

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA,
INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

APPLICATION RECORD

March 9, 2021

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Lawyers for the Canadian Filing Entities

TO: SERVICE LIST

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL
CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION
46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED



NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant, Knotel
Canada, Inc. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In person
 By telephone conference
 By video conference

at the following location:

<https://cassels.zoom.us/j/94364338227?pwd=TTRNTER6TmJ3VHNOdGFyYWdQcGZQT09>

Meeting ID: 943 6433 8227

Password: 687203

One tap mobile

+13462487799,,94364338227# US (Houston)

+16699006833,,94364338227# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)
888 475 4499 US Toll-free
877 853 5257 US Toll-free

Meeting ID: 943 6433 8227

Find your local number: <https://cassels.zoom.us/j/aeprgm4lpv>

on Tuesday, March 9, 2021, at 12:30 p.m., before a judge presiding over the Commercial List (or on a day to be set by the registrar).

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date March 9, 2021 Issued by Maggie Sawka
Local Registrar

Digitally signed by Maggie Sawka
DN: cn=Maggie Sawka, o=Ministry of
the Attorney General, ou=Superior
Court of Justice,
email=maggie.sawka@ontario.ca, c=CA
Date: 2021.03.09 10:16:33 -05'00'

Address of Superior Court of Justice 9
court office: ~~393~~ University Avenue, ~~10~~th Floor
330 Toronto ON
M5G ~~1E6~~ 1R7

TO: Service List

APPLICATION

1. The applicant, Knotel Canada, Inc. ("**Knotel Canada**") brings this application for certain relief for itself and Knotel, Inc., ("**Knotel Parent**", and along with Knotel Canada, the "**Canadian Filing Entities**"), pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
2. This application will proceed in stages. At the initial return date, Knotel Canada seeks the approval of an order (the "**Interim Order**"), among other things, granting an interim stay of proceedings in respect of the Canadian Filing Entities.
3. Shortly after the Interim Order hearing, Knotel Canada will return to seek the following relief pursuant to Part IV of the CCAA, *inter alia*:
 - (a) an order finding that Knotel Canada is the foreign representative of itself and Knotel Parent (in such capacity, the "**Foreign Representative**"), finding that the centre of main interests for the Canadian Filing Entities is the United States, and recognizing the cases commenced by the Canadian Filing Entities in the United States (together with the cases commenced by Knotel Parent's other subsidiaries, the "**Chapter 11 Cases**") as foreign main proceedings under Part IV of the CCAA and dispensing with the notice requirement under section 53(b) of the CCAA;
 - (b) an order recognizing certain orders of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the Chapter 11 Cases (the "**U.S. Court Orders**"); and
 - (c) an order appointing Alvarez and Marsal Canada Inc. ("**Alvarez & Marsal**") as Information Officer in respect of these proceedings (in such capacity, the "**Information Officer**"), and granting the Administration Charge (as defined below).

4. The grounds for the application are:

Background

- (a) Founded in 2015 and based in New York City, Knotel Parent and its subsidiaries (together, the “**Knotel Group**” or “**Knotel**”) are a market leader in the dedicated flexible workspace industry. Despite significant growth in 2019 (including expanding into Canada and other global markets). Knotel experienced significant disruption over the past year as a result of the COVID-19 pandemic, which adversely affected Knotel’s cash flow and ability to raise new capital.
- (b) Throughout 2020, Knotel took various actions to improve sales and operating performance and to reduce costs including significant employee headcount reductions and sustained efforts to raise new capital. However, the COVID-19 pandemic's impact on Knotel's liquidity outweighed these positive steps.
- (c) During 2020, Knotel also began to review various restructuring options, including potential filings under either Chapter 7 or Chapter 11 of the *United States Bankruptcy Code* (the “**Bankruptcy Code**”). Knotel was able to negotiate a forbearance of its debt obligations and develop a going concern asset sale with its first and second lien lender, Digiatech, LLC (“**Digiatech**”). The proposed transaction contemplates a US\$70 million purchase price for a going-concern sale of the Debtors’ business (the “**Stalking Horse Bid**”) through an auction process under Chapter 11 of the Bankruptcy Code.

Chapter 11 Cases

- (d) On January 31, 2021 (the “**Petition Date**”), Knotel Parent and its more than 200 subsidiaries in the United States (the “**Original Debtors**” and with Knotel Canada,

the “**Debtors**”) filed voluntary petitions for relief under the Bankruptcy Code in the U.S. Court to facilitate the going concern sale of Knotel’s core business.

- (e) Since the Petition Date, the Original Debtors have obtained orders from the U.S. Court, including orders (i) approving the Stalking Horse Bid subject to higher or better bids, (ii) approving bidding procedures and establishing March 12, 2021 as the bid deadline and auction date, and (iii) approving debtor-in-possession financing (“**DIP Financing**”) from Digiatech.

Knotel Canada

- (f) Knotel Canada, a subsidiary of Knotel Parent, is a British Columbia corporation with a registered head office in Vancouver, British Columbia. It has an extra-provincial registration in Ontario. On March 8, 2021, Knotel Canada filed a voluntary petition for relief under the Bankruptcy Code and filed motions seeking that certain of the U.S. Court’s prior orders in the Chapter 11 Cases also apply to Knotel Canada.
- (g) Knotel Canada is the tenant on six leases in Toronto, Ontario (the “**Knotel Canada Leases**”) and Knotel Parent is a limited indemnitor on each of the Knotel Canada Leases.
- (h) Prior to the commencement of Knotel Canada’s Chapter 11 Case, the landlords under two of the Knotel Canada Leases delivered termination notices, and the landlords of two other properties delivered notices of default. The Canadian Filing Entities did not contest the two termination notices, and such leases were therefore terminated pre-filing.

- (i) In connection with the Stalking Horse Bid, Digiatech may be interested in buying Knotel Canada's interest in certain of the active Knotel Canada Leases and procedures regarding these lease transfers (if applicable) will be dealt with at the appropriate time in these proceedings.

- (j) Knotel Canada's operations and revenue are not significant in the scope of Knotel's international business operations. Knotel's Canadian operations are fully integrated with and entirely dependent on Knotel's operations and management team in New York City and San Francisco. Among other things:
 - (i) Knotel Canada does not have any employees;
 - (ii) all executive management and senior management decision-making is centralized in New York City and San Francisco;
 - (iii) no senior executives or directors of Knotel, including of Knotel Canada, are located in Canada.
 - (iv) all key management functions for Knotel Canada, including accounting, finance, treasury, legal, and other executive-level functions are based out of the United States; and
 - (v) Knotel Canada's cash management system (including all treasury functions, accounts receivable and payable functions among others) is managed centrally from the United States.

- (k) Knotel Canada relies upon intercompany transfers from Knotel Parent and has no independent bank indebtedness. Its liabilities consist of:

- (i) intercompany indebtedness to Knotel Parent, including secured intercompany loans;
 - (ii) obligations to landlords under the Knotel Canada Leases; and
 - (iii) ordinary course trade debt.
- (l) Besides certain secured intercompany indebtedness, Knotel Canada has no other secured debt.

The Interim Order is Necessary

- (m) It is not anticipated that the formal order recognizing Knotel Canada as the Foreign Representative of the Canadian Filing Entities will be issued by the U.S. Court until March 11, 2021.
- (n) The interim stay of proceedings accounts for the gap in time between the imposition of an automatic stay in favour of Knotel Canada and Knotel Inc. in the Chapter 11 Cases which arose on electronic filing of the petition under the Bankruptcy Code and the time when Knotel Canada (having been appointed by the U.S. Court as Foreign Representative) is able to return to this Court to seek the relief available in an Initial Order and Supplemental Order pursuant to Part IV of the CCAA.
- (o) The Court has jurisdiction to grant an interim stay of proceedings and it is reasonably necessary in the circumstances of this case for such relief to be granted.

The Chapter 11 Cases constitute a “Foreign Main Proceeding”

- (p) The Canadian Filing Entities are parties to the Chapter 11 Cases which constitute “foreign proceedings” under section 45(1) of the CCAA. The Debtors have scheduled a hearing on March 11, 2021 in the U.S Court at which they anticipate seeking an order appointing Knotel Canada as the Foreign Representative in the Chapter 11 Cases. It is anticipated that Knotel Canada will fall within the definition of “foreign representative” under section 45(1) of the CCAA once that order has been obtained.
- (q) Pursuant to section 47(1) of the CCAA, this Court shall make an order recognizing the Chapter 11 Cases if it is satisfied that the application relates to a “foreign proceeding” and that the applicant is a “foreign representative” and if granted section 47(2) requires that the Court specify whether the foreign proceeding is a “foreign main proceeding” or a “foreign non-main proceeding.”
- (r) Section 45(1) of the CCAA provides that a “foreign main proceeding” is a foreign proceeding in a jurisdiction where the debtor company has the “centre of its main interests” (“**COMI**”). The rebuttable presumption under section 45(2) is that, absent evidence to the contrary, a debtor’s COMI is presumed to be the location of its registered office. COMI is a substantive determination dependent on a number of factors.
- (s) Knotel Canada’s COMI is in the United States, where all senior management, decision-making, and key functions take place. No serious management, financial or executive decision making occurs in Canada.

- (t) With respect to Knotel Parent, the registered office of Knotel Parent is in the United States. Knotel Parent has no material presence, property or direct business operations in Canada.
- (u) As the COMI of each of the Canadian Filing Entities' is the United States, the Chapter 11 Cases are each a "foreign main proceeding" under section 45(1) of the CCAA.

A Stay of Proceedings is Required and Appropriate

- (v) Under section 48 of the CCAA, this Court shall, in the case of a foreign main proceeding, exercise its jurisdiction to prohibit the commencement or furtherance of any action, suit, or proceeding against the Canadian Filing Entities, subject to any terms and conditions it considers appropriate.
- (w) Considering the requirements of the CCAA and the exigencies of the circumstances facing the Canadian Filing Entities, a stay of proceedings in Canada is essential to protect the efforts of the Debtors to proceed with the Chapter 11 Cases and emerge from the reorganization process.

Recognition of the U.S. Court Orders is Appropriate

- (a) In addition, section 49 of the CCAA grants this Court broad discretion to make any order that it considers appropriate, if it is satisfied that the order is necessary for the protection of the debtor company's property or the interests of creditors.
- (b) The Debtors have obtained several orders in the Chapter 11 Cases that Knotel Canada desires be recognized in this CCAA proceeding.

- (c) Although the Debtors have obtained a final order (the “**U.S. DIP Order**”), *inter alia*, approving their entry into the DIP Financing, the Canadian Filing Entities are not seeking recognition of the U.S. DIP Order in Canada.
- (d) For the purposes of ensuring that all interested parties cooperate in the efforts of the Canadian Filing Entities, Knotel Canada requests that the terms of the U.S. Court Orders listed in the Affidavit of John M. Jureller sworn March 8, 2021 (the “**Jureller Affidavit**”) be recognized by this Court pursuant to section 49 of the CCAA.

The Appointment of an Information Officer is Appropriate

- (e) Alvarez & Marsal is a licensed insolvency trustee, well-known for its expertise in CCAA matters (including cross-border plenary and ancillary proceedings under the CCAA) and has consented to act as the Information Officer in the within proceeding and will assist the Court and Canadian stakeholders of the Canadian Filing Entities.

The Administration Charge is Necessary

- (f) The Canadian Filing Entities propose a charge for the benefit of their legal counsel, the proposed Information Officer and the Information Officer’s counsel in the amount of CDN\$200,000 (the “**Administration Charge**”).
- (g) Approval of the Administration Charge and appointment of professionals by this Court is appropriate, as the parallel procedures in the United States are costly.
- (h) The size of the Administration Charge is reasonable in the circumstances having regard to the size and complexity of these proceedings and the different contributions the beneficiaries of the charge will make.

General

- (i) The CCAA, including Part IV.
 - (j) Such further and other grounds as the lawyers may advise.
5. The following documentary evidence will be used at the hearing of the application:
- (a) The Jureller Affidavit.
 - (b) Consent of Alvarez & Marsal to act as the Information Officer, to be filed.
 - (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

(Date of issue)

March 9, 2021

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TO: **SERVICE LIST**

SCHEDULE "A"
ZOOM VIDEOCONFERENCE DETAILS

<https://cassels.zoom.us/j/94364338227?pwd=TTRNTER6TmJ3VHNOdGFyYWdQcigzQT09>

Meeting ID: 943 6433 8227

Password: 687203

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+13462487799,,94364338227# US (Houston)

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Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

888 475 4499 US Toll-free

877 853 5257 US Toll-free

Meeting ID: 943 6433 8227

Find your local number: <https://cassels.zoom.us/u/aeprqm4lpv>

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.
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Court File No.:

Cy-21-00658434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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Lawyers for the Canadian Filing Entities

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

**AFFIDAVIT OF JOHN M. JURELLER
(sworn March 8, 2021)**

I, John M. Jureller, of the City of Scarsdale, in the State of New York, MAKE OATH AND
SAY:

1. I am the Chief Financial Officer of Knotel, Inc. ("**Knotel Parent**"), a Delaware corporation that is the corporate parent of the Knotel group of companies ("**Knotel**" or the "**Knotel Group**"). I have served in this position since March 2, 2020. As Chief Financial Officer, I lead all finance, accounting, corporate development, financial planning and analysis, strategic planning and tax functions for the Knotel Group. As part of the Knotel Group's executive leadership team, I partner with other senior leaders, providing review and input on key business and strategic matters. Additionally, I participate in meetings of the Knotel Group's board of directors.

2. As a result of my tenure with the Knotel Group, my review of public and non-public documents, and my discussions with other senior executives, I am generally familiar with the Knotel Group's businesses, financial condition, day-to-day operations, and books and records, and, as such, have knowledge of the matters contained in this affidavit. Where I do not possess

such personal knowledge, I have stated the source of my information and, in all such cases, believe the information to be true. In preparing this affidavit, I have consulted with legal, financial and other advisors to the Knotel Group, and other members of the senior management team of the Knotel Group.

3. I swear this affidavit in support of the application of the applicant, Knotel Canada, Inc. ("**Knotel Canada**"), for certain relief for itself and Knotel Parent (collectively, the "**Canadian Filing Entities**"), pursuant to Part IV of the *Companies' Creditors Arrangement Act* R.S.C., 1985, c. C-36, as amended, (the "**CCAA**"). Knotel Canada seeks, among other things, the following relief:

- (a) an interim order staying proceedings against the Canadian Filing Entities pending the determination of the relief set out below;
- (b) an order finding that Knotel Canada is the foreign representative (in such capacity, the "**Foreign Representative**") of itself and Knotel Parent, finding that the centre of main interests for the Canadian Filing Entities is the United States, and recognizing the cases commenced by the Canadian Filing Entities in the United States (together with the cases commenced by Knotel Parent's other subsidiaries, the "**Chapter 11 Cases**") as foreign main proceedings under Part IV of the CCAA and dispensing with the notice requirement under section 53(b) of the CCAA; and
- (c) an order recognizing certain orders of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the Chapter 11 Cases (the "**U.S. Court Orders**"), appointing Alvarez and Marsal Canada Inc. ("**Alvarez & Marsal**") as Information Officer in respect of these proceedings (in such capacity, the "**Information Officer**") and granting the Administration Charge (as defined below).

4. The above relief is being sought in stages. At the initial hearing in this application, certain of the U.S. Court Orders (including the order appointing Knotel Canada as the foreign

representative (the “**Foreign Representative Order**”) will not yet be available from the U.S. Court. Therefore, Knotel Canada will seek an interim stay on behalf of the Canadian Filing Entities pending the issuance of the Foreign Representative Order. Once the Foreign Representative Order and the Omnibus Order (defined below) have been formally issued by the U.S. Court, then Knotel Canada will return to seek an Initial Recognition Order (Foreign Main Proceeding) and a Supplemental Order (Foreign Main Proceeding).

I. OVERVIEW

5. Founded in 2015 and based in New York City, Knotel is a market leader in the dedicated flexible workspace industry. Knotel works with customers to:

- (a) match them with ideal workspaces in leading global markets;
- (b) help design workspace to empower its customers’ teams and enhance their productivity; and
- (c) offer dedicated space management services to ensure the workspace is responsive to customer needs.

6. After achieving significant growth in 2019, at the beginning of 2020, Knotel had over 4.0 million square feet of leased workspace under management, over 300 customers contracted for workspace, and operations in various major business centres in the United States, Canada, the United Kingdom, the European Union, Asia, and South America. However, the COVID-19 pandemic has severely disrupted Knotel’s business plans and operations, resulting in, *inter alia*, terminations of many contracts, a reduction in renewal rates, loss of customers, and declining demand for Knotel’s service model. The disruption and its effects on revenue generation has materially impacted Knotel’s cash flow. Efforts over the past year to raise capital and improve liquidity, reduce workforce and unprofitable locations, and weather the unprecedented shift in

demand for workplace solutions in the marketplace have, unfortunately, not resulted in an out-of-court solution to Knotel's deteriorating liquidity position.

7. As described below, at the end of December 2020 and into early January 2021, an existing preferred stockholder, Digiatech, LLC ("**Digiatech**"), a subsidiary of global full service real estate services firm Newmark Group Inc. ("**Newmark**"), purchased Knotel's first and second lien secured debt, negotiated a financing package to provide immediate emergency financing and debtor-in-possession financing, and further committed to be the stalking horse bidder to enable a going concern acquisition of Knotel's business (the "**Sale Transaction**") through an auction process to be conducted under section 363 of Chapter 11 of the *United States Bankruptcy Code* (the "**Bankruptcy Code**"). Digiatech's stalking horse asset purchase bid (the "**Stalking Horse Bid**") preserves jobs, serves a core customer group, and benefits landlords and contract counterparties whose contracts will be assumed by the purchaser. Knotel believes that conducting an open and competitive marketing process in the context of the Chapter 11 Cases represents the best strategy to maximize the value of its core business for stakeholders. By conducting an expedited sale, Knotel's emerging business can be optimally positioned to succeed in the post-pandemic market.

