.

Prior to and on the Effective Date, the Plan Debtors, and, after the Effective Date, the Reorganized Plan Debtors, may (but are not required to), at any time, request that the Bankruptcy Court estimate: (1) any Disputed Claim or Disputed Interest pursuant to applicable law; and (2) any Claim pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such Claim or Interest, or whether the Bankruptcy Court has ruled on any such objection, the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register but that is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim or Interest, that estimated amount shall constitute either the Allowed amount of such Claim or Interest or a maximum limitation on such Claim or Interest for all purposes under the Plan, including for purposes of distributions, and the Plan Debtors or the Reorganized Plan Debtors, as applicable, may elect to pursue additional objections to the ultimate distribution on such Claim or Interest. If the estimated amount constitutes a maximum limitation on such Claim or Interest, the Plan Debtors or the Reorganized Plan Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on account of such Claim or Interest. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before seven (7) days after the date on which such Claim is estimated. All of the aforementioned Claims and Interests and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims and Interests may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims or Interests without Objection.

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Plan Debtors without a Claims objection having to be Filed and without any further notice to or action, Order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims.

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

F. Disallowance of Claims.

Any Claims or Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code, or that are a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims or Interests may not receive any distributions on account of such Claims or Interests until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court Order with respect thereto has been entered and all sums due, if any, to the Plan Debtors or the Reorganized Plan Debtors, as applicable, by that Entity have been turned over or paid to the Plan Debtors or the Reorganized Plan Debtors.

Except as provided herein or otherwise agreed, any and all Proofs of Claim filed after the Claims Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely filed by a Final Order.

G. Amendments to Claims.

On or after the Effective Date, except as otherwise provided herein, a Claim or Interest may not be Filed or amended without the prior authorization of the Plan Debtors or the Reorganized Plan Debtors, as applicable, and any such new or amended Claim or Interest Filed shall be deemed Disallowed and expunged without any further notice to or action, Order, or approval of the Bankruptcy Court.

H. No Distributions Pending Allowance.

If an objection to a Claim or Interest or portion thereof is Filed as set forth in Article VII of the Plan, or if such Claim or Interest is scheduled as Disputed, no payment or distribution provided under the Plan shall be made on account of such Claim or Interest or portion thereof unless and until such Disputed Claim or Disputed Interest becomes an Allowed Claim or Allowed Interest; however, at the sole discretion of the Plan Debtors or the Reorganized Plan Debtors, as applicable, payment may be made on any undisputed portion of such Claim or Interest.

I. Distributions After Allowance.

To the extent that a Disputed Claim or Disputed Interest ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the holder of such Allowed Claim or Allowed Interest in accordance with the provisions of the Plan. As soon as practicable after the date that the Order of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Reorganized Plan Debtors shall provide to the holder of such Claim or Interest the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim or Interest, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law or as otherwise provided in Article III.B of the Plan.

J. Single Satisfaction of Claims.

Holders of Allowed Claims and Allowed Interests may assert such Claims against or Interests in the Plan Debtor(s) obligated with respect to such Claims or Interests, and such Claims or Interests shall be entitled to share in the recovery provided for the applicable Class of Claims or Interests against the Plan Debtors based upon the full Allowed amount of such Claims or Interests. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim or Allowed Interest exceed 100 percent (100%) of the underlying Allowed Claim or Allowed Interest plus applicable interest, if any.

ARTICLE VIII
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Settlement, Compromise, and Release of Claims and Interests.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, 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 distribution, rights, and treatment that are provided in the Plan shall be in complete settlement, compromise, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Plan Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims, Interests, or Causes of Action from and after the Petition Date, whether known or unknown, against, liabilities, of Liens on, obligations of, rights, or Causes of Action against, and Interests in, the Plan Debtors or any of their assets or properties, regardless of whether any property shall have been assumed, assumed and assigned, distributed, or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose or accrued before the Effective Date, any liability (including withdrawal liability) to the extent such Causes of Action, Claims, or Interests related to service performed by employees of the Plan Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representation 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 or Proof of Interest based upon such Cause of Action, Claim, debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Cause of Action, 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 Cause of Action, Claim, or Interest has accepted the Plan. Any default by the Plan Debtors or their Affiliates with respect to any Cause of Action, Claim, or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Causes of Action, Claims, and Interests subject to the Effective Date occurring.

B. Discharge of Claims and Termination of Equity 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 Plan Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims, Interests, or Causes of Action from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Plan Debtors or any of their assets or properties, regardless of whether any property shall have been assumed, assumed and assigned, distributed, or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose or accrued before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Plan Debtors before 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. Any default or "event of default" by the Plan Debtors or their Affiliates with respect to any Claim or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to Consummation.

*C. **Release of Liens.***

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall revert to the Plan Debtors or Reorganized Plan Debtors, as applicable.

*D. **Releases by the Plan Debtors.***

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Plan Debtors and the Plan Debtors' Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all Causes of Action, including any derivative Cause of Action asserted on behalf of the Plan Debtors, that the Plan Debtors or the Plan Debtors' Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Cause of Action against, or Interest in, the Plan Debtors or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Plan Debtors, the Plan Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the

formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, or the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; provided, however, that notwithstanding anything to the contrary herein, nothing in this Article or this Plan shall release (a) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (b) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (c) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.D by the Plan Debtors, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute its finding that each release described in this Article VIII.D is: (1) in exchange for the good and valuable consideration provided by the Released Parties, a good faith settlement and compromise of such Causes of Action; (2) in the best interest of the Plan Debtors and all Holders of Interests and Causes of Action; (3) fair, equitable, and reasonable; (4) given and made after due notice and opportunity for hearing; and (5) subject to the terms and provisions herein, a bar to the Plan Debtors asserting any Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

E. ***Releases by Holders of Claims and Interests.***

As of the Effective Date, each Releasing Party is deemed to have released and discharged the Plan Debtors and each Released Party from any and all Causes of Action, whether known or unknown, including any derivative Causes of Action asserted on behalf of the Plan Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Plan Debtors, the Plan Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, or the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; provided, however, that notwithstanding anything to the contrary herein, nothing in this Article or this Plan shall release (a) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (b) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Parties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (c) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

For the avoidance of doubt, nothing contained herein shall affect any rights of any parties to the Settlement Agreement preserved under the Settlement Agreement.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.E, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute its finding that each

release described in this Article VIII.E is: (1) in exchange for the good and valuable consideration provided by the Released Parties, a good faith settlement and compromise of such Causes of Action; (2) in the best interests of the Debtors and all Holders of Interests and Causes of Action; (3) fair, equitable, and reasonable; (4) given and made after due notice and opportunity for hearing; and (5) subject to the terms and provisions herein, a bar to any of the Releasing Parties asserting any Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

F. ***Exculpation.***

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur any liability with respect to, and each Exculpated Party is released and exculpated from, any Cause of Action related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for Causes of Action related to any act or omission that is determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan; provided, however, notwithstanding anything to the contrary herein, the following shall not release or exculpate: (i) any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (ii) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Prties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (iii) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

G. ***Injunction.***

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan, or the Confirmation Order, all Entities who have held, hold, or may hold Causes of Action, Claims, or Interests that have been compromised, settled, or released, 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 Plan Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any and all Causes of Action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against the Plan Debtors, the Exculpated Parties, or the Released Parties or the property or the estates of the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Causes of Action, Claims, or Interests; (4) asserting any right of setoff, subrogation, recoupment, or other similar legal or equitable right of any kind against any obligation due from the Plan Debtors, the Exculpated Parties, or the Released Parties or against the property of the Plan Debtors, the Exculpated Parties, or the Released Parties on account of or in connection with or with respect to any such Causes of Action, Claims, or Interests unless such Holder has Filed a motion requesting the right to perform such legal or equitable right on or before the Effective Date, and notwithstanding an indication of a Causes of Action, Claim, or Interest or otherwise that such Holder asserts, has, or intends to preserve any legal or equitable right pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any and all Causes of Action or other proceeding of any kind on account of or in connection with or with respect to any

such Causes of Action, Claims, or Interests released or settled pursuant to the Plan; provided, however, that, notwithstanding anything to the contrary herein, nothing in this Article or this Plan shall enjoin: (i) any Entity from taking the preceding actions with respect to any post-Effective Date obligations of any party or entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan and the Restructuring Transactions; (ii) any Administrative Claims held by the Plan Debtors against the TRU Retail Debtor Prties or any Former Debtor, including any Administrative Claims pursuant to sections 503(b) or 507(a)(2) of the Bankruptcy Code; or (iii) any and all setoff, subrogation, recoupment, or other similar legal or equitable right held by the Plan Debtors against any Entity.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the 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 the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.G of the Plan.

H. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Plan Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Plan Debtors, or another Entity with whom the Plan Debtors have been associated, solely because each Plan Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Plan Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Setoffs.

Except as otherwise expressly provided for in the Plan, each Plan Debtor, as applicable, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Plan Debtormay hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or before the Effective Date (whether pursuant to the Plan or otherwise); *provided*, *however*, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Plan Debtor of any such Claims, rights, Causes of Action, and legal or equitable defenses that such Plan Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to set off any Claim against any Claim, right, or Cause of Action of a Plan Debtor, unless such Holder has timely Filed a Proof of Claim with the Bankruptcy Court preserving such setoff.

J. Recoupment.

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim against any claim, right, or Cause of Action of the Plan Debtors unless such Holder actually has timely Filed a Proof of Claim with the Bankruptcy Court preserving such recoupment.