8. On January 31, 2021 (the "**Petition Date**") Knotel Parent and its more than 200 subsidiaries in the United States (the "**Original Debtors**" and with Knotel Canada, the "**Debtors**") filed voluntary petitions for relief under the Bankruptcy Code in the U.S. Court, resulting in an automatic stay of proceedings.

9. Since the Petition Date, the Original Debtors have obtained important case-progressing orders from the U.S. Court, including orders approving the Stalking Horse Bid subject to higher or better bids, approving bidding procedures and establishing March 12, 2021 as the bid deadline and auction date in the bankruptcy sale process, and approving debtor-in-possession financing

(“**DIP Financing**”) from Newmark, through its subsidiary Digiotech (in such capacity, the “**DIP Lender**”).

10. In light of the ongoing Chapter 11 Cases, the pressure on Knotel’s finances, and in order to make the Canadian assets available to bidders in the Chapter 11 Cases, the shareholder of Knotel Canada determined it was appropriate for Knotel Canada to become a debtor in the Chapter 11 Cases and to seek recognition of such proceedings in Canada. On March 8, 2021, Knotel Canada filed a voluntary petition for relief with the U.S. Court and filed motions seeking that certain of the U.S. Court’s prior orders in the Chapter 11 Cases also apply to Knotel Canada going forward.

11. Knotel’s operations and assets in Canada are limited, consisting mainly of leases of real property in Toronto, Ontario (the “**Knotel Canada Leases**”) with Knotel Canada as tenant. Knotel’s Canadian operations and assets are not significant in the context of its international business and footprint and the Canadian business relies entirely on operations and decision-makers in New York City and San Francisco for all key functions, including accounting, finance, treasury, and legal functions. Recognition of the Chapter 11 Cases will avoid multiple main proceedings in different jurisdictions. This will give Knotel the opportunity to complete a comprehensive sale of its business, including the materials leases in Canada, if applicable, and allow the core business to emerge and execute on its post-pandemic business plan.

12. My declaration on behalf of the Original Debtors (“**U.S. First Day Declaration**”) in the Chapter 11 Cases is attached hereto as **Exhibit “A”** without exhibits. The U.S. First Day Declaration provides a comprehensive overview of the Knotel Group and the events leading up to the commencement of the Chapter 11 Cases. This affidavit provides more information on the Canadian Filing Entities (and in particular, Knotel Canada), including an overview of Knotel’s Canadian operations, organizational structure, and goals for the CCAA proceedings.

13. I am not aware of any foreign insolvency proceedings involving the Canadian Filing Entities other than the Chapter 11 Cases.

14. Copies of the Chapter 11 petitions for the Canadian Filing Entities (being Knotel Parent and Knotel Canada) are attached as **Exhibits “B”** and **“C”** hereto. Knotel Canada is not seeking to recognize the proceedings of the remaining 213 Debtors at this time, but the petitions are available on the claims agent’s website at the following link:
<https://cases.omniagentsolutions.com/kotel>

II. COMPANY AND BUSINESS OVERVIEW

A. Knotel’s Business

15. Knotel provides workspace in 15 markets and employs approximately 210 people worldwide. Its customer base includes Fortune 500 and Global 200 companies. Its primary areas of service in the United States are the New York City and San Francisco areas.

16. In Canada, Knotel Canada has entered into leases for office space in the financial district and the King West area in Toronto, Ontario. Knotel Canada (and in one instance, Knotel Inc.) has entered into contacts with customers to provide flexible, efficient, and fully-managed workspace arrangements in a dedicated, non-shared environment.

B. Corporate Structure

17. Knotel Parent is a Delaware corporation and is the corporate parent of the Knotel Group. An organizational chart of the Knotel Group prepared in conjunction with the Chapter 11 Cases is attached as **Exhibit “D”** hereto. Knotel’s international affiliates other than Knotel Canada are not debtors in the Chapter 11 Cases.

III. DEBT STRUCTURE AND PRINCIPAL SECURED AND UNSECURED CREDITORS

A. Knotel Parent's Indebtedness

18. Knotel Parent is an obligor of the below indebtedness and, in the cases of the Bridge Bank Loan and the TPC Loan (each as defined below), has granted security therefor. Knotel Canada, however, is not an obligor, nor has it granted security under, any of the below indebtedness. The below indebtedness has no direct nexus to creditors in Canada.

19. The U.S. First Day Declaration provides a detailed description of the Original Debtors' primary secured and unsecured indebtedness, which as at the Petition Date included the following:

- (a) a senior revolving credit facility (the "**Bridge Bank Facility**") currently held by Digiatech by way of assignment with a revolving line of up to US\$30,000,000 and a per annum interest rate equal to 16.5%. As at the Petition Date, the outstanding balance was approximately US\$18,550,000, plus US\$2,000,000 in cash-collateralized letters of credit. With limited exceptions, this facility is secured by a perfected first-priority lien on all of the Original Debtors' personal property;
- (b) a junior revolving credit facility (the "**TPC Loan**") currently held by Digiatech by way of assignment with a revolving line of up to US\$50,000,000 initially, with two further conditional tranches of availability of up to US\$25,000,000 each. The per annum interest rate is equal to 6.0% plus the greater of either 5.25% or the prime rate. As of the Petition Date, the outstanding principal indebtedness under the TPC Loan was US\$50,000,000. The TPC Loan is junior to the Bridge Bank Facility and is secured by substantially all of the Original Debtors' assets including all personal property;

- (c) Unsecured notes issued in November 2019 in the amount of US\$9,559,424 (the “**2019 Convertible Notes**”) with a per annum interest rate equal to 4%. All outstanding principal and accrued interest remains outstanding and shall be subject to conversion on demand made to Knotel Parent on or after June 30, 2021;
 - (d) Unsecured notes issued in July 2020 in the amount of US\$20,461,714 (the “**2020 Convertible Notes**”) with a per annum interest rate equal to 4%. All principal and accrued interest remains outstanding and shall be due and payable on demand made to Knotel Parent by the lender at any time, as the maturity date was December 31, 2020; and
 - (e) Indebtedness pursuant to an unsecured, forgivable Paycheck Protection Program loan (the “**PPP Loan**”), provided to Knotel Parent by the U.S. Small Business Administration and the Coronavirus Aid, Relief, and Economic Security Act under a note dated April 10, 2020. The original principal amount of the PPP Loan was US\$7,157,612, with interest accruing at a per annum rate equal to 0.98%.
20. In Canada, Knotel Parent’s most significant liabilities are:
- (a) limited indemnity obligations granted to the landlords under the Knotel Canada Leases, which are discussed in more depth below;
 - (b) unpaid invoices to an independent contractor located in Toronto, Ontario, who provides services for Knotel’s operations inside and outside of Canada and the professional employer organization that employs one individual in Canada. Knotel Parent intends to deal with these amounts in accordance with the U.S. Court’s order governing wages.

B. Knotel Canada's Liabilities

21. Knotel Canada's liabilities generally consist of (a) secured and unsecured intercompany indebtedness owing to Knotel Parent for funds advanced to support Knotel Canada's operations, (b) obligations to landlords under the Knotel Canada Leases, and (c) certain ordinary course trade indebtedness. Each of these categories is discussed below.

C. Knotel Canada's Intercompany Indebtedness

22. Having no external bank or bond debt obligations of its own, Knotel Canada has historically been funded by Knotel Parent through intercompany transfers. On a weekly basis, Knotel Parent determines the cash need of the foreign subsidiaries, including Knotel Canada. During the Chapter 11 Cases, Knotel Parent has only funded approved disbursements under the DIP Financing. As of February 28, 2021, the total unsecured amount outstanding from Knotel Canada to Knotel Parent was US\$2,636,430.90.

23. On March 2, 2021, Knotel Canada issued a demand promissory grid note (the "**Promissory Note**") in favour of Knotel Parent, pursuant to which Knotel Canada promised to pay on demand to Knotel Parent all principal and accrued and unpaid interest due and payable to Knotel Parent in connection with advances made to Knotel Canada under the Promissory Note.

24. To secure Knotel Canada's obligations to Knotel Parent under the Promissory Note, on March 2, 2021, Knotel Canada executed a general security agreement (the "**GSA**") in favour of Knotel Parent, pursuant to which Knotel Canada granted Knotel Parent a security interest in all of its present and after-acquired personal property, assets and undertaking, and proceeds thereof.

25. As of the date of this affidavit, Knotel Canada has borrowed an aggregate of approximately CDN\$281,000 from Knotel Parent under the Promissory Note.

26. The funds provided to Knotel Canada from Knotel Parent were advanced under the DIP Financing approved by the U.S. Court. That DIP Financing permits advances to Knotel Canada with certain limitations.

D. Knotel Canada Leases

27. Until recently, Knotel Canada was a party to six leases of real property located in downtown Toronto. Prior to the commencement of Knotel Canada's Chapter 11 Case, the landlords in respect of two of the Knotel Canada Leases delivered termination notices, and the landlords of two other properties delivered notices of default. The locations and key information regarding all six of the Knotel Canada Leases are set out below.

Location	Landlord	Limited Indemnity from Knotel Parent	Status
121 King Street West, Suite 400, Toronto, Ontario	121 King Street West Ltd.	Yes	Landlord sent a default notice demanding the payment of alleged arrears of \$209,830.48 by no later than March 10, 2021
15 Toronto Street, Suites 700 and 1100, Toronto, Ontario	15 Toronto Holdings Limited	Yes	Landlord sent termination notice on January 31, 2021 (the Petition Date)
215 Spadina Avenue, Toronto, Ontario	Crestpoint Real Estate (215 Spadina) Inc.	Yes	Landlord sent a default notice demanding the payment of alleged arrears of \$236,902.44 by no later than March 14, 2021
220 King Street West, Suites 400 and 500, Toronto, Ontario	220 KSW Inc.	Yes	
345 Adelaide Street West, Toronto, Ontario	Kalber Developments Incorporated and Super Jewellers Inc. (c.o.b. as Kasol Investments)	Yes	

720 King Street West, Suite 820, Toronto, Ontario	2095891 Ontario Inc.	Yes	Landlord sent termination notice on February 25, 2021
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28. The Canadian Filing Entities did not contest the termination notices received and the leases for 15 Toronto Street and 720 King Street were therefore terminated by the landlords pre-filing.

29. In connection with the Stalking Horse Bid, Digiotech may be interested in acquiring Knotel Canada's interest in certain of the active Knotel Canada Leases. The procedures relating to any lease transfers will be dealt with in accordance with the sale of Knotel's business either to Digiotech pursuant to the Stalking Horse Bid or to a different purchaser in the auction, at a date to be determined.

30. As of February 28, 2021, the Canadian Filing Entities estimate that they have unpaid rent obligations of approximately US\$1.7 million.

31. The Canadian Filing Entities are named as defendants in an action before the Ontario Superior Court of Justice commenced in December 2020 by the landlord of the 720 King Street West property in Toronto in respect of unpaid rent.

E. Trade Debt

32. In the ordinary course of its business, Knotel Canada incurs trade debt with vendors such as contractors who renovate or modify leased space, suppliers and other service providers such as caterers. Knotel Canada estimates this liability at approximately US\$1.3 million.

F. PPSA Searches

33. I am advised by Kieran May of Cassels Brock & Blackwell LLP ("**Cassels**"), Canadian counsel to the Canadian Filing Entities, and do verily believe that lien searches were conducted

on or about March 3, 2021 against Knotel Canada under the *Personal Property Security Act* in Ontario, where Knotel Canada operates, and British Columbia, which is Knotel Canada's jurisdiction of formation (the "**PPSA Searches**"). Cassels has provided me with copies of the PPSA Searches, which are attached hereto as **Exhibits "E"** and **"F"**.

34. The Ontario PPSA Search and the British Columbia PPSA Search for Knotel Canada each disclose a single registration in favour of Knotel Parent, made in connection with the Promissory Note and GSA granted by Knotel Canada to Knotel Parent. There are no other parties with personal property security registrations against Knotel Canada.

G. Tax Indebtedness

35. The Canadian Filing Entities are operating with a significantly reduced financial and accounting staff. The parties previously responsible for Canadian tax filings are no longer with Knotel and I therefore do not currently have complete information regarding Knotel Canada's tax position. Knotel Canada is continuing to gather information in this regard. In light of Knotel Canada's significant loss position, I do not expect that any corporate income taxes are owing.

36. I also understand that Knotel and Digiatech intend to amend the existing Stalking Horse Agreement to ensure that the purchaser will have responsibility for outstanding tax obligations in Canada.

IV. CANADIAN PRESENCE

A. Knotel Canada, Inc.

37. Knotel Canada is a *British Columbia Business Corporations Act* corporation formed on April 23, 2019, with an extra-provincial registration in Ontario made on the same date. Its registered office is in Vancouver, British Columbia. Copies of a British Columbia company

summary and Ontario corporate profile report for Knotel Canada dated March 2, 2021 are attached hereto as **Exhibits “G”** and **“H”**.

38. Knotel Canada owns the shares of 1206005 B.C. Ltd. (“**120 B.C. Ltd.**”), another *British Columbia Business Corporations Act* corporation formed on April 23, 2019. 120 B.C. Ltd. is a dormant entity with no assets or liabilities. 120 B.C. Ltd. is not a Canadian Filing Entity or a Debtor in the Chapter 11 Cases.

B. Integration of Canadian Operations with U.S.

39. Knotel Canada entered the Canadian market in 2019, executing its first lease for space at 345 Adelaide Street West in July 2019. As described above, Knotel Canada is the lessee under the Knotel Canada Leases, which form the crux of Knotel’s operations in Canada. The remaining Knotel Canada Leases were all executed during the second half of 2019, when Knotel was continuing its expansion into new markets – Canada included. Certain large enterprises (including multinational companies) became Knotel customers, signing agreements to occupy Knotel workspaces in Toronto and enjoy Knotel’s platform.

40. Knotel Canada does not employ any employees or independent contractors. Knotel Parent contracts with Globalization Partners, an unaffiliated professional employer organization, to employ and manage individuals – currently one – who provide services to Knotel Canada. Knotel Parent has also contracted with a single Toronto, Ontario-based independent contractor to provide services to Knotel Parent and the Knotel business, including customer and related support functions.

41. Knotel Canada’s operations are small, in terms of both relative financial and operational scope vis-à-vis Knotel’s consolidated business operations. As of January 2021, the assets of Knotel Canada represented approximately 3% of the value of the Knotel Group. Prior to the

rejection of leases through the Chapter 11 Cases and the downsizing activities taken over the past year, Knotel Canada represented an even smaller proportion of the total enterprise.

42. Knotel operates as a consolidated business and all executive management and senior management decision-making for the broader corporate group, including Knotel Canada, is centralized in New York City and San Francisco. Having no employees of its own, Knotel Canada is entirely reliant upon Knotel Parent and the Knotel Group's New York City and San Francisco-based management team to fulfil all key management functions including accounting, finance, treasury, legal, and other executive-level functions. All of the senior executives of the Canadian Filing Entities, including those of Knotel Canada, are located in the United States, and none are located in Canada. The directors of Knotel Canada are both located in the United States, and such individuals are also directors or officers of Knotel Parent. Board meetings, books and records, minute books, and key decisions for Knotel Canada are held at or made in the United States.

43. Knotel Canada has historically been funded by cash transfers from Knotel Parent, based on its cash needs as determined by Knotel Parent personnel in New York and San Francisco.

C. Financial Position of Knotel Canada

44. Knotel's finance and accounting team based in the United States prepares financial statements that report the financial position and results of Knotel Canada. Attached as **Exhibit "I"** is an unaudited, internally prepared balance sheet of Knotel Canada dated February 28, 2021. Historically, separate audited financials have not been prepared for Knotel Canada.

45. As of February 2021, Knotel Canada had total assets of with an unaudited book value of approximately \$15.3 million and liabilities of approximately \$19.7 million.

D. Canadian Cash Management System

46. Knotel Canada has only one bank account that is used for payments to landlords and suppliers and also to deposit payments from customers. The bank account is at JPMorgan and its controlled entirely by Knotel Parent personnel in the United States. There are no Canada based signatories on the Canadian account.

V. THE NEED FOR CHAPTER 11 AND CCAA RELIEF SOUGHT

47. The Debtors commenced the Chapter 11 Cases to achieve a going concern sale of their core business for the benefit of stakeholders.

48. Before the bankruptcy filing, the Debtors operated a growth-stage business that had significantly expanded its operations in 2019, including entering new markets in Ireland, the Netherlands, France, Brazil, Japan, and India. In that year, Knotel made significant investments into properties with future revenue-generating potential, closing rounds of equity financing in September and December of 2019 and anticipating a further round of financing to support expansion. However, the pandemic disrupted access to additional financing and Knotel's business plans generally, resulting in what became a significant liquidity crisis. Widespread adoption of work-from-home policies (either voluntary or government-mandated) caused demand for workspace to decline significantly. Knotel experienced lower than expected occupancy rates and, in response to reduced demand, had to cut pricing for new sales and renewals, in turn negatively impacting EBITDA and cash flow. As overall economic activity contracted, the willingness and ability of existing customers to pay fees in a timely manner was reduced, which also had a significant negative impact on its financial position.

49. To address these financial difficulties, prior to the Petition Date, Knotel took various actions to improve sales and operating performance and to reduce costs. The details of these efforts are provided in greater detail in the U.S. First Day Declaration but included significant

employee headcount reductions and sustained efforts to raise new capital. Unfortunately, the pandemic's duration and severe impact on Knotel's liquidity proved to be overwhelming, outweighing several of the positive steps Knotel was able to achieve to modify its business and obligations.

50. During 2020, Knotel also began to review various restructuring options, including potential filings under the Bankruptcy Code. However, fortunately, Knotel was able to negotiate a brief forbearance of its debt obligations and develop a going concern asset sale transaction with Digiatech, who purchased the Bridge Bank Facility and TPC Loan and entered into a loan modification. The Sale Transaction, which remains subject to higher and better bids and final approval by the U.S. Court, contemplates a US\$70 million purchase price for a going-concern sale of the Debtors' business. The U.S. Court has ordered that March 12, 2021 is the deadline for qualified bidders to submit competing bids and proceed to an auction. The U.S. Court hearing to approve a sale transaction is scheduled for March 18, 2021.

51. Knotel is presently operating with a scaled-down workforce, which is sufficient to preserve the value of the business as the bankruptcy process progresses and the Debtors prepare to complete a sale transaction. Knotel believes that conducting an open and competitive marketing process in the context of the Chapter 11 Cases represents the best strategy to maximize the value of the Knotel business for stakeholders and to capitalize on anticipated post-pandemic opportunities.

52. As Knotel Canada is substantially intertwined with the Knotel Group and is wholly dependant upon Knotel Parent for funding and all of its key functions (without which it cannot operate independently), it is appropriate that Knotel Canada participate in this organizational restructuring effort being pursued through the Chapter 11 Cases.

A. Interim Order

53. Knotel Canada is seeking an interim order to provide for a Canadian court order (in addition to the stay created by the Bankruptcy Code) staying proceedings until it returns before this Court to seek an Initial Recognition Order (Foreign Main Proceeding) (the “**Initial Order**”) and a Supplemental Order (Foreign Main Proceeding) (the “**Supplemental Order**”) pursuant to Part IV of the CCAA.

54. The filing of Knotel Canada under the Bankruptcy Code is effected by electronic filing with the U.S. Court which results in the imposition of an automatic stay in favour of Knotel Canada in the Chapter 11 Cases. Knotel Canada will then appear before the U.S. Court at a later date to request relief pursuant to the first day orders, including the appointment of Knotel Canada as the Foreign Representative of the Debtors. I understand that the motion to appoint the Foreign Representative will be filed with the U.S. Court no later than March 9, 2021.

55. The purpose of this interim stay of proceedings is to account for the gap in time between the imposition of an automatic stay in favour of Knotel Canada in the Chapter 11 Cases, which became effective when that entity filed a voluntary Bankruptcy Code petition on March 8, 2021, and the time when Knotel Canada, having been appointed by the U.S. Court as Foreign Representative, is able to return to this Court to seek the relief available in an Initial Order and Supplemental Order pursuant to Part IV of the CCAA. It is not anticipated that the formal order recognizing Knotel Canada as the Foreign Representative will be issued by the U.S. Court until March 11, 2021 at the earliest. Knotel Canada has received two notices of default that require payment of rent within the next week. An interim order granting a stay of proceedings is necessary to safeguard Knotel’s assets and operations in Canada in this interim period and preserve its ability to restructure in concert with the Chapter 11 Cases.

B. Recognition of Foreign Main Proceedings

56. As indicated in paragraphs 39 through 42 herein, the centre of main interest for each of the Canadian Filing Entities is the United States.

57. Knotel Canada has its centre of main interest in the United States, including because:

- (a) its operating mind and management are in all respects located in the United States. All corporate decision making is made by Knotel Parent and other persons in the United States, principally from Knotel's offices in the United States;
- (b) its directors are located in the United States and are also directors or officers of Knotel Parent;
- (c) all leasing and contracting activities are performed by senior management and employees operating in New York City and San Francisco, along with all accounting, finance, personnel, treasury, and other key functions;
- (d) all authorized signatories for the bank accounts reside in the United States;
- (e) Knotel Canada has no employees;
- (f) Knotel Canada does not have separate audited financial statements;
- (g) Knotel Canada operates on an integrated basis with Knotel Parent, upon whom it is entirely reliant for funding. Knotel Canada is unable to operate independently from Knotel Parent, who has provided limited indemnities of each of the Knotel Canada Leases;
- (h) Knotel Canada's address for notices under each of the Knotel Canada Leases is specified to be in New York City, making it clear to landlords that leasing issues will be addressed by decision-makers outside of Canada; and

- (i) other than certain corporate records maintained by counsel in Canada, most books and records of Knotel Canada are situated and maintained in the United States.

58. With respect to Knotel Parent, it is clear that its centre of main interest is the United States, as this entity has no material presence, property or direct business operations in Canada, save for having provided limited indemnities of the Knotel Canada Leases and one customer contract. The registered office of Knotel Parent is 251 Little Falls Drive, Wilmington, Delaware.

59. Knotel Canada believes that a recognition order, including a stay of proceedings affecting all Canadian creditors of the Canadian Filing Entities, will support Knotel's goals in the Chapter 11 Cases. I believe that the position of these creditors will neither be materially impaired by the recognition of the U.S. bankruptcy proceeding, nor by the imposition of the stay of proceedings, nor by permitting Knotel Canada to continue operations during the pendency of its CCAA proceeding.

C. Appointment of an Information Officer, Administration Charge, and Notice

60. As part of the restructuring process, Alvarez & Marsal, as proposed Information Officer, will report to the Court from time to time on the status of the Chapter 11 Cases and these proceedings.

61. Alvarez & Marsal is a licensed insolvency trustee, well-known for its expertise in CCAA matters (including cross-border plenary and ancillary proceedings under the CCAA) and has consented to act as Information Officer in this proceeding.

62. The Canadian Filing Entities propose to grant their legal counsel, Cassels, the proposed Information Officer, and its legal counsel an administration charge with respect to their fees and disbursements in the maximum amount of CDN\$200,000 (the "**Administration Charge**") on the Canadian Filing Entities' property in Canada, and have paid a retainer to Cassels in the amount

of CDN\$50,000, a retainer to the proposed Information Officer in the amount of CDN\$25,000, and for counsel to the proposed Information Officer in the amount of CDN\$25,000. Approval of the Administration Charge and appointment of professionals by this Court is appropriate because the professionals will be providing services in respect of these proceedings before this Court. I believe the amount of the Administration Charge to be reasonable in the circumstances, having regard to the size and complexity of these proceedings and the roles that will be required of the Canadian Filing Entities' legal counsel, the proposed Information Officer, and its legal counsel.

63. The initial hearing of this application will be brought on notice to the proposed Information Officer. If the initial relief sought is granted, a wider scope of notice is intended with regards to the hearing to recognize the Chapter 11 Cases as a foreign main proceeding and grant related orders at that time, including notice to the applicable landlords, Canada Revenue Agency (through the Department of Justice), and the Ontario Ministry of Finance (through its legal branch).

64. The proposed Initial Recognition Order provides that no notice will be required to be published in any newspaper in Canada. Notice of the Chapter 11 Cases has been given with respect to Knotel Parent and will be given with respect to Knotel Canada through notices mandated by the U.S. Court. Both the claims agent in the Chapter 11 Cases and the proposed Information Officer will maintain websites with detailed information regarding the Chapter 11 Cases and these proceedings, respectively. Moreover, given the limited creditor base in Canada, publication notice is unlikely to provide additional benefit commensurate with the cost.

D. Recognition of U.S. Court Orders

65. By operation of the Bankruptcy Code, the Debtors each obtained the benefit of a stay of proceedings upon filing the Bankruptcy Code petitions with the U.S. Court. Recognition of these U.S. Court Orders in Canada is essential to protect the efforts of the Canadian Filing Entities to proceed with the Chapter 11 Cases.

66. The Debtors have obtained several orders from the U.S. Court and will be obtaining additional orders that Knotel Canada desires be recognized in this proceeding. The Canadian Filing Entities are seeking recognition of the following orders which have been granted or are expected to be granted in the next week:

- (a) *Order Approving (i) the Debtors' Entry into the Stalking Horse Agreement and Related Expense Reimbursement, (ii) the Bidding Procedures in Connection with the Sale of All or Substantially All of the Debtors' Assets, (iii) the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (iv) the Form and Manner of Notice of the Sale Hearing, Assumption Procedures, and Auction Results, (v) Dates for an Auction and Sale Hearing, and (vi) Granting Related Relief (Docket I.D.#227), a copy of which is attached hereto as **Exhibit "J"**;*
- (b) *Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees, (ii) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto, and (iii) Granting Related Relief (Docket I.D.#267), a copy of which is attached hereto as **Exhibit "K"**;*
- (c) *Final Order (i) Authorizing Payment of Prepetition Claims of Certain Critical Vendors and (ii) Granting Related Relief (Docket I.D. #279), a copy of which is attached hereto as **Exhibit "L"**;*
- (d) *Final Order (i) Prohibiting Utility Providers From Altering, Refusing or Discontinuing Utility Services, (ii) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance, (iii) Establishing Procedures to Resolve Requests for Additional Assurance and (iv) Granting Related Relief (Docket I.D. #280), a copy of which is attached hereto as **Exhibit "M"**;*
- (e) *Final Order (i) Authorizing Continued Use of Cash Management System, (ii) Authorizing Use of Prepetition Bank Accounts, Account Control Agreements, and Payment Methods, (iii) Authorizing Use of Existing Business Forms, (iv) Authorizing Continuation of Ordinary Course Intercompany Transactions, (v) Granting Administrative Priority to Postpetition Intercompany Claims, and (vi)*

Extending Time to Comply With the Requirements of 11 U.S.C. § 345(b) (Docket I.D. #281), a copy of which is attached hereto as **Exhibit “N”**;

(f) *Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Wages, Benefits and Other Compensation Obligations, (ii) Authorizing Financial Institutions to Honor All Obligations Related Thereto, and (iii) Granting Related Relief* (Docket I.D. #282), a copy of which is attached hereto as **Exhibit “O”**;

(g) *Final Order Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, (C) Renew, Revise, Extend, Supplement, Change or Enter Into New Insurance Coverage As Needed In Their Business Judgment and (D) Continue to Honor Insurance Premium Finance Obligations* (Docket I.D. #283), a copy of which is attached hereto as **Exhibit “P”**;

67. I understand that the Debtors will be filing two additional motions with the U.S. Court before the hearing on this Motion. The Debtors will be filing (i) a motion to appoint Knotel Canada as the Foreign Representative (as described above) and (ii) a motion to make certain orders granted in the U.S. Court applicable to Knotel Canada. I understand that the motions and orders will be provided to this Court as soon as they are available.

68. Although the Original Debtors have obtained a final order (the “**U.S. DIP Order**”), *inter alia*, approving their entry into the DIP Financing with Digiatech as DIP Lender, the Canadian Filing Entities are not seeking recognition of the U.S. DIP Order in Canada at this time.

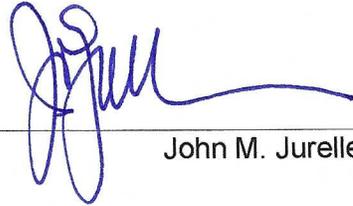
69. I believe the relief set out herein and in the proposed orders is necessary for the protection of the Canadian Filing Entities' property and the interests of creditors of the Canadian Filing Entities and the Knotel Group.

SWORN BEFORE ME by video conference by John M. Jureller at the City of Scarsdale in the State of New York, before me at the City of Toronto in the Province of Ontario on March 8, 2021 in accordance with O. Reg. 431/20, Administering Oath of Declaration Remotely.



A commissioner for Taking Affidavits
(or as may be)

Kieran May
LSO# 79672P



John M. Jureller

This is Exhibit "A" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re:) Chapter 11
)
KNOTEL, INC., *et. al.*¹) Case No. 21-____ (____)
)
Debtors.) (Joint Administration Requested)
)
)

**DECLARATION OF JOHN M. JURELLER
IN SUPPORT OF FIRST DAY RELIEF**

I, John M. Jureller, hereby declare under penalty of perjury:

1. I am the Chief Financial Officer of Debtor Knotel, Inc., a Delaware corporation (collectively with each of the above-captioned debtors and debtors in possession, the “Debtors” and, together with their non-Debtor affiliates, “Knotel” or the “Company”). I have served as the CFO of Knotel, Inc. since March 2, 2020. As CFO, I lead all finance, accounting, corporate development, financial planning and analysis, strategic planning, and tax functions. As part of Knotel’s executive leadership team, I partner with other senior leaders, providing review and input on key business and strategic matters. Additionally, I participate in meetings with Knotel’s board of directors. Prior to joining Knotel, I have served in a broad variety of senior financial executive roles, including as the chief financial officer for Frontier Communications, Inc., Westpoint International, Inc., and Trans-Resources, Inc. and as finance director for PepsiCo World Trading, Inc. I have been a senior member of the operating resources group at General

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

Atlantic LLC, and within the turnaround and restructuring group at AlixPartners. My professional career began in 1982 with Bankers Trust Company (acquired by Deutsche Bank) and GE Capital. Moreover, I have served on numerous boards of directors across multiple industries. In addition to my current position at Knotel, I am currently a member of the board of directors and executive committee at White Plains Hospital in White Plains, NY, where I also chair the finance committee, and am a member of the board of directors of American Renal Associates Holdings, Inc. (NYSE: ARA) and chair the audit committee. I hold a bachelor's degree in finance and an MBA in finance, both from Cornell University, Ithaca, NY (awarded in 1981 and 1982, respectively). In connection with my duties for the Debtors, I am familiar with the Debtors' day-to-day operations, business affairs, and books and records.

2. On the date hereof (the "Petition Date"), the Debtors commenced their respective bankruptcy cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court").

3. The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for the appointment of a creditor's committee, chapter 11 trustee, or examiner has been made in these chapter 11 cases, and none have been appointed. As set forth below, the Debtors have filed a motion seeking joint administration of the chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

4. Founded in 2015, Knotel is a market leader in the dedicated flexible workspace industry and focuses on enterprise customers. At the beginning of 2020, Knotel had over 4.0 million square feet of leased workspace under management, over 300 customers

contracted for workspace, and expanded operations in various major business centers in the U.S., U.K., E.U., Asia, and South America, including New York City, San Francisco, Paris, London, Berlin, Amsterdam, and Dublin. But with the onset of the COVID-19 pandemic, beginning in early 2020 Knotel's historical growth rate was halted. The COVID-19 pandemic has severely disrupted the Debtors' business plans and operations, as certain customers' business plans were materially adversely impacted, resulting in terminations of existing contracts, requests for reduced monthly service rates, a reduction in historical renewal rates, and termination of executed contracts with pending delivery dates. Further, since the onset of the pandemic, the widespread adoption of work-from-home policies caused demand for workspace to decline significantly. Finally, certain existing customers have had difficulty making timely payments due to the overall decline in their business. In total, the disruption in customer business to generate anticipated revenue has resulted in a materially adverse impact on the company's cash flow to support ongoing obligations, particularly those obligations pursuant to existing real estate leases that was to serve as supply for both existing customers and to meet the anticipated demand by new customers. Over the past year, Knotel engaged in multiple efforts to raise capital and improve liquidity, reduce unprofitable locations, cut costs through reductions in its workforce, and weather the unprecedented shift in demand for workspace solutions in the marketplace.

5. Although Knotel had been hopeful to achieve an out-of-court solution to its deteriorating liquidity position, unfortunately, the unexpected length of the pandemic severely impacted the availability of alternative financing that could have allowed Knotel to weather the decline in revenues due to COVID-19 disruptions to its business model. Knotel engaged Moelis & Co. in November 2020 to serve as its investment banker and restructuring advisor, and to assist the Debtors in their evaluation and pursuit of strategic opportunities.

6. Beginning at the end of December 2020, an existing preferred stockholder, Digiatech, LLC (“Digiatech”), a subsidiary of global full service real estate services firm Newmark Group Inc. (“Newmark”), purchased both the first lien and second lien secured debt, negotiated a financing package to both provide immediate emergency interim financing and debtor-in-possession financing, and further committed to be the stalking horse bidder to enable a timely section 363 sale and acquisition of the Company as a going concern. The emergency pre-bankruptcy financing enabled Knotel to avoid liquidation, stem customer losses, preserve jobs and maximize value for creditors. Similarly, Digiatech’s stalking horse bid preserves jobs, serves a core group of customers, and benefits landlords and contract counterparties whose contracts will be assumed by the buyer. The Debtors expect a sale will be followed by liquidation of the estate, such as through a conversion to chapter 7 or structured dismissal, but will require that any sale assume or otherwise provide payment of all allowed administrative expenses of these chapter 11 cases.

7. The Debtors anticipate using the breathing space afforded by the bankruptcy process to adequately market and monetize their assets. The Debtors believe that conducting an open and competitive marketing process in the context of these chapter 11 cases represents the best strategy to maximize the value of the Debtors’ business for stakeholders. Furthermore, the Debtors expect that an expedited sale process will allow the Debtors to capitalize on anticipated post-pandemic opportunities including if companies bring their employees back to the office and seek more flexible, efficient, and fully-managed workspace arrangements in a dedicated, non-shared environment. An expedited sales process will maximize value by restructuring the Debtors’ business operations and reducing the significant losses the Debtors have incurred since the pandemic.

8. It is critical that the sale be conducted on the expedited basis detailed in the Bidding Procedures Motion (as defined below), which has been filed contemporaneously with this Declaration. The Debtors are operating at a significant deficit and have been able to maintain operations and value as a going-concern only by securing immediate interim financing and debtor-in-possession financing from Newmark, through its subsidiary Digiatech (the “DIP Lender” or “Prepetition Lender” as applicable). The Debtors heavily negotiated the terms of this financing, which is designed to sustain the Debtors’ operations and scaled-down workforce, until a value maximizing sale can be consummated. The Bidding Procedures Motion contemplates a bid deadline of February 28, at 4:00 p.m., prevailing Eastern Time, and the Debtors project that financing will be fully exhausted within six weeks from the Petition Date. It is thus crucial that the Debtors conduct a sale within the expedited timetable indicated on **Exhibit B** (the “Proposed Sale Timeline”). Otherwise the value of the Debtors as a going-concern will be jeopardized because the Debtors will not have sufficient liquidity to continue operating.

9. To enable the Debtors to minimize any adverse effects of the commencement of these chapter 11 cases on their businesses, the Debtors intend to request various types of relief in certain “first day” applications and motions (collectively, the “First Day Motions”). The First Day Motions seek, among other things, to: (a) maintain employee morale and confidence; (b) preserve customer relationships; (c) ensure the continuation of the Debtor’s cash management system and other business operations without interruption; and (d) establish certain other administrative procedures to promote a smooth transition into chapter 11 and value-maximizing sale process. Gaining and maintaining the support of the Debtors’ employees, customers, and other key constituencies, as well as maintaining the day-to-day operations of the Debtors’ business with minimal disruption, will be critical to the Debtor’s efforts during these chapter 11 cases.

10. I submit this Declaration in support of the First Day Motions. Any capitalized terms not expressly defined herein have the meanings set forth in the applicable motion or application. Except as otherwise indicated, all statements in this Declaration are based upon my personal knowledge, my review of relevant documents, my opinion based upon my experience and knowledge of the Debtors' operations and financial condition and/or information provided to me by the Debtors' employees. If I were called upon to testify, I could and would testify to each of the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

11. Part I of this Declaration provides background information regarding the Debtors. Part II details the Debtors' corporate structure. Part III summarizes the Debtors' principal indebtedness. Part IV summarizes the Debtors' principal assets. Part V explains certain of the material events that led the Debtors to seek protection under chapter 11 of the Bankruptcy Code. Part VI sets forth the goals of these chapter 11 cases. Part VII sets forth the relevant facts in support of the First Day Motions.

I. BACKGROUND REGARDING THE DEBTORS

A. Overview of the Debtors' Business

12. Knotel is a New York City-based flexible workspace provider in 20 global markets. The Debtors employ approximately 110 people. Knotel's customer base includes Fortune 500 and Global 200 companies.

13. Knotel workspaces are strategically designed to empower teams and enhance productivity. Knotel's three-step "Match, Tailor, Manage" process transforms the workspace from a fixed asset to a competitive advantage: (1) Knotel uses its global portfolio to match businesses with prestigious owners around the world, meeting their unique and complex workspace needs in a timely fashion; (2) Knotel tailors holistic workspace offerings at the intersection of workflows

and brand identity to design spaces that meet and respond their customers' needs; and (3) Knotel offers dedicated space management services that evolve as and when their customers' need change.

14. From the outset, Knotel's approach has focused on capital-efficiency on buildout and operations. Knotel has become more asset-light as property owners have doubled the proportion of portfolio with revenue-sharing management agreements since 2019.

15. The Debtors provide flexible workspace in the United States, primarily in the New York City and San Francisco areas. The non-Debtor affiliates provide flexible workspace outside of the U.S. The non-Debtor affiliates operate separately from the Debtors and are not obligors under the Debtors' secured debt facilities, but certain non-Debtors require funds from Knotel, Inc. to meet cash needs. Foreign non-Debtor affiliates are critical to the value of the Debtors operations. The foreign non-Debtor affiliates, relative to their U.S. counterparts, have held up better during the COVID-19 pandemic, and it is important to maintain the foreign non-Debtor operations to preserve the Debtors' value. The projected cash needs of the non-Debtors during the pendency of these chapter 11 cases are included in the DIP Budget as intercompany expenses, and the pledged ownership interests in the non-Debtor subsidiaries are included as acquired assets in the sale under the terms of the Stalking Horse Agreement.

B. The Debtors' Goals

16. Knotel seeks to sell on an expedited basis its core business to better position itself in the post-pandemic market for flexible workspace. Knotel expects many global enterprises will continue reevaluating existing office lease portfolios in favor of new workspace solutions that increase flexibility, decrease office inefficiencies, and meet their service and design needs while still offering space control for safety and sanitation. Landlords, for their part, are unlikely to be able to change their business model due to market fragmentation, mortgages that limit their ability

to provide flexible terms, and a lack of experience servicing large enterprises. Knotel hopes that high vacancy and lower rental rates will drive landlords to seek management deals or other forms of partnership with Knotel. Knotel has the expertise, infrastructure, and established reputation to meet the needs of large enterprises, and its partnership with landlords will allow Knotel to rapidly expand market share and transform the flexible workspace industry. The Company's goal in these cases is to preserve the value of the business, and related jobs, to allow the company to proceed and pursue its business model in some capacity as a going concern.

II. THE DEBTORS' CORPORATE STRUCTURE

17. Lead Debtor Knotel, Inc. is a Delaware corporation that is the parent of the remaining Debtors, which are divided into two groups: the Knotel New York subsidiaries are single-member, member-managed New York limited liability companies that are direct wholly-owned subsidiaries of Knotel, Inc., and the Knotel non-New York subsidiaries are single-member, member-managed Delaware limited liability companies that are direct wholly-owned subsidiaries of Knotel, Inc. Attached hereto as **Exhibit A** is a copy of the Debtors' organizational chart (the "Corporate Structure Chart").

18. In general, the Debtors have historically employed an OpCo/PropCo structure pursuant to which a Debtor PropCo LLC (wholly owned by OpCo Debtor Knotel, Inc.) will lease space from a landlord, and OpCo Debtor Knotel, Inc. will provide a limited guaranty to the landlord with regard to this lease. OpCo Debtor Knotel, Inc. will then enter into contracts with customers for workspace and services, and OpCo Debtor Knotel, Inc. will enter into separate contracts with vendors to provide space-related services to Debtor PropCo LLCs.

III. THE DEBTORS' PRINCIPAL INDEBTEDNESS

19. The most significant sources of the Debtors' secured and unsecured

indebtedness are identified and described below.²

A. Senior Credit Facility – The Bridge Bank Loan

i. Previous Terms

20. The Debtors are borrowers under that certain Amended and Restated Loan and Security Agreement, dated as of February 15, 2019 (as amended, restated, supplemented, and/or modified from time to time, the “Bridge Bank Loan”) with original lender Western Alliance Bank (Bridge Bank is a division of Western Alliance Bank). The Bridge Bank Loan is a revolving credit facility with a revolving line of up to \$30 million and a current per annum interest rate equal to 16.5%.³ As of January 31, 2021, the outstanding balance on the Bridge Bank Loan was approximately \$18.55 million of debt, plus \$2.4 million of cash-collateralized letters of credit. With limited exceptions as described in the applicable loan documents,⁴ the Bridge Bank Loan is secured by a perfected first priority lien on all personal property of the Debtors, including all accounts receivable, intellectual property, deposit accounts, and furniture, fixtures, and equipment (“FF&E”).

ii. Default, Forbearance, and Modification Agreement

21. Lender Western Alliance Bank declared the Debtors to be in default under

² In addition to the sources of indebtedness described in this section, there are also other sources of indebtedness described in the First Day Motions listed in Section VII, such as indebtedness related to the Debtors’ employee payroll and benefit obligations, as well as other debt accruals.

³ Prior to the Seventh Amendment (defined herein), the per annum interest rate was 6.0% plus the greater of either 5.25% or the prime rate.

⁴ For example, assets of the borrower Debtors that remained unencumbered by the Bridge Bank Loan included real property such as leases, and, to the extent that the inclusion of more than 65% of certain equity interests in Knotel’s foreign subsidiaries, created, as of the date of the grant of the pledge of equity interests, a present and adverse tax consequence to Borrower under the U.S. Internal Revenue Code, that did not exist prior to the inclusion of the equity interests as Collateral, the equity interests in such foreign subsidiary which shall be included as Collateral is limited to 65% of such equity interests.

the Bridge Bank Loan as of November 17, 2020. Pursuant to a forbearance agreement dated as of December 4, 2020, Western Alliance Bank agreed to forbear from the exercise of certain rights and remedies as a result of such defaults from the period of December 4, 2020 through December 31, 2020. On December 30, 2020, Western Alliance Bank sold and assigned all of its right, title, and interest in and to the Bridge Bank Loan to Digiotech. Digiotech is a subsidiary of Newmark, a minority shareholder of Knotel, Inc. Thereafter, Digiotech subsequently purchased the Debtors' junior credit facility, defined below as the TPC Loan. After the forbearance period expired, the Debtors remained in default, and the Debtors and Digiotech entered into that certain Loan Security Agreement Modification Agreement (Seventh Amendment to Amended and Restated Loan and Security Agreement) dated January 11, 2021 (the "Seventh Amendment").

22. Pursuant to the Seventh Amendment, Digiotech extended additional advances to the Debtors in the amount of \$9 million, subject to budget reporting requirements and restrictions on the use of cash collateral. Of this amount, \$4.9 million was budgeted to fund working capital and other general corporate expenses. The remaining \$4.1 million was used to cover the following expenses:

- A real estate consulting fee of \$1 million to be paid to Newmark & Company Real Estate, Inc., a leading commercial real estate services firm that provides commercial real estate consulting services to the Debtors, including evaluation of the Debtors' office portfolio, customer contracts, business needs, and go-forward plan;
- Payment of \$829,952.00, plus interest, in outstanding receivables to the applicable affiliates of Newmark;
- A forbearance fee in the amount of \$180,000.00;

- Interest in the amount of \$111,000.00 as of the Seventh Amendment’s closing date, together with interest in the approximate amount of \$450,000.00 due and payable under the Bridge Bank Loan, and all additional interest which has accrued or shall accrue on the Bridge Bank Loan on a monthly basis;
- An advance fee of \$400,000.00; and
- A late fee of 5% on all outstanding obligations, or approximately \$625,000.00.

23. The Debtors believe that the additional liquidity and the consulting services provided by Newmark & Company Real Estate are necessary for the Debtors to maximize the value of their business in a sale. The Debtors need to adjust their business model as a result of the pandemic and Newmark & Company Real Estate’s expertise would be helpful to the success of the Debtors’ post-pandemic business model.

24. On January 19, 2021, the borrowers and Digiatech entered into that certain Loan Security Agreement Modification Agreement (Eighth Amendment to Amended and Restated Loan and Security Agreement) (the “Eighth Amendment”). Under the terms of the Eighth Amendment, Newmark agreed to advance \$3,255,000 and permit the payment of amounts for the January 2021 payroll. Of this amount, \$3.1 million was advanced to fund working capital and other corporate expenses, and Digiatech was paid an advance fee of \$155,000.

B. Junior Credit Facility – The TPC Loan

25. Debtor Knotel, Inc. and its subsidiary Debtors are borrowers under that certain Plain English Growth Capital Loan and Security Agreement, dated as of February 27, 2019 (as amended, restated, supplemented, and/or modified from time to time, referred to herein as the “TPC Loan”), with lender and collateral agent TriplePoint Venture Growth BDC Corp. and lender TriplePoint Capital LLC. The TPC Loan is a revolving credit facility with a revolving line of up

to \$50 million initially, with an additional \$25 million of availability if certain conditions are met and a further \$25 million of availability if certain additional conditions are met. The per annum interest rate is equal to 6.0% plus the greater of either 5.25% or the prime rate. As of the Petition Date, the outstanding principal balance on the TPC Loan was \$50 million. The TPC Loan is junior to the Bridge Bank Loan and is secured by substantially all of the Debtors' assets including all personal property of the Debtors, including accounts receivable, intellectual property, deposit accounts, and FF&E.

26. On about January 10, 2021, the Debtors received notice that Newmark, through its subsidiary Digiatech, purchased the TPC Loan.

B. Unsecured 2019 and 2020 Convertible Notes

27. Pursuant to that certain Note Purchase Agreement dated November 15, 2019, Debtor Knotel, Inc. issued \$9,559,424 of unsecured notes (the "2019 Convertible Notes") with a per annum interest rate equal to 4%. All such outstanding principal and accrued interest remains outstanding and shall be subject to conversion on demand made to Debtor Knotel, Inc. on or after June 30, 2021. All such outstanding notes are subordinate to the Bridge Bank Loan and the TPC Loan.

28. Pursuant to that certain Note Purchase Agreement dated July 29, 2020, Debtor Knotel, Inc. issued \$20,461,714 in unsecured notes (the "2020 Convertible Notes") with a per annum interest rate equal to 4%. All principal and accrued interest remains outstanding and shall be due and payable on demand made to Debtor Knotel, Inc. by the lender at any time, as the maturity date applicable thereto was December 31, 2020. All such outstanding notes are subordinate to the Bridge Bank Loan and the TPC Loan.

C. Unsecured, Forgivable PPP Loan

29. Debtor Knotel, Inc. incurred indebtedness to JPMorgan Chase Bank, N.A. in connection with an unsecured, forgivable Paycheck Protection Program loan (the “PPP Loan”), provided by the U.S. Small Business Administration and the Coronavirus Aid, Relief, and Economic Security Act, pursuant to that certain Note dated April 10, 2020. The original principal amount of the PPP Loan was \$7,157,612.00. The PPP Loan has a per annum interest rate equal to 0.98%. Debtor Knotel, Inc. currently owes approximately \$7.2 million.

IV. DEBTORS’ PRINCIPAL ASSETS

30. The Debtors’ principal assets consist of their rights under their respective real property leases, their FF&E, equity in foreign non-Debtor subsidiaries, and their rights to receive payment pursuant to their customer agreements.

V. EVENTS LEADING TO THE CHAPTER 11 FILING

A. The Debtors’ Declining Financial Performance

31. The Debtors operate a growth-stage business that significantly expanded its operations in 2019. In 2019, the Debtors’ made significant investments into properties with future revenue-generating potential, closing rounds of equity financing in September and December of 2019 and anticipating another round of financing to support the business’s expansion. However, in early 2020, the COVID-19 pandemic disrupted access to additional financing and the Debtors’ business plan.

32. The Debtors have incurred operating and net losses and experienced negative operating cash flows for the past several years and, accordingly, have previously taken a number of actions to continue to support their operations and meet their obligations. During 2019, the Debtors completed various financing transactions including the closing of the Series C preferred

stock financing round for approximately \$130 million in September of 2019 along with an additional \$50 million in December of 2019 and the execution of loan agreements of approximately \$80 million in borrowings and letters of credit. These transactions allowed the Debtors to significantly build out their operations and infrastructure during 2019, increasing their leased properties by over 150%, customer contracts by over 200%, revenue by 275% and expanding operations into Ireland, the Netherlands, France, Brazil, Japan, and India.

33. Due in large part to the Debtors' expansion and high volume of capital expenditures required to prepare new leased properties for customer use, the Debtors invested a significant amount of their funding during 2019 into properties with future revenue-generating potential. The damper placed on the revenue-generating potential of these properties by the COVID-19 pandemic has severely disrupted the Debtors' business plans and operations, imposing a significant liquidity crisis. Widespread adoption of work-from-home policies (either voluntary or government-mandated) caused demand for workspace to decline significantly. The Debtors have experienced lower occupancy rates than were anticipated, and, in response to reduced demand, the Debtors had to cut pricing for new sales and renewals, which, in turn, had a negative impact on EBITDA and cash flow. As the overall economy contracted, the willingness and ability of existing customers to timely pay fees was reduced, and this also had a significant negative impact on the Debtors' financial position.

B. The Debtors' Efforts to Improve Performance

34. To address these financial difficulties, prior to the Petition Date, the Debtors took various actions to improve sales and operating performance, and to reduce expenses. During the first quarter of 2020, the Board of Directors approved a plan to increase efficiency and streamline the Debtors' cost structure through headcount reductions of approximately 34% (with

additional headcount reductions later in the year), payroll reductions for a number of remaining employees, and by limiting investment on acquisition of new real-estate agreements. The Debtors attempted to negotiate forbearances, temporary accommodations, and, in some instances, permanent modifications or terminations to various leases so that they might better reflect market rents during the pandemic. While some of these negotiations were successful, these successes have been outweighed by the duration of the pandemic and its severe negative impact on the Debtors' liquidity. Due primarily to COVID-19, revenues in the fourth quarter of 2020 were approximately 20 percent lower than in the first quarter of 2020. Throughout 2020, the company undertook significant efforts to raise additional debt and equity capital to support its business. However, due to the Company's business conditions and the substantial and ongoing adverse business impact of the COVID-19 pandemic, the Company has not been successful in completing a transaction for new capital. During this time, the Debtors also began to review various restructuring options, including potential filings under either Chapter 7 or Chapter 11. However, as noted above, the Debtors were able to negotiate a brief forbearance, and Digiotech came forth as an investor who is willing to buy the Debtors' core assets and preserve the Debtors' business. Digiotech purchased the Debtors' first and second lien secured debt and entered into a loan modification with the Debtors, as described above. The Debtors are presently operating with a scaled-down workforce, but sufficient to preserve the remaining value of the business as the Debtors prepare for the sale and market their assets to other potential bidders.

VI. GOALS OF THE CHAPTER 11 CASES

35. The Debtors commenced their chapter 11 cases to facilitate the sale of their business in an expedited manner, in order to better position that business in the post-pandemic market for flexible workspace. The Debtors believe that conducting an open and competitive

marketing process in the context of these chapter 11 cases represents the best strategy to maximize the value of the Debtors' business for stakeholders and to capitalize on anticipated post-pandemic opportunities including if companies bring their employees back to the office and seek more flexible and efficient office arrangements with a greater focus on safety and sanitation.

36. The First Day Motions described in the following section are designed to facilitate these goals and to enable the Debtors to minimize any adverse effects of the commencement of these chapter 11 cases on their business.

VII. FIRST DAY MOTIONS

37. An important element to the success of the Debtors' chapter 11 cases is approval of each of the Debtors' requests for First Day Motions submitted concurrently herewith. Generally, the First Day Motions have been designed to facilitate: (a) continuing the Debtors' operations in chapter 11 with as little disruption and loss of productivity as possible; (b) maintaining the confidence and support of employees, customers, vendors, suppliers and certain other key constituencies; and (c) establishing procedures for the smooth and efficient administration of these cases.

38. The following First Day Motions are sought to be heard at the "first day" hearing in these chapter 11 cases:

- DIP Motion – *Debtors' Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507, (I) Authorizing the Debtors to Obtain Secured Priming Post-Petition Financing, (II) Granting Liens and Superpriority Administrative Expense Claim, (III) Authorizing the Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling Final Hearing, and (VII) Granting Related Relief*
- Cash Management Motion – *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Continued Use of Cash Management System, (II) Authorizing Use of Prepetition Bank Accounts, Account Control Agreements, and Payment Methods, (III) Authorizing Use of Existing Business Forms, (IV) Authorizing Continuation of Ordinary Course Intercompany Transactions, (V) Granting Administrative Priority to*

Postpetition Intercompany claims, (VI) Extending Time to Comply with the Requirements of 11 U.S.C. § 345(b), (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief

- Employee Wages & Benefits Motion – Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Wages, Benefits, and Other Compensation Obligations, (II) Authorizing Financial Institutions to Honor All Obligations Related Thereto, and (III) Granting Related Relief
- Taxes Motion – Debtors’ Motion for Entry of Interim and Final Orders Authorizing, But Not Directing, the Debtors to Pay Certain Prepetition Taxes and Fees, (II) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto, and (III) Granting Related Relief
- Insurance Motion – Debtors’ Motion Pursuant to Sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy rules 6003 and 6004(h) for Interim and Final Orders Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, (C) Renew, Revise, Extend, Supplement, Change, or Enter into New Insurance Coverage and Insurance Premium Financing as Needed in their Business Judgment and (D) Continue to Honor Insurance Premium Financing Obligations
- Utilities Motion – Debtors’ Motion for Entry of Interim and Final Orders (I) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services, (II) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance (III) Establishing Procedures to Resolve Requests for Additional Assurance and (IV) Granting Related Relief
- Critical Vendors Motion – Debtors’ Motion for Interim and Final Orders (I) Authorizing Payment of Prepetition Claims of Certain Critical Vendors Pursuant to 11 U.S.C. §§ 105(a), 363(b), 364, 503(b)(9), 507(a), 1107(a) and 1108 and Fed. R. Bankr. P. 6003 and 6004; and (II) Granting Related Relief
- Joint Administration Motion – Debtors’ Motion for Entry of an Order Directing Joint Administration of Chapter 11 Cases
- Motion re: Consolidated List of Creditors and Consolidated List of Top 30 Unsecured Creditors – Debtors’ Motion for Entry of an Order Authorizing the Debtors to (I) File (A) a Consolidated List of Creditors and (B) a Consolidated List of Debtors Top Thirty Creditors, (II) Provide Notices, Including Notices of Commencement of Cases and Section 341 Meeting, and (III) Granting Related Relief
- Application to Retain Claims and Noticing Agent – Debtors’ Application for an Order Appointing Omni Agent Solutions as Claims and Noticing Agent for the Debtors Nunc Pro Tunc to the Petition Date

39. In addition to the First Day Motions, and as a result of the exigencies

prompting the filing of the Debtors' chapter 11 cases, the Debtors have also filed the following motions (the "Additional Motions" and together with the First Day Motions, the "Motions"):

- Bidding Procedures Motion & Motion to Shorten – *Debtors' Motion For Entry Of An Order Approving (I)(A) The Debtors' Entry Into Stalking Horse Agreement And Related Bid Protections, (B) The Bidding Procedures In Connection With The Sale Of Substantially All Of The Debtors' Assets, (C) The Procedures For The Assumption And Assignment Of Executory Contracts And Unexpired Leases, (D) The Form And Manner Of Notice Of The Sale Hearing, Assumption Procedures, And Auction Results, And (E) Dates For An Auction And Sale Hearing; (II)(A) The Sale Of Substantially All Of The Debtors' Assets Free And Clear Of All Claims, Liens, Liabilities, Rights, Interests, And Encumbrances And (B) The Debtors' Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases; And (III) Granting Related Relief; and Debtors' Motion for Entry of an Order Shortening Notice of Hearing on the Debtors' Motion to Approve Bidding Procedures for the Sale of the Debtors' Assets*
- Lease Rejection Motions – (1) *Debtors' First Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases Nunc Pro Tunc to the Petition Date, (II) Abandon Any Personal property that Remains at the Lease Premises, and (III) Granting Related Relief; (2) Debtors' Second Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases Nunc Pro Tunc to the Petition Date, (II) Abandon Any Personal property that Remains at the Lease Premises, and (III) Granting Related Relief; (3) Debtors' Third Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases Nunc Pro Tunc to the Petition Date, (II) Abandon Any Personal property that Remains at the Lease Premises, and (III) Granting Related Relief*

40. I have reviewed each of the Motions, including the exhibits and schedules attached thereto, and, to the best of my knowledge, information supplied to me by other members of Debtors' management, from my review of relevant documents, or upon my opinion based upon my experience, discussions with the Debtors' professional advisors, and knowledge of the Debtors' operations and financial condition, I believe the relief sought in the Motions is necessary for the Debtors to effectuate a smooth transition into chapter 11 bankruptcy and to avoid immediate and irreparable harm to their businesses and estates, and is in the best interests of the Debtors' creditors, estates, and other stakeholders. If I were called upon to testify, I could and would, based on the foregoing, testify competently to the facts set forth in each of the Motions.

41. Several of the First Day Motions request authority to pay certain prepetition claims. I am told by the Debtors' advisors that rule 6003 of the Federal Rules of Bankruptcy Procedure provides, in relevant part, that the Court will not consider motions to pay prepetition claims during the first 21 days following the filing of a chapter 11 petition, "except to the extent relief is necessary to avoid immediate and irreparable harm." In light of this requirement, the Debtors have limited their requests for immediate authority to pay prepetition claims to those circumstances where the failure to pay would cause immediate and irreparable harm to the Debtors and their estates.

42. The Additional Motions request relief that is critical to preserving and maximizing the Debtors' value and liquidity by providing the Debtors with the time and ability to pursue a sale process. I believe that without the Additional Motions, the Debtors will not be able to prosecute these cases and preserve value for all stakeholders.

43. Below is a brief discussion of the substantive Motions and an explanation of why, in my belief, the respective relief they are seeking is critical to the successful prosecution of these chapter 11 cases. More detailed descriptions of the bases for the relief requested in each Motion can be found in the relevant Motion.

A. DIP Motion

44. The Debtors have determined that they will need debtor-in-possession financing in order to operate during the marketing and sale process, and Digiatech has agreed to provide such financing. In the DIP Motion, the Debtors seek entry of an interim order (the "Interim Order") and a final order (the "Final Order," and together with the Interim Order, the "DIP Orders") approving the Debtors' entry into the DIP Facility, consisting of a senior secured superpriority debtor-in-possession credit facility with an aggregate principal amount of \$40.8

million. The DIP Facility includes an upfront fee in an amount equal to 3.0% of the aggregate principal amounts of the new money DIP commitments, structured as original issue discount against the new money DIP loans. Of the \$40.8 million DIP Facility, \$20.4 million consists of a fully committed, new money multi-draw term loan, and the remainder consists of \$20.4 million of prepetition obligations under the Prepetition First Lien Secured Debt which will be “rolled-up” and refinanced into the DIP Facility. The DIP Facility will mature upon the earliest of (i) three (3) months following the Closing Date, (ii) the date of consummation of any sale of all or substantially all of the assets comprising the Debtors’ estates pursuant to section 363 of the Bankruptcy Code, and (iii) the date of acceleration of the DIP Loans and the termination of the DIP Facility upon the occurrence of an Event of Default. The DIP Facility will bear interest at a rate equal to 12% per annum to be paid at the Maturity Date. The interest will accrue on the principal balance of the DIP Loan based on a 360-day year and charged for the actual number of days outstanding. The proposed order seeking approval of the DIP Facility also reflects an agreement between and among the Debtors and the DIP Lender thereunder regarding the consensual use of cash collateral and the terms of adequate protection to be provided to such parties.

45. The Debtors are seeking authority as part of the proposed Interim Order to draw on the DIP Facility to fund disbursements in accordance with the budget. I believe that fully funding the DIP Facility at this stage is critical to the Debtors’ success in these chapter 11 cases because it should provide a clear path from commencement through the sale process, and should give confidence to employees, the Debtors’ valued customers, vendors, and other key relationships that the Debtors have sufficient liquidity to pursue a sale process to maximize value for all stakeholders.

46. Furthermore, the Debtors secured the DIP Facility after extensive

negotiations with Digiatech and after it became clear that these terms were the best available. I believe there is significant value to the Debtors to having a commitment from Digiatech to provide the DIP Facility, and the Debtors have negotiated the terms of the DIP Facility to allow access to the funds needed to proceed through a chapter 11 sale process. The current public health concerns and volatile capital market have only made the need for financial stability during the chapter 11 sale process all the more critical. There is significant value to the Debtors having the funds under the DIP Facility available at the outset of these chapter 11 cases to use in accordance with the Budget. I believe that the relief requested reduces the business risks associated with the duration of these chapter 11 cases and supports the Debtors' efforts to maximize value for all stakeholders through a 363 sale process.

47. I also believe that the adequate protection package proposed in the DIP Motion for Digiatech as the prepetition secured lender, which is a product of extensive arms-length negotiations, is fair and reasonable under the circumstances, and is in the best interests of the Debtors, their estates, and all parties in interest. I am informed that the proposed adequate assurance is consistent with that typically approved in chapter 11 cases in this district.

B. Bidding Procedures Motion & Motion to Shorten

48. The Debtors seek to sell assets during these chapter 11 cases via an auction with a stalking horse bidder. The Debtors Bidding Procedures Motion will seek approval of the Debtors' proposed bidding procedures; the designation of Digiatech, a subsidiary of Newmark, as the stalking horse bidder; the approval of the designation of Digiatech's bid as the stalking horse bid; and the approval of reasonable and customary bid protections for Digiatech's stalking horse bid.

49. As set forth in greater detail in the Bidding Procedures Motion, Digiatech's

stalking horse bid for substantially all of the Debtors' assets will be composed of (i) a credit bid, pursuant to section 363(k) of the Bankruptcy Code, in an amount equal to \$70,000,000 subject to adjustments; and (ii) the assumption of certain liabilities.

50. The proposed bid protections consist of a break-up fee equal to \$2,100,000 (*i.e.*, 3% of \$70,000,000) and an expense reimbursement of up to \$500,000 of reasonable and documented out-of-pocket expenses. Given the Debtors' need to maximize the value of their assets through a timely and efficient marketing and sale process, I believe the Debtors ability to hold an auction, designate the Digiatech bid as the Stalking Horse Bid, and offer the bid protections set forth in the Bidding Procedures Motion to be justified, appropriate, and essential.

51. Per the proposed bid procedures, subsequent bids at the auction would be required to exceed the stalking horse bid, the maximum amount of the bid protections, and a minimum bid increment of \$500,000 (or such other amount as the Debtors may determine, which amount may be higher or lower than \$500,000) of additional value. Bids seeking to acquire only the Debtors' U.S. assets or only the Debtors' foreign assets, as opposed to all of the Debtor's assets, must have a value that in the Debtors' reasonable business judgment, either independently or in conjunction with one or more other bids, exceeds the value that would be realized for such individual asset or combination of assets pursuant to the stalking horse bid.

52. Pursuant to the proposed bidding procedures, bidders would be required to submit a cash deposit equal to 7.5% of the aggregate value of the cash and non-cash consideration of the bid, with such deposits to be held in a segregated account established by the Debtors. Bidders would also be required to show evidence of their capacity to consummate the sale transaction via cash on hand or committed financing, and each bid must constitute a good faith, bona fide offer to purchase the assets set forth in such bid. In addition, each bid must identify an

initial schedule of executory contracts and unexpired leases to be assumed and assigned to the potential bidder in connection with the sale, as well as which of the Debtors' employee or groups thereof will be offered employment with the potential bidder. Additional bid requirements, along with proposed deadlines, proposed hearing dates, and the proposed auction date, are set forth in the Bidding Procedures Motion.

53. The Debtors' liquidity is rapidly dissipating and thus the Debtors have filed a motion to set the Bidding Procedures Motion on shortened notice. I believe that shortened notice is essential to preserving and minimizing the cash burn while the Debtors seek a sale pursuant to the bidding procedures described above and set forth more fully in the Bidding Procedures Motion. I believe that without approval of the bidding procedures on shortened notice, the Debtors will not have enough cash to sustain a lengthy sale process. Thus, the Debtors seek to have the Bidding Procedures Motion heard on shortened notice to preserve and maximize value for all stakeholders.

54. Therefore, I believe that given the Debtors' need to maximize the value of their assets through a timely and efficient marketing and sale process, the ability to hold an auction, designate a stalking horse bid, and offer the bid protections set forth in the Bidding Procedures Motion are justified, appropriate, and essential.

C. Cash Management Motion

55. In the ordinary course of business, the Debtors utilize a centralized cash management system (the "Cash Management System") to collect, transfer, manage and disburse funds generated and used in their operations. The Cash Management System is essential to the efficient execution and achievement of the Debtors' business objectives, and to maximizing the value of their estates. As of the Petition Date, the Debtors maintained 14 Bank Accounts at banks that are authorized depositories under the U.S. Trustee Guidelines. Money is transferred among

the Bank Accounts and payments are made from Bank Accounts in a variety of manners, including by checks, drafts, wire transfers, and ACH transfers. On average, the Debtors incur approximately \$3,000 per month in Bank Fees. Additional detail regarding the Cash Management System is provided in the Cash Management Motion.

56. In the Cash Management Motion, the Debtors request authority to continue operating their Cash Management System, to honor and pay associated Bank Fees, and maintain existing Business Forms in the ordinary course of business.

57. I believe, and I am informed, that the Bank Accounts comply with the U.S. Trustee Guidelines. To the extent that the Bank Accounts do not comply with the Bankruptcy Code or the U.S. Trustee Guidelines, the Debtors request a 30 day extension, without prejudice to seek an additional extension, to come into compliance or make such other arrangements.

58. The Debtors also request authority to continue Intercompany Transactions and pay Intercompany Claims incurred in the ordinary course of business.

59. I believe that the relief requested in the Cash Management Motion is necessary and appropriate in order to avoid significant interruptions to the operation of the Debtors' business. I believe that authorizing the Debtors to continue operating their Cash Management System, maintain existing Business Forms, and pay the Bank Fees is essential to the Debtors' operational stability and restructuring efforts. In my opinion, this relief will facilitate the Debtors' operation in chapter 11 by, among other things, avoiding administrative inefficiencies and expenses associated with disrupting this system and minimizing delays in the payment of postpetition obligations, thereby ensuring the efficient administration of these cases, and maximizing the value of the Debtors' estates.

D. Employee Wages & Benefits Motion

60. As of the Petition Date, the Debtors employ approximately 111 Employees and four Independent Contractors. These Employees and Independent Contractors perform a wide variety of functions critical to the administration of these chapter 11 cases and the Debtors' operations generally, being intimately familiar with the Debtors' businesses, processes, and systems, or having developed relationships with counterparties that are essential to the Debtors' business.

61. In the ordinary course of business, the Debtors pay most Employees twice per month, on the fifteenth day and the last day of each month. On average each month, the Debtors will pay approximately \$2 million in base wages and salary plus an average of approximately \$13,652 in commissions. The Debtors estimate that approximately \$0 in gross prepetition wages and salaries are owed to Employees (collectively, the "Unpaid Employee Wages"). Pursuant to the Employee Wages & Benefits Motion, the Debtors seek authorization, but not direction, to pay and honor or reissue in the ordinary course of business the Unpaid Employee Wages and to continue to honor Employee wages after the Petition Date in the ordinary course.

62. The Debtors estimate that approximately \$0 in total prepetition commissions are owed to a group of seven Employees (collectively, the "Unpaid Sales Commissions"). Pursuant to the Employee Wages & Benefits Motion, the Debtors seek authorization, but not direction, to pay in the ordinary course of business the Unpaid Sales Commissions.

63. The Debtors do not believe that any Employee is owed more than \$13,650 in Unpaid Employee Wages and Unpaid Sales Commissions.

64. I believe that the Employees and Independent Contractors possess the

institutional knowledge, experience, and skills necessary to support the Debtors' business operations during these chapter 11 cases.

65. In addition to the compensation obligations, the Debtors also incur other obligations for employee programs, such as bonuses, expense reimbursements, federal and state withholding taxes and other withheld amounts, health and welfare benefits, 401(k) contributions, and access to purchasing cards and programs that the Debtors historically have provided in the ordinary course of business. The programs provided by the Debtors to their Employees, as more fully described in the motion, are referred to herein as the "Employee Programs," and the obligations to the Employees thereunder, as well as compensation owed to Employees and Independent Contractors, are referred to in the motion as the "Employee Obligations."

66. The Debtors' business depends upon reliable and loyal Employees and Independent Contractors. Honoring the Employee Obligations and Employee Programs is essential to ensure such reliability and loyalty. Failing to promptly honor such obligations will create doubt and concern among the Employees and could lead to a significant loss of Employees or Independent Contractors. Significant loss of the Debtors' workforce at this critical time would immediately and irreparably harm the Debtors' ability to maintain operations to the detriment of all parties. Therefore, I believe that the relief sought in the Employee Wages Motion is necessary to keep the Debtors' existing workforce intact in order to maximize the value of the bankruptcy estates for the benefit of all stakeholders.

E. Tax Motion

67. The Debtors have filed a motion (the "Tax Motion") seeking entry of interim and final orders, authorizing the Debtors to, among other things, pay certain prepetition taxes, assessments, fees, and other charges in the ordinary course of business in an aggregate amount not

to exceed \$20,000.00 on an interim basis and \$435,000.00 on a final basis.

68. In the ordinary course of business, the Debtors collect, withhold, and incur an assortment of Taxes and Fees that they remit periodically to various federal, state, and local taxing, licensing, regulatory, and other governmental authorities. The Taxes and Fees include (a) Sales and Use Taxes, (b) Corporate Income Taxes, (c) Franchise Taxes, and (d) Business Fees (each as defined and described below).

69. I am informed that Certain Taxes and Fees attributable to the prepetition period have not yet become due or remain outstanding as of the Petition Date. I believe that it is imperative that the Debtors pay the Taxes and Fees as they come due to effectively navigate the Chapter 11 process. I am informed that an estimated amount of approximately \$379,567.00 of Taxes and Fees will become due after the Petition Date, none of which will become due and payable in the ordinary course of business within the first 21 days of these chapter 11 cases (the “Interim Period”). Although the Debtors do not expect any Taxes and Fees will become due during the Interim Period, the Debtors request authority out of an abundance of caution to pay Taxes and Fees in an amount not to exceed \$20,000.00.

Sales and Use Taxes

70. The Debtors incur various sales, gross receipts, and other similar taxes and use taxes in the ordinary course of business (collectively, the “Sales and Use Taxes”). Specifically, the Debtors collect and remit sales and use taxes to certain Taxing Authorities in connection with the operation of their businesses and the sale of their services. In addition, the Debtors incur use taxes on account of the purchase of various materials and services from vendors who are not registered to collect sales taxes for the state where the property is delivered or the services are provided, or who otherwise fail to collect such taxes. I am informed that the Debtors estimate that

approximately \$106,000.00 of Sales and Use Taxes will become due after the Petition Date, none of which will become due and payable in the ordinary course of business within the Interim Period.

Corporate Income Taxes

71. Certain federal, state and local Taxing Authorities where the Debtors operate require that the Debtors pay income or corporate taxes, including gross receipts taxes (the “Corporate Income Taxes”). Corporate Income Taxes are generally calculated as a percentage of net income, although in certain jurisdictions Corporate Income Taxes are calculated as a percentage of gross receipts. The Debtors generally remit Corporate Income Taxes to the applicable Taxing Authorities on a quarterly basis. I am informed that the Debtors estimate that approximately \$2,000.00 of Corporate Income Taxes will become due after the Petition Date, none of which will become due and payable in the ordinary course of business within the Interim Period.

Franchise Taxes

72. The Debtors are required to pay various state franchise taxes, annual report fees, privilege fees, and business license or permitting fees (collectively, the “Franchise Taxes”) in order to continue conducting their businesses within particular jurisdictions. I am advised that failure to pay the Franchise Taxes could cause the Debtors to lose the ability to conduct their businesses in such jurisdictions. I am informed that the Debtors estimate that approximately \$271,567.00 of Franchise Taxes will become due after the Petition Date, none of which will become due and payable in the ordinary course of business within the Interim Period.

Business Fees

73. In the ordinary course of business, the Debtors are required to pay a variety of regulatory and business license fees that are critical to maintaining the ongoing operations of the Debtors’ business, including corporate fees paid to the applicable Secretaries of State

(collectively, the “Business Fees”). The methods for calculating the Business Fees, and the deadlines for paying such amounts, vary significantly based on the issuing Taxing Authority and the nature of the license or permit. I am informed that the Debtors estimate that approximately \$32,681.00 of Franchise Taxes will become due after the Petition Date, none of which will become due and payable in the ordinary course of business within the Interim Period.

F. Insurance Motion

74. The Debtors have filed a motion (the “Insurance Motion”) requesting entry of interim and final orders authorizing, but not directing, the Debtors to, among other things, (i) maintain existing Insurance Policies (as defined below) and to pay on an uninterrupted basis all premiums, Brokerage Fees (as defined below), Consultant Fees (as defined below), deductibles and administration fees (collectively, the “Insurance Obligations”) arising thereunder or in connection therewith, including any Insurance Obligations for prepetition periods; (ii) renew, revise, extend, supplement, change or enter into new insurance policies or premium financing agreements as needed in their business judgment without further order of the Court; and (iii) continue to honor their Premium Finance Obligations (as defined below).

Insurance Policies

75. In the ordinary course of their business operations, the Debtors maintain insurance policies providing coverage for general, umbrella, property, automobile, directors and officers, foreign package, employed lawyer’s, kidnap and ransom, workers’ compensation, and cyber liability (collectively, the “Insurance Policies”). For the aggregate policy period of November 2, 2019 to November 2, 2022, I am informed that the total annual premiums under the Insurance Policies are approximately \$1,498,296.00. I am further informed that the Debtors do not owe any past-due unpaid premiums as of the Petition Date and do not expect that any amounts

will become due within the first 21 days of these chapter 11 cases. The Insurance Policies, which the Debtors have obtained through third-party insurance carriers (collectively, the “Insurance Carriers”), are listed on Exhibit C attached to the Insurance Motion.

76. I believe that the Insurance Policies are essential to preserving the value of the Debtors’ business, property and assets. I am advised that much of the coverage provided by the Insurance Policies is required by regulations, laws and contracts that govern the Debtors’ commercial activities. I am further advised that section 1112(b)(4)(C) of the Bankruptcy Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal.

77. I believe that it is essential that the Debtors be permitted to maintain the Insurance Policies and pay the Insurance Obligations and Premium Finance Obligations (as defined below) because of the importance of the coverage afforded by the Insurance Policies. Accordingly, the Debtors seek authority, but not direction, to pay all Insurance Obligations and Premium Finance Obligations notwithstanding the fact that such payments could be based, in whole or in part, on prepetition liabilities. If the Insurance Policies were allowed to lapse or the Debtors do not pay the Insurance Obligations or Premium Finance Obligations, the Debtors could be exposed to substantial potential liability for any damages or loss resulting to persons and/or property of the Debtors and others. I believe that it is essential to the continued operation of the Debtors’ businesses and maximizing the value of these estates that Insurance Obligations and Premium Finance Obligations be paid on a timely basis.

78. I further believe that immediate and irreparable harm would result if the relief requested in the Insurance Motion is not granted. As discussed above and in the Insurance Motion, I believe that maintenance of the Insurance Policies is essential for the Debtors to avoid

exposure to substantial potential liability for any damages or loss resulting to persons and/or property of the Debtors and others. Accordingly, I believe that it is essential to the Debtors' estates that the Insurance Obligations be paid on a timely basis.

Workers' Compensation Insurance

79. Included among the Insurance Policies, the Debtors, in the ordinary course of business, maintain workers' compensation coverage (the "Workers' Compensation Insurance") in the applicable jurisdictions in which they operate for claims generally arising from accidents, disability, death, or disease sustained by employees in the course of their employment with the Debtors (the "Workers' Compensation Claims"). The Workers' Compensation Insurance is provided through a policy with Traveler's Property Casualty. I am informed that the annual premium for such policy is approximately \$67,532.00, and the current coverage period is January 1, 2021, through January 1, 2022. I am further informed that, as of the Petition Date, the Debtors do not owe any amounts in past-due unpaid on account of the Workers' Compensation Insurance's premium and that there are no unresolved Workers' Compensation Claims. The Debtors also pay ADP Insurance Services ("ADP") a service fee for the administration of Workers' Compensation Claims. I am advised that the service fee of \$360 is divided into 24 payments made bimonthly along with the Debtors' employees' payroll. I believe that the Debtors are current on all payments of service fees to ADP.

80. I believe that cause exists to modify the automatic stay because staying the workers' compensation claims would have detrimental effect on the financial wellbeing of their employees and employee morale and lead to the departure of certain employees who are critical to the Debtors' business. I believe that such departures could cause a severe disruption in the Debtors' businesses to the detriment of all parties in interest.

Brokerage Fees

81. Alliance Brokerage Corp. (“Alliance”) serves as the Debtors’ insurance broker. Alliance aids the Debtors in negotiations with the Debtors’ insurers and assists the Debtors in pricing and obtaining the insurance coverage necessary to operate their business in a responsible and prudent manner and in accordance with applicable legal requirements, while optimizing pricing and savings in procuring the policies. I believe that it is in the best interests of the Debtors’ creditors and estates to continue their relationship with Alliance.

82. The Debtors pay brokerage fees to Alliance (the “Brokerage Fees”) upon the signing or renewal of certain policies. The Brokerage Fees are bundled into the premium costs for each insurance policy the Debtors maintain, and generally are not paid or identified separately. I am advised that the Debtors do not owe any outstanding amounts of Brokerage Fees as of the Petition Date and do not expect that any will become due within the first 21 days of these chapter 11 cases.

Risk Management and Insurance Consulting Services

83. Fisher Harris Shapiro, Inc. (“FHS”) serves as the Debtors’ real estate risk management and insurance consultant. FHS aids the Debtors in analyzing the appropriate amount and type of insurance for their real property, determining which insurance brokers are the best fit for the Debtors’ needs, and handling administrative insurance requests from the various insurance brokers and carriers. Amongst other things, FHS also provides the Debtors with day-to-day risk management guidance and reviews the Debtors’ insurance requirements for compliance. I believe that it is in the best interests of the Debtors’ creditors and estates to continue their relationship with FHS.

84. The Debtors pay consultant fees to FHS of \$8,500 per month for ordinary

and customary services (the “Customary Consultant Fees”). If the Debtors request FHS to perform services outside of those listed in their agreement with the Debtors, then FHS charges hourly rates for its principals and senior consultants, inclusive of out-of-pocket expenses (the “Specialized Consultant Fees” and, together with the Customary Consultant Fees, the “Consultant Fees”). I am advised that the Debtors do not owe any outstanding amounts of Consultant Fees as of the Petition Date and do not expect that any will become due within the first 21 days of these chapter 11 cases.

Premium Finance Obligations

85. The Debtors entered into a premium financing agreement with Alliance for the Debtors’ directors’ and officers’ policy, covering \$647,898.00 of the annual premium due under the Insurance Policies (the “Premium Finance Agreement”). Under the Premium Finance Agreement, the Debtors were required to and did make a cash down payment of \$162,000.00, and are required to make nine monthly payments of \$54,654.45, with the next payment due on February 2, 2021, and the final payment due on August 2, 2021 (collectively, the “Premium Finance Obligations”), on account of policy premiums and finance charges. I am advised that the Debtors do not owe any amounts in past-due unpaid Premium Finance Obligations.

86. I am advised that, if the Debtors are unable to continue making payments due under the Premium Finance Agreement, then Alliance may assert that it is entitled to terminate the Insurance Policies that are financed through the Premium Finance Agreement. I believe that this would cause significant disruption and distraction and could injure the Debtors’ efforts to preserve and maximize the value of their estates. Furthermore, if Alliance were successful in terminating the Insurance Policies, then the Debtors would be required to obtain replacement insurance on an expedited basis and likely at increased cost to their estates, including through a potential lump sum advance payment of policy premiums that would strain the Debtors’ liquidity.

In light of the importance of maintaining adequate insurance coverage and preserving liquidity by financing insurance premiums, I believe it is in the best interest of the Debtors' estates to receive Court approval to honor their Premium Finance Obligations and, as necessary, renew or enter into new premium financing arrangements.

G. Utilities Motion

87. The Debtors have filed a motion requesting entry of interim and final orders: (i) prohibiting Utility Providers (defined below) from altering, refusing, or discontinuing services or discriminating against the Debtors solely on the basis of the commencement of these cases or that the Debtors did not pay a debt when due prepetition; (ii) determining that the Debtors have provided each of the Utility Providers with "adequate assurance of payment" within the meaning of section 366 of the Bankruptcy Code based on the Debtors establishing a segregated account in the amount of \$29,271.00 which is equal to the Debtors' estimate of two weeks of postpetition Utility Services based on the monthly average described above; (iii) establishing procedures for determining additional adequate assurance of payment, if any, and authorizing the Debtors to provide additional adequate assurance of payment to the Utility Providers; and (iv) granting related relief.

88. In the ordinary course of business, the Debtors obtain telephone, internet, gas, electric, water, waste, and other utility services (the "Utility Services") from several utility providers (collectively, the "Utility Providers"). I am advised that, as of the Petition Date, approximately 18 Utility Providers provide Utility Services to the Debtors at the locations the Debtors intend to maintain during the chapter 11 cases. The Utility Providers include, without limitation, the entities identified on the list attached to the Insurance Motion as Exhibit C.

89. I do not believe that the Debtors can operate their business without Utility

Services. I believe that even a temporary interruption of such services would cause significant disruption to the Debtors' day-to-day operations that could impair the Debtors' goodwill and thereby negatively impact the Debtors' efforts to maximize the value of their estates. Accordingly, I believe that it is critical that the Debtors have uninterrupted Utility Services.

90. In general, the Debtors have established a good payment history with their Utility Providers, making regular, timely payments. Over the past year, I am advised that the Debtors have paid an average of approximately \$62,731.00 per month on account of all Utility Services at the go-forward locations. To the best of my knowledge, there are generally no material defaults or arrearages of any significance with respect to undisputed invoices for the Utility Services provided to the Debtors as of the Petition Date.

91. Based upon the foregoing, I believe that most, if not all, of their Utility Providers have adequate assurance of payment even without recourse to the Adequate Assurance Deposit to be established pursuant to the Utilities Motion. I anticipate that the Debtors will have sufficient resources to pay, and intend to pay, all valid postpetition obligations for Utility Services in a timely manner based on revenues generated from operations and access to cash collateral and postpetition financing. In addition, I believe that the Debtors' reliance on Utility Services for the operation of their businesses and preservation of value of their assets is a powerful incentive to stay current on their obligations.

92. Under the circumstances of these cases, I believe that the establishment of a cash reserve in the form of the Adequate Assurance Deposit in the amount of amount of \$29,271.00, which is equal to the Debtors' estimate of two weeks of postpetition Utility Services based on the monthly average described above, constitutes adequate assurance of payment under section 366(c) of the Bankruptcy Code.

93. For the reasons discussed above, I believe that the Debtors will suffer immediate and irreparable harm if the Court does not enter an interim order granting the Utilities Motion. As described above, any lapse or termination in Utility Services as a result of the Debtors' failure to establish adequate assurance could subject the Debtors to significant disruption in or a potential cessation of operations, reducing their revenues and thereby causing immediate and irreparable harm to the Debtors' estates and, consequently, other interested parties.

H. Omnibus Rejection Motions

94. The Debtors have filed three omnibus motions (the "Omnibus Rejection Motions") respectfully requesting entry orders: (i) authorizing the Debtors to reject executory contracts (the "Specified Contracts"), effective as of the Petition Date, solely to the extent the counterparties to the Specified Contracts are not in material breach of their respective Specified Contract; (ii) authorizing the Debtors to reject unexpired leases (the "Specified Leases", and together with the Specified Contracts, the "Specified Contracts and Leases"), effective as of the Petition Date, (iii) authorizing the Debtors to abandon any personal property of the Debtors, including, but not limited to, furniture, fixtures, and equipment (collectively, the "Personal Property") left at the premises of the Specified Leases, effective as of the Petition Date (the "Abandoned Personal Property"), and (iv) granting related relief.

95. For the reasons set forth in greater detail herein, the Debtors have determined that the filing of the Omnibus Rejection Motions are necessary in order to maintain the liquidity necessary to complete the sale process, the Debtors have identified those executory contracts and unexpired leases that are financially burdensome and/or are no longer necessary to the administration of the Debtors' estates such that they provide no meaningful value to the Debtors or their estates.

96. I believe that, under the circumstances, the rejection of the Specified Contracts and Leases is an appropriate exercise of the Debtors' business judgment that will reduce financial, administrative and other burdens on the Debtors' estates. In order to restructure their business, the Debtors have determined to reduce their workspace footprint by rejecting the Specified Contracts and Leases. I believe that the Specified Contracts and Leases are no longer necessary to the Debtors' business or otherwise in connection with the administration of the Debtors' estates. The Specified Contracts and Leases include agreements that the Debtors have determined are financially burdensome to the Debtors and that appear to have no marketable value that could be generated through assumption and assignment. Accordingly, I believe, and am advised that, that the Debtors' continued performance under the Specified Contracts and Leases would constitute an unnecessary depletion of value of the Debtors' estates.

97. I further believe that rejection of the Specified Contracts and Leases *nunc pro tunc* to the Petition Date is warranted, in part, because the Debtors have stated unequivocally their intention to reject the Specified Contracts and Leases by filing the Omnibus Rejection Motions. Furthermore, to the best of the Debtors' knowledge, the Debtors have given notice to the various landlords party to the Specified Leases and the customers party to Specified Contracts in connection with those locations that (i) the Debtors have vacated and surrendered the leased premises and abandoned Personal Property remaining on the premises and (ii) the landlords should immediately begin efforts to relet the premises to mitigate their damages. The Debtors have also returned the keys for the leased premises to the respective landlords, or are in the processing of doing so.

98. I am advised that the abandonment of any Personal Property is warranted because the Abandoned Personal Property is of inconsequential value or burdensome to the

Debtors' estates to remove. Among other things, the cost of retrieving, marketing, and reselling the Abandoned Personal Property outweighs any recovery that the Debtors and their estates could reasonably hope to attain for such Abandoned Personal Property. Moreover, to my knowledge, the Abandoned Personal Property does not pose a threat to public health or safety. As a result, I believe that the abandonment of the Abandoned Personal Property is a sound exercise of their business judgment, and is necessary, prudent, and in the best interests of the Debtors, their estates, and creditors.

I. Critical Vendors Motion

99. The Debtors have filed a motion seeking entry of interim and final orders: (i) authorizing, but not directing, the Debtors to pay prepetition claims of certain vendors that are critical to the Debtors' ongoing business operations (the "Critical Vendors") in an amount not to exceed \$1.8 million on an interim basis and final basis (the "Critical Vendors Claims Cap"); and (ii) granting related relief.

100. The Debtors are a leading competitor in the cooperative workspace leasing market. The Debtors' focus on maintaining their extensive supplier network so that the Debtors have the ability to respond quickly and effectively to address their customers' demands. This responsiveness requires uninterrupted goods and services from the Debtors' Critical Vendors. Accordingly, based upon my knowledge and experience, the Debtors must be able to assure their customers, employees and vendors that the business will continue to operate at a successful and sustainable level.

Criteria for Selecting Critical Vendors

101. To identify vendors that are essential to the Debtors' business, the Debtors carefully reviewed their vendor and service providers to determine which could satisfy the criteria

of being deemed critical to the Debtors' continued operations. Among other things, the Debtors reviewed their accounts payable and prepetition vendor list to identify any and all creditors who are critical based upon the necessity of the goods or services supplied by the vendor, the likelihood that the vendor would cease to do business with the Debtors or otherwise materially disrupt the Debtors' businesses absent payment, and the ease or possibility of replacing the vendor if necessary.

102. I am confident that this process appropriately identified only those vendors that, if the Debtors failed to pay for the vital goods and services provided prepetition, would likely cease providing necessary goods and services in the future or would impose unworkable terms or conditions, and for which alternatives were are not available or practicable.

103. I believe that the Critical Vendors are essential to the Debtors' operations such that any disruption in the supply of their respective goods or services, even for a short duration, would jeopardize the Debtors' ability to satisfy customer demands and generate revenue. Accordingly, I believe it is necessary to maintain positive business relationships with the Critical Vendors. To assure these business relationships, the Debtors seek the authority to pay, in their in consultation with Digiatech, LLC, the United States Trustee, and any official committee of unsecured creditors appointed in these cases, all or a portion of the prepetition claims owed to the Critical Vendors (the "Critical Vendor Claims") not to exceed the applicable Critical Vendor Claims Cap.

104. At this time, the Debtors have not made a determination as to which Critical Vendor Claims will be necessary to pay. The Debtors require, however, the flexibility to determine which Critical Vendor Claims to pay in whole or part during these chapter 11 cases, and the Critical Vendor Claims Cap represents the Debtors' best estimate as to the aggregate amount that

they may be required to pay to such creditors to continue an uninterrupted supply of critical goods and services and maintain the Debtors' operations. The Debtors may pay less than the requested amount. The Debtors further request that the Court grant the Debtors the authority to allocate the foregoing amounts at the Debtors' discretion without prejudice to seeking additional relief on an emergency basis, and subject to an agreement to receive terms consistent with Customary Trade Terms (as defined herein) from the Critical Vendors.

Proposed Terms and Conditions of Payment of the Critical Vendor Claims

105. To preserve liquidity during the chapter 11 cases and ensure that the Debtors continue to receive vital goods and services, the Debtors propose to condition payment on account of Critical Vendor Claims on such Critical Vendor's agreement that it will continue supplying goods and services to the Debtors on terms that are consistent with the historical trade terms between the parties (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, normal product mix and availability and other applicable terms and programs), which were most favorable to the Debtors and in effect between such Critical Vendor and the Debtors on a historical basis for the period within one hundred eighty (180) days of the Petition Date (the "Customary Trade Terms"). The Debtors, however, reserve the right to negotiate different trade terms with any Critical Vendor, as a condition to paying any Critical Vendor Claim, whether or not memorialized by a Trade Agreement (as defined herein), to the extent the Debtors determine that such trade terms are necessary to procure essential goods or services or are otherwise in the best interests of the Debtors' estates.

106. The Debtors further propose that in the event the Debtors are making a payment pursuant to this Motion, the Debtors may send a letter, in the form, or substantially similar to that, attached to the Critical Vendors Motion as Exhibit C, to the Critical Vendors to which it is making such payment, along with a copy of the order (the "Order") granting this Motion, including,

without limitation the terms set forth more fully in the Critical Vendors Motion. The Debtors further request authority to agree on Customary Trade Terms with Critical Vendors by less formal means, including email correspondence, as set forth in greater detail in the Critical Vendors Motion.

J. Joint Administration Motion

107. The Debtors seek the entry of an order directing joint administration of their chapter 11 cases for procedural purposes, as well as related relief (the “Joint Administration Motion”). The Debtors also request that (a) the Court maintain one file and one docket for the jointly-administered chapter 11 cases under the case number assigned to Knotel, Inc., and (b) these chapter 11 cases be administered under a consolidated caption as described in the Joint Administration Motion.

108. The Debtors are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code, as all of the Debtors are wholly owned direct or indirect subsidiaries of Knotel, Inc.. Many of the motions, hearings, and orders in these chapter 11 cases will affect all of the Debtors.

109. Entry of an order directing joint administration of the Debtors’ chapter 11 cases will avoid duplicative notices, applications and orders, thereby saving the Debtors and parties in interest considerable time and expense, as well as ease the administrative burden on the Court and the parties. The rights of creditors will not be adversely affected because the Joint Administration Motion requests only administrative consolidation of the chapter 11 cases. By aggregating all papers related to the Debtors under the same case caption and docket, creditors and parties in interest will be able to access and review relevant information concerning the Debtors in one place, and will thereby be better able to keep apprised of the matters before this Court.

110. Accordingly, I believe that joint administration of the Debtors' estates is in the best interests of the Debtors, their estates and creditors, and parties in interest.

K. Consolidated Lists Motion

111. The Debtors have filed a motion (the "Consolidated Lists Motion") seeking entry of an order authorizing the Debtors to: authorizing the Debtors to: (i) file (a) a consolidated list of creditors and (b) a consolidated list of the Debtors' thirty (30) largest unsecured creditors who are not insiders; (ii) complete all mailings of notices, including notices of the commencement of these cases and of the meeting of creditors required by section 341 of the Bankruptcy Code; and (iii) granting such other and further relief as the Court deems just and proper.

112. In addition to the reasons set forth in the Consolidated Lists Motion, which I confirm, I believe that permitting the Debtors to maintain a single consolidated list of creditors, in lieu of filing a separate creditor matrix for each Debtor, is warranted. Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be an unnecessarily burdensome task and result in duplicate mailings, especially considering that the Debtors share creditors.

113. For the foregoing reasons, I believe granting the Consolidated Lists Motion is in the best interests of the Debtors, their estates and creditors, and parties in interest.

L. Motion to Appoint Claims and Noticing Agent

114. By the Motion to Appoint Claims and Noticing Agent, the Debtors seek entry of the Order appointing Omni as Claims and Noticing Agent to assume full responsibility for, among other things, the distribution of notices and the maintenance, processing and docketing of proofs of claim filed in the Debtors' Chapter 11 cases.

115. The Debtors anticipate that there will be in excess of 1,500 entities to be

noticed in these Chapter 11 cases. In view of the number of anticipated claimants and the complexity of the Debtors' businesses, the Debtors submit that the appointment of a Claims and Noticing Agent is both necessary and in the best interests of both the Debtors' estates and their creditors. By appointing Omni as the Claims and Noticing Agent in these Chapter 11 cases, the distribution of notices and the processing of claims will be expedited, and the Clerk will be relieved of the administrative burden of processing claims.

116. Accordingly, I respectfully submit that the Debtors' application to retain Omni should be approved.

For the reasons stated herein and in each Motion, I respectfully request that each Motion be granted in its entirety, together with such other and further relief as the Court deems just and proper. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on: January 31, 2021.

/s/ John M. Jureller

By: John M. Jureller
Chief Financial Officer of Knotel, Inc.

This is Exhibit "B" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

Fill in this information to identify the case:

United States Bankruptcy Court for the:

_____ District of Delaware
(State)

Case number (if known): _____ Chapter 11

Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Knotel, Inc.

2. All other names debtor used in the last 8 years _____

Include any assumed names, trade names, and *doing business* as names

3. Debtor's federal Employer Identification Number (EIN) 47-5086469

4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business
	<u>5-9 Union Square West</u>	_____
	Number Street	Number Street
	_____	_____
	<u>New York NY 10003</u>	P.O. Box _____
	City State ZIP Code	City State ZIP Code
	<u>Manhattan</u>	Location of principal assets, if different from principal place of business
	County _____	_____
		Number Street

		City State ZIP Code

5. Debtor's website (URL) www.knotel.com

Debtor Knotel, Inc.
Name

Case number (if known) _____

6. Type of debtor

- Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
- Partnership (excluding LLP)
- Other. Specify: _____

7. Describe debtor's businessA. *Check one:*

- Health Care Business (as defined in 11 U.S.C. § 101(27A))
- Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- Railroad (as defined in 11 U.S.C. § 101(44))
- Stockbroker (as defined in 11 U.S.C. § 101(53A))
- Commodity Broker (as defined in 11 U.S.C. § 101(6))
- Clearing Bank (as defined in 11 U.S.C. § 781(3))
- None of the above

B. *Check all that apply:*

- Tax-exempt entity (as described in 26 U.S.C. § 501)
- Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
- Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.5311**8. Under which chapter of the Bankruptcy Code is the debtor filing?***Check one:*

- Chapter 7
- Chapter 9
- Chapter 11. *Check all that apply:*

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

- The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, and it chooses to proceed under Subchapter V of Chapter 11. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- A plan is being filed with this petition.
- Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11 (Official Form 201A) with this form.
- The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

- Chapter 12

Debtor Knotel, Inc.
Name

Case number (if known) _____

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

No

Yes. District _____ When _____ Case number _____

District _____ When _____ Case number _____

If more than 2 cases, attach a separate list.

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

No

Yes. Debtor See Annex 1. Relationship _____

District _____ When _____

List all cases. If more than 1, attach a separate list.

Case number, if known _____

11. Why is the case filed in this district?

Check all that apply:

Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

No

Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

It needs to be physically secured or protected from the weather.

It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

Other _____

Where is the property?

Number _____ Street _____

City _____ State ZIP Code _____

Is the property insured?

No

Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

Debtor Knotel, Inc.
Name

Case number (if known) _____

13. Debtor's estimation of available funds

Check one:

- Funds will be available for distribution to unsecured creditors.
 After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

- | | | |
|---|--|--|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input checked="" type="checkbox"/> 200-999 | | |

15. Estimated assets

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input checked="" type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input checked="" type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1/31/2021
MM / DD / YYYY

X /s/ John M. Jureller

John M. Jureller

Signature of authorized representative of debtor

Printed name

Title Chief Financial Officer

Debtor Knotel, Inc.
Name

Case number (if known) _____

18. Signature of attorney

X /s/ Robert J. Dehney

Date 1/31/2021

Signature of attorney for debtor

MM / DD / YYYY

Robert J. Dehney
Printed name

Morris, Nichols, Arsht & Tunnell LLP
Firm name

1201 N. Market Street
Number Street

Wilmington DE 19801-1347
City State ZIP Code

(302) 658-9200 rdehney@mnat.com
Contact phone Email address

3578 Delaware
Bar number State

Annex 1**Pending or Current Bankruptcy Cases Filed by Affiliates**

On January 31, 2021, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed a voluntary petition for relief under title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware.

Entity Name	Federal Employer Identification Number (EIN)
Knotel, Inc.	47-5086469
100 Bush St SF LLC	84-2942215
101 Fifth Ave NYC LLC	83-4090224
101 Montgomery St SF LLC	83-2678393
10301 Jefferson Blvd LA LLC	84-2431430
110 W 32nd NYC LLC	83-4343344
1100 Glendon LA LLC	83-3914535
1120 20th St DC LLC	83-3662233
116 W 32nd NYC LLC	83-3682073
12 E 33 St NYC LLC	83-3875535
12121 Bluff Creek LA LLC	83-4131394
12211 Washington LA LLC	83-3080572
125 Fifth Ave NYC LLC	84-1876335
1250 Eye St DC LLC	84-2757981
12555 West Jefferson Way LA LLC	84-2325657
126 Post St SF LLC	83-2775878
129 W 29th NYC LLC	83-4005122
131 Rodeo 102 LA LLC	83-2857167
131 Rodeo 250 LA LLC	83-2889670
13160 Mindanao Way LA LLC	84-2307667
1317 5th St LA LLC	83-4406337
1330 Conn Ave DC LLC	84-3288693
1407 Broadway NYC LLC	83-3054080
142 Berkeley St BOS LLC	84-2681465
1444 Market St SF LLC	84-2272723
146 Geary St SF LLC	84-2242574
152 W 25 NYC LLC	83-3839397
1550 Bryant St SF LLC	83-4314610
1556 20th LA LLC	83-3761760
16 W 36 St NYC LLC	83-3109002
1625 Oly Blvd LA LLC	83-4247066
1640 Sepulveda LA LLC	83-4195317
166 Geary St SF LLC	83-2493115
1720 Eye St DC LLC	84-2730790
1725 Montgomery St SF LLC	84-2166207
19 W 44th NYC LLC	84-2251886
195 Broadway NYC LLC	83-4026670
2 Liberty Sq BOS LLC	84-3509124
22 W 21 ST NYC LLC	83-2717693
2228 Cottner LA LLC	83-3933742
23 W 20th NYC LLC	83-3979493
239 Causeway St Boston LLC	84-2383913
240 W 35th NYC LLC	83-3958480
240 W 40 St NYC LLC	84-3422852

250 Montgomery St LLC	84-2059579
259 W 30TH NYC LLC	83-3458173
26 W 17th St NYC LLC	83-4070508
260 W 39th NYC LLC	83-4156968
275 Battery St SF LLC	83-4277442
28 W 25 NYC LLC	83-3625955
29 W 35th St NYC LLC	83-2583842
295 Madison NYC LLC	84-2201937
30 W 21 St NYC LLC	83-2784719
300 Broadway St SF LLC	84-2179840
300 Montgomery St SF LLC	84-2118694
301 Brannan St SF LLC	84-4011349
303 Second St SF LLC	83-4281264
3137 S La Cienega Blvd LA LLC	83-4578732
320 Lincoln LA LLC	83-3566758
3309 La Cienega Place LA LLC	84-2416819
333 Broadway SF Tenant LLC	84-2089613
350 Sansome St SF LLC	84-2195065
3535 Hayden Ave LA LLC	84-3095720
360 Madison NYC LLC	84-3443372
369 Lexington Ave NYC LLC	83-2814283
390 Broadway NYC LLC	83-3433057
40 Broad St BOS LLC	84-2653293
400 Sutter St SF LLC	83-3349792
405 E 4th Avenue SM LLC	84-2075196
405 Howard Street SF LLC	84-2135179
429 Santa Monica Blvd LA LLC	83-2692522
42Floors LLC	83-3297556
44 E 32nd Street NYC LLC	84-2348777
44 Thomson Pl BOS LLC	84-2389379
447 Broadway NYC LLC	84-2003365
45 W 45 ST NYC LLC	83-2797749
4501 Glencoe Blvd LA LLC	84-3064141
455 Market St SF LLC	83-3470010
456 Montgomery St SF LLC	84-2927577
465 California St SF LLC	84-2228081
5 Bryant Park NYC LLC	83-3392865
50 Osgood Pl SF LLC	84-1998973
505 Howard SF St LLC	84-2475071
545 5th Ave NYC LLC	84-1891165
555 Montgomery St SF LLC	83-2663045
565 Commercial St SF LLC	83-3509276
580 8th Ave NYC LLC	83-2567612
590 Fifth Ave NYC LLC	83-2990113
597 Fifth Ave NYC LLC	83-3010158
6 W 28th NYC LLC	83-4112594
60 Madison NYC LLC	84-2329645
600 Corporate Pointe LA LLC	84-1982713
649 Mission St SF LLC	83-3834760
650 Fifth Ave NYC LLC	83-3413279
71 Stevenson St SF LLC	83-3495366
750 HARRISON ST SF LLC	83-2927076
818 Mission St SF LLC	83-4173973
8590 National Blvd LA LLC	83-4386204
8690 National Blvd LA LLC	83-4400571
875 6th Ave NYC LLC	83-4358710

88 Kearny St SF LLC	83-4620116
901 Market St SF LLC	83-4323218
909 E Street DC LLC	84-3199729
909 Ocean Front Walk LA LLC	84-2371053
91 Fifth Ave NYC LLC	83-3644405
Bush 225 SF LLC	83-3571909
Cortlandt White NYC LLC	83-4217796
Kkoin, LLC	61-1929249
Knotel 1 Whitehall LLC	82-5449153
Knotel 102 Madison LLC	82-4703377
Knotel 105 Madison LLC	83-0596066
Knotel 109 Stevenson LLC	83-2165629
Knotel 11 E 44th LLC	83-2518243
Knotel 110 Greene LLC	83-2396272
Knotel 110 William LLC	83-0925421
Knotel 114 W 26th LLC	37-4045116
Knotel 12 W 21st St LLC	83-1966858
Knotel 12 W 27th St LLC	83-1951596
Knotel 121 2nd Street LLC	83-1188215
Knotel 147 W 24th LLC	82-5085253
Knotel 148 Lafayette LLC	83-1213977
Knotel 150 Post LLC	83-2273916
Knotel 1500 Broadway LLC	84-2140184
Knotel 155 Fifth Ave LLC	83-1026739
Knotel 156 Fifth, LLC	82-5438679
Knotel 16 W 22nd LLC	83-4608517
Knotel 160 Pine LLC	83-1172683
Knotel 17 W 20th LLC	83-0958965
Knotel 180 Howard LLC	83-2212705
Knotel 200 W 41st LLC	30-1000246
Knotel 2080 Addison LLC	83-2200842
Knotel 211 East 43 LLC	83-2552391
Knotel 213 W 35th St LLC	83-1937484
Knotel 220 W 19th St LLC	83-0874568
Knotel 221 Pine LLC	83-2098382
Knotel 224 W 30th LLC	82-4891740
Knotel 229 W 43 LLC	83-2598162
Knotel 25 W 45th LLC	82-5490457
Knotel 250 Hudson LLC	83-0808143
Knotel 250 Hudson ST LLC	83-1202293
Knotel 26 OFarrell LLC	83-2286955
Knotel 26 W 17 LLC	83-1908035
Knotel 261 Madison LLC	82-5519847
Knotel 27 W 23rd ST LLC	83-2625510
Knotel 29 W 17th LLC	82-5035895
Knotel 3 E 28th LLC	32-0551410
Knotel 30 Broad LLC	83-0545218
Knotel 30 West 26th LLC	83-0776440
Knotel 307 Fifth LLC	83-0891088
Knotel 31 W 27th LLC	83-0859757
Knotel 321 11th LLC	83-2147976
Knotel 340 Brannan LLC	83-1778879
Knotel 36 W 14th LLC	83-3032502
Knotel 360 Pas LLC	61-1862846
Knotel 37 W 17th LLC	82-5051571
Knotel 373 Pas LLC	82-2342495

Knotel 38 E 29th LLC	83-0575641
Knotel 399 Lafayette LLC	83-2447613
Knotel 40 EX LLC	82-2303350
Knotel 40 Wooster LLC	82-5015971
Knotel 400 Madison LLC	36-4876101
Knotel 41 USW LLC	35-2614014
Knotel 41 W 25 LLC	83-2537411
Knotel 417 Montgomery LLC	83-1141285
Knotel 419 PAS LLC	30-1004176
Knotel 43 W 24th LLC	82-4557137
Knotel 443 PAS LLC	82-5471284
Knotel 475 Park LLC	36-4875485
Knotel 49 Drumm LLC	83-2228930
Knotel 5 Hanover LLC	83-0824463
Knotel 5-9 USW LLC	37-1866663
Knotel 521 Broadway LLC	30-1015737
Knotel 530 Broadway LLC	83-0840906
Knotel 530 Seventh Avenue LLC	82-5502045
Knotel 54 W 21st LLC	83-0942085
Knotel 54 W 22nd LLC	82-5069685
Knotel 55 W 21St LLC	37-1866349
Knotel 550 Montgomery LLC	83-1152317
Knotel 551 Fifth Ave LLC	36-4876259
Knotel 560 LEXINGTON LLC	61-1853704
Knotel 575 8th Ave LLC	83-2437317
Knotel 580 5th Ave NYC LLC	83-3373638
Knotel 580 Market LLC	83-2255639
Knotel 584 Broadway LLC	37-1874518
Knotel 598 Broadway LLC	61-1855099
Knotel 6 W 48th St LLC	82-4998601
Knotel 600 Townsend LLC	83-1108449
Knotel 61 Broadway LLC	83-1231135
Knotel 611 Mission LLC	83-2246833
Knotel 615 Sacramento LLC	83-2173880
Knotel 625 2nd LLC	83-2646631
Knotel 655 Madison LLC	36-4876782
Knotel 695 AOA LLC	83-0991566
Knotel 701 Sutter LLC	83-2136460
Knotel 72 Madison LLC	35-2607138
Knotel 785 Market LLC	82-2186419
Knotel 80 Eighth Ave LLC	83-0793223
Knotel 814 Mission LLC	83-1118910
Knotel 88 Stevenson LLC	83-2079635
Knotel 90 John LLC	83-0907200
Knotel 900 Broadway LLC	83-1920444
Knotel 972 Mission LLC	36-4880419
Knotel Battery LLC	35-2611884
Knotel Blockchain Services LLC	83-2942568
Knotel Flowerpot LLC	83-2829868
Knotel Geometry LLC	84-2518599
Knotel Platform 2017 LLC	32-0540957
Knotel President LLC	35-2608350
Knotel Properties LLC	83-4699432
Knotel Varick LLC	82-1483113
Knotel William LLC	37-1869449
Paces Ferry Road ATL LLC	84-3842036

Pine Street Tenant NY LLC	83-3317479
Tenant 660 Mkt St SF LLC	84-2026785

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

In re

Knotel, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 21- ____ (__)

(Joint Administration Requested)

CONSOLIDATED CORPORATE OWNERSHIP STATEMENT

The above-captioned debtors and debtors in possession (the “Debtors”) make this statement under rules 1007(a) and 7007.1 of the Federal Rules of Bankruptcy Procedures. The Debtors are each directly or indirectly wholly owned by debtor Knotel, Inc. The Debtors respectfully represent as follows:

1. The following corporations own, either directly or indirectly, 10% or more of the equity interests in Knotel, Inc.: Essential Media Group, LLC, Peak State Limited (f/k/a Arvensis Ventures Ltd), and Sarva TXT, LLC; and
2. Each other Debtor is wholly owned, directly or indirectly, by its parent, Knotel, Inc.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

Debtor name Knotel, Inc., et al.

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

Case No. (If known) _____

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person who is an *insider*, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1 One Workpl L Ferrari LLC dba Two 2500 De La Cruz Blvd Santa Clara, CA 95050	One Workpl L Ferrari LLC Email: payments@oneworkplace.com	Supply Chain - Furniture				\$4,985,299.47
2 Hudson 901 Market LLC 303 2nd St San Francisco, CA 94107	Hudson 901 Market LLC Attn: Jason Storm Email: jstorm@hudsonppi.com Phone: (310) 445-5700	Rent				\$4,042,220.05
3 Eden Technologies Inc 54 Gilbert St San Francisco, CA 94103	Eden Technologies Inc Email: billing@eden.io Phone: 1-800-754-3166	Facilities				\$3,108,234.37
4 260-261 Madison Ave LLC 261 Madison Ave, Fl 27 New York, NY 10016	260-261 Madison Ave LLC	Rent				\$2,692,399.58
5 505 Howard SF LLC 21575 Ridgetop Cir Sterling, VA 20166	505 Howard SF LLC	Rent				\$2,309,973.88
6 SourceMedia 1 State St New York, NY 10004	SourceMedia Attn: Anthony DeNoris Email: Anthony.DeNoris@sourcemedia.com	Rent				\$2,119,571.35

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7 HRC Corp 156 5th Ave, Ste 300 New York, NY 10010	HRC Corp Email: ehaddad@hrccorp.com Attn: Robert E. Haddad Email: ehaddad@hrccorp.com Phone: (212) 807-7664 ext. 2	Rent		\$2,342,099.70	\$225,000.00	\$2,117,099.70
8 530 Broadway Owner LLC 1040 Ave of Americas, 3rd Fl New York, NY 10018	530 Broadway Owner LLC Attn: Joanne Agoglia Email: jagoglia@hspny.com Phone: (212) 519-2036	Rent				\$1,560,785.50
9 RXR 61 Broadway Owner LLC 61 Broadway New York, NY 10006	RXR 61 Broadway Owner LLC Attn: Jason Barnett, General Counsel Email: leasing@rxrrealty.com Phone: (212) 797-1330	Rent				\$1,487,384.21
10 Hudson 625 Second LLC 625 2nd Rincon Ctr, Ste 220 San Francisco, CA 94105	Hudson 625 Second LLC Attn: Sarah Epstein Email: sepstein@hudsonppi.com Phone: (310) 445-5700	Rent				\$1,333,644.18
11 30 Broad Street Venture, LLC 30 Broad St New York, NY 10004	30 Broad Street Venture, LLC	Rent		\$1,346,943.29	\$18,096.69	\$1,328,846.60
12 Office Resources, Inc 263 Summer St Boston, MA 02210	Office Resources, Inc Attn: Leanne Niland Email: accountsreceivablegroup@ori.com Phone: (617) 896-3263	Supply Chain - Furniture				\$1,245,306.91
13 RELX, Inc 9443 Springboro Pike Miamisburg, OH 45342	RELX, Inc Attn: Daniel J. Weissman Email: dan.weissman@lexisnexis.com Phone: (202) 857-8202	Rent		\$1,312,770.36	\$197,000.00	\$1,115,770.36
14 DP 1550 Bryant LLC 1550 Bryant St, 4th Fl San Francisco, CA 94103	DP 1550 Bryant LLC Attn: Kimberly Tran Email: bli@downtown-properties.com	Rent		\$1,651,155.89	\$566,760.97	\$1,084,394.92

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
15 JLJ LLC c/o Olmstead Properties Inc 27 W 23rd St New York, NY 10010	JLJ LLC Email: mcarter@olmsteadinc.com Phone: (212) 564-2240 or (212) 564-6662	Rent				\$1,057,433.61
16 29 W 35th Street LLC 29 W 35th St, Ste 900 New York, NY 10001	29 W 35th Street LLC	Rent		\$1,821,516.42	\$779,675.00	\$1,041,841.42
17 Alliance Brokerage Corp 990 Westbury Rd Westbury, NY 11590	Alliance Brokerage Corp Email: mvescovo@abc990.com Attn: Michael Vescovo Phone: (516) 465-1100	Legal				\$991,338.37
18 ASB Allegiance Real Estate Fund dba 400 Madison Holdings LLC c/o Ds400Owner LLC 400 Madison Ave, Ste 14B New York, NY 10017	ASB Allegiance Real Estate Fund Attn: Adeline Juliet Martin, MYoungkuk Kim Email: Julietmartin111@gmail.com Phone: (301) 523-5721 OR	Rent		\$1,498,483.33	\$527,041.00	\$971,442.33
19 Kidder Matthews of California, Inc. 101 Mission Street, Suite 2100 San Francisco CA 94105	Kidder Matthews of California, Inc. Email: bradv@kiddermathews.com	Rent				\$927,672.00
20 31 West 27th Street Property Investors IV, LLC 31 West 27th Street New York NY 10001	31 West 27th Street Property Investors IV, LLC					\$ 901,476.31

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
21 5 Hanover Square (NY) Owner, LLC 5 Hanover Square New York NY 10004	5 Hanover Square (NY) Owner, LLC	Rent				\$896,606.96
22 475 Building Company LLC 750 Lexington Avenue New York NY 10022	475 Building Company LLC	Rent				\$849,723.12
23 303 2nd Street Sf LLC / Syapse Inc 303 Second Street, Suite 500 North San Francisco CA 94107	303 2nd Street Sf LLC / Syapse Inc Attn: Todd Mayover	Rent		\$1,052,896.83	\$208,777.24	\$844,119.59
24 11 E 44th Street LLC 346 Madison Ave New York NY 10017	11 E 44th Street LLC	Legal		\$1,290,813.02	\$474,739.67	\$816,073.35
25 598 Broadway Realty Assoc, Inc P.O. Box 514 Prince St Station New York, NY 10012	598 Broadway Realty Assoc, Inc Attn: Zvi Mosery	Rent		\$960,735.85	\$144,986.00	\$815,749.85
26 GODADDY MSH INC. 14455 N. Hayden Rd., Suite 219 Scottsdale, AZ 85260	GODADDY MSH INC.	Rent		\$788,915.12	19,030.57	\$769,884.55
27 250 HUDSON STREET LLC	250 HUDSON STREET LLC	Rent				\$755,139.37

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
28 Legacy 455 Market Street L.P.. 1865 Harman Street, 1R Ridgewood NY 11385	Legacy 455 Market Street L.P. Attn: Tania A Monar					\$747,678.13
29 Essence Global LLC 54 West 21st Street New York NY 10010	Essence Global LLC Email: eyleen.donneys@essenceglobal.com					\$746,983.31
30 6 West 48 th LLC 242 West 38th Street 12th Floor New York NY 10018	6 West 48 th LLC Email: ecerritos@hspny.com					\$730,712.50

AUTHORIZED OFFICER'S CERTIFICATE

January 31, 2021

This Authorized Officer's Certificate (this "**Certificate**") is furnished in connection with those certain chapter 11 petitions filed on January 31, 2021 (as amended, modified or supplemented from time to time, the "**Petitions**"), by Knotel, Inc., a Delaware corporation, and certain of its subsidiaries (each and collectively, the "**Company**").

The undersigned, being an Authorized Officer (as such term is defined in the attached resolutions) of each Company listed on Schedule 1 attached hereto, hereby certifies, solely in his/her capacity as such and not in his/her individual capacity and without personal liability, that attached hereto as **Exhibit A** is a true, correct and complete copy of the resolutions duly adopted by the Governing Body (as such term is defined therein) of each Company on the date hereof, in accordance with the bylaws or limited liability company agreements, as applicable, of such Company and the requirements of applicable law, and such resolutions have not been modified, rescinded or amended and are in full force and effect as of the date of this Certificate.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate as of the date first set forth above.

By: /s/ Amit Khanna

Name: Amit Khanna

Title: SVP, General Counsel

Schedule 1

1. Knotel, Inc., a Delaware corporation
 2. 100 Bush St SF LLC, a Delaware limited liability company
 3. 101 Fifth Ave NYC LLC, a New York limited liability company
 4. 101 Montgomery St SF LLC, a Delaware limited liability company
 5. 10301 Jefferson Blvd LA LLC, a Delaware limited liability company
 6. 110 W 32nd NYC LLC, a New York limited liability company
 7. 1100 Glendon LA LLC, a Delaware limited liability company
 8. 1120 20th St DC LLC, a Delaware limited liability company
 9. 116 W 32nd NYC LLC, a New York limited liability company
 10. 12 E 33 St NYC LLC, a New York limited liability company
 11. 12121 Bluff Creek LA LLC, a Delaware limited liability company
 12. 12211 Washington LA LLC, a Delaware limited liability company
 13. 125 Fifth Ave NYC LLC, a New York limited liability company
 14. 1250 Eye St DC LLC, a Delaware limited liability company
 15. 12555 West Jefferson Way LA LLC, a Delaware limited liability company
 16. 126 Post St SF LLC, a Delaware limited liability company
 17. 129 W 29th NYC LLC, a New York limited liability company
 18. 131 Rodeo 102 LA LLC, a Delaware limited liability company
 19. 131 Rodeo 250 LA LLC, a Delaware limited liability company
 20. 13160 Mindanao Way LA LLC, a Delaware limited liability company
 21. 1317 5th St LA LLC, a Delaware limited liability company
 22. 1330 Conn Ave DC LLC, a Delaware limited liability company
 23. 1407 Broadway NYC LLC, a New York limited liability company
 24. 142 Berkeley St BOS LLC, a Delaware limited liability company
 25. 1444 Market St SF LLC, a Delaware limited liability company
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26. 146 Geary St SF LLC, a Delaware limited liability company
 27. 152 W 25 NYC LLC, a New York limited liability company
 28. 1550 Bryant St SF LLC, a Delaware limited liability company
 29. 1556 20th LA LLC, a Delaware limited liability company
 30. 16 W 36 St NYC LLC, a New York limited liability company
 31. 1625 Oly Blvd LA LLC, a Delaware limited liability company
 32. 1640 Sepulveda LA LLC, a Delaware limited liability company
 33. 166 Geary St SF LLC, a Delaware limited liability company
 34. 1720 Eye St DC LLC, a Delaware limited liability company
 35. 1725 Montgomery St SF LLC, a Delaware limited liability company
 36. 19 W 44th NYC LLC, a New York limited liability company
 37. 195 Broadway NYC LLC, a New York limited liability company
 38. 2 Liberty Sq BOS LLC, a Delaware limited liability company
 39. 22 W 21 ST NYC LLC, a New York limited liability company
 40. 2228 Cottner LA LLC, a Delaware limited liability company
 41. 23 W 20th NYC LLC, a New York limited liability company
 42. 239 Causeway St Boston LLC, a Delaware limited liability company
 43. 240 W 35th NYC LLC, a New York limited liability company
 44. 240 W 40 St NYC LLC, a New York limited liability company
 45. 250 Montgomery St LLC, a Delaware limited liability company
 46. 259 W 30TH NYC LLC, a New York limited liability company
 47. 26 W 17th St NYC LLC, a New York limited liability company
 48. 260 W 39th NYC LLC, a New York limited liability company
 49. 275 Battery St SF LLC, a Delaware limited liability company
 50. 28 W 25 NYC LLC, a New York limited liability company
 51. 29 W 35th St NYC LLC, a New York limited liability company
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52. 295 Madison NYC LLC, a New York limited liability company
 53. 30 W 21 St NYC LLC, a New York limited liability company
 54. 300 Broadway St SF LLC, a Delaware limited liability company
 55. 300 Montgomery St SF LLC, a Delaware limited liability company
 56. 301 Brannan St SF LLC, a Delaware limited liability company
 57. 303 Second St SF LLC, a Delaware limited liability company
 58. 3137 S La Cienega Blvd LA LLC, a Delaware limited liability company
 59. 320 Lincoln LA LLC, a Delaware limited liability company
 60. 3309 La Cienega Place LA LLC, a Delaware limited liability company
 61. 333 Broadway SF Tenant LLC, a Delaware limited liability company
 62. 350 Sansome St SF LLC, a Delaware limited liability company
 63. 3535 Hayden Ave LA LLC, a Delaware limited liability company
 64. 360 Madison NYC LLC, a New York limited liability company
 65. 369 Lexington Ave NYC LLC, a New York limited liability company
 66. 390 Broadway NYC LLC, a New York limited liability company
 67. 40 Broad