K. Subordination Rights.

The classification and treatment of all Claims and Interests under the Plan shall conform to and with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and any such rights shall be settled, compromised, and released pursuant to the Plan.

L. Document Retention.

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

M. Reimbursement or Contribution.

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

ARTICLE IX
CONDITIONS PRECEDENT TO CONFIRMATION AND THE EFFECTIVE DATE

A. Conditions Precedent to Confirmation.

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C:

1. the Bankruptcy Court shall have entered the Disclosure Statement Order, in form and substance reasonably acceptable to the Creditors' Committee;

2. the Plan shall have been Filed in consultation with the Creditors' Committee;

3. the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably acceptable to the Creditors' Committee:

4. the Plan Supplement shall have been Filed in form and substance reasonably acceptable to the Creditors' Committee.

B. Conditions Precedent to the Effective Date.

It shall be a condition to Consummation that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C:

1. the Bankruptcy Court shall have entered the Confirmation Order and it shall have become a Final Order; *provided*, *however*, that in accordance with Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (and notwithstanding any other provision of the Bankruptcy Code or the Bankruptcy Rules), the Confirmation Order shall not be stayed and shall be effective immediately upon its entry;

2. all documents and agreements necessary to implement the Plan shall have (a) all conditions precedent to the effectiveness of such documents and agreements satisfied or waived pursuant to the terms of such documents or agreements, (b) been tendered for delivery, and (c) been effected or executed;

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

4. all determinations to be made by the Creditors' Committee under the Plan (including determinations with respect to distributions under Article III) shall have been made by the Creditors' Committee;

5. the Professional Fee Escrow Account shall have been funded with Cash in the amount of the aggregate Professional Fee Escrow Amount;

6. the Other Fee Escrow Account shall have been funded with Cash in the amount of the aggregate Other Fee Escrow Amount; and

7. all actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Units as provided for in the Plan.

C. Waiver of Conditions.

The conditions to Confirmation and Consummation set forth in this Article IX may be waived by the Plan Debtors only by consent of the Creditors' Committee in its sole discretion, and without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

ARTICLE X
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments.

Subject to the limitations contained in the Plan, the Plan Debtors or the Reorganized Plan Debtors, as applicable, reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan, subject to consultation with and the reasonable consent of the Creditors' Committee. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Plan Debtors and the Reorganized Plan Debtors, as applicable, expressly reserve their rights to alter, amend, or modify materially the Plan with respect to the Plan Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Article X hereof.

B. Effect of Confirmation on Modifications.

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

C. Revocation or Withdrawal of the Plan.

The Plan Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan Debtors revoke or withdraw the Plan, or if Confirmation and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Plan Debtors or any other Entity, including the holders of Claims or the non-Plan Debtor subsidiaries; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Plan Debtors or any other Entity. For the avoidance of doubt, the Propco I Plan may be confirmed notwithstanding the withdrawal of the Wayne Holdings Plan and the Wayne Holdings Plan may be confirmed notwithstanding withdrawal of the Propco I Plan.

ARTICLE XI
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

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

3. resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease to which a Plan Debtor is party or with respect to which a Plan Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, Cure Obligations pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed and/or assigned; (c) the Plan Debtors or Reorganized Plan Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V, any Executory Contracts or Unexpired Leases to the set forth on the list of Executory Contracts and Unexpired Leases to be assumed and assigned or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of the Plan;

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

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

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

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

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

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

11. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid;

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

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

16. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

17. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

18. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

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

20. hear and determine matters concerning section 1145 of the Bankruptcy Code;

21. hear and determine all disputes involving the existence, nature, or scope of the Plan Debtors' release, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

22. enforce all orders previously entered by the Bankruptcy Court;

23. resolve any disputes arising in connection with any Sale Transaction, including the interpretation, implementation, modification, of any Sale Transaction Documents;

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

25. enter an order concluding or closing the Chapter 11 Cases; and

26. enforce the injunction, release, and exculpation provisions set forth in Article VIII.

ARTICLE XII
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect.

Subject to the terms 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, the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Plan Debtors, the Plan Debtors' Estates, the Reorganized Plan Debtors, and any and all holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to

the settlements, compromises, releases, or injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Plan Debtor parties to Executory Contracts and Unexpired Leases with the Plan Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

B. Additional Documents.

On or before the Effective Date, the Plan Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, with the consent of the Creditors' Committee in their sole discretion. The Plan Debtors and all holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan, in consultation with the Creditors' Committee.

C. Dissolution of Committees.

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases on the Effective Date. The Plan Debtors and the Reorganized Plan Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date. Upon the dissolution of the Creditors' Committee, the current and former members of the Creditors' Committee, and their officers, employees, counsel, advisors, and agents, shall be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention or employment of the Creditors' Committee's respective attorneys, accountants, and other agents shall terminate, except that the Creditors' Committee and its professionals shall have the right to pursue, review, and object to any applications for compensation and reimbursement of expenses filed in accordance with Article II.B. hereof.

D. Reservation of Rights.

The Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Plan Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Plan Debtor with respect to the Holders of Claims or Interests before the Effective Date.

E. Successors and Assigns.

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, or assign, Affiliate, officer, director, manager, trustee, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

F. Service of Documents.

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Plan Debtors shall be served on:

1. **the Plan Debtors:**

Toys "R" Us Property Company I, LLC
One Geoffrey Way,
Wayne, New Jersey 07470
Attention: Jamie Young

with copies to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022-4611
Facsimile: (212) 446-4900
Attention: Joshua A. Sussberg, Emily E. Geier
E-mail addresses: joshua.sussberg@kirkland.com,
emily.geier@kirkland.com

and

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654-3406
Facsimile: (312) 862-2200
Attention: Chad J. Husnick
E-mail address: chad.husnick@kirkland.com,

and

Benesch, Friedlander, Coplan & Aronoff LLP
200 Public Square
Suite 2300
Cleveland, Ohio 44114
Facsimilie: (216) 363-4500
Attention: Jared Oakes
E-mail address: JOakes@beneschlaw.com

2. **Counsel for the Independent Directors of Wayne Parent.**

Klehr Harrison Harvey Branzburg LLP
1835 Market Street, Suite 1400
Philadelphia, PA 19103
Attention: Morton R. Branzburg
Telephone: (215) 569-3007
Facsimile: (215) 568-6603
E-mail address: mbranzburg@klehr.com

3. **Counsel for the Creditors' Committee.**

Jones Day
51 Louisiana Avenue, N.W.
Washington, D.C. 20001
Facsimile: (202) 626-1700
Attention: Daniel T. Moss, J. Ryan Sims
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Any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Plan Debtors or, ***after the Effective Date***, the Plan Debtors, shall be served on the Reorganized Plan Debtors, as set forth in the Plan Supplement.

After the Effective Date, the Plan Debtors or the Reorganized Plan Debtors, as applicable, have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Plan

Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed request

G. Term of Injunctions or Stays.

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

H. Entire Agreement.

Except as otherwise indicated, the Plan, the Confirmation Order, and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. 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 Plan Debtors' counsel at the address above or by downloading such exhibits and documents from the Plan Debtors' restructuring website at https://cases.primeclerk.com/toyspropcoI or the Bankruptcy Court's website at www.vaeb.uscourts.gov.

J. Nonseverability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall not alter or interpret such term or provision to make it valid or enforceable; *provided* that at the request of the Plan Debtors (in their sole discretion), the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such terms or provision shall then be applicable as altered or interpreted *provided* that any such alteration or interpretation shall be reasonably acceptable to the Creditors' Committee. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified absent consultation with the Creditors' Committee; and (3) nonseverable and mutually dependent.

K. Waiver or Estoppel.

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

L. Enforcement of the Confirmation Order

On and after the Effective Date, the Plan Debtors and the Reorganized Plan Debtors, as applicable, shall be entitled to enforce the terms of the Confirmation Order and the Plan.

M. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Plan Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Plan Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan

N. Creditor Default

An act or omission by a holder of a Claim or an Interest in contravention of the provisions of this Plan shall be deemed an event of default under this Plan. Upon an event of default, the Plan Debtors or Reorganized Plan Debtors, as applicable, may seek to hold the defaulting party in contempt of the Confirmation Order and shall be entitled to reasonable attorneys' fees and costs of the Plan Debtors or Reorganized Plan Debtors in remedying such default. Upon the finding of such a default by a creditor, the Bankruptcy Court may: (a) designate a party to appear, sign and/or accept the documents required under the Plan on behalf of the defaulting party, in accordance with Bankruptcy Rule 7070; (b) enforce the Plan by order of specific performance; (c) award judgment against such defaulting creditor in favor of the Plan Debtors in an amount, including interest, to compensate the Plan Debtors for the damages caused by such default; and (d) make such other order as may be equitable that does not materially alter the terms of the Plan.

[*Remainder of page intentionally left blank.*]

Respectfully submitted, as of the date first set forth above,

Dated: November 15, 2018

Wayne Real Estate Parent Company, LLC (for itself and all Plan Debtors)

By: */s/ Daniel Hurwitz*
Name: Daniel Hurwitz
Title: Authorized Agent - Founder & CEO, Raider Hill Advisors, LLC

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Co-Counsel to the Plan Debtors and Plan Debtors in Possession

Exhibit B

Valuation

[To Come]

Exhibit C

Liquidation Analysis

[To Come]

Exhibit D

Financial Projections

[To Come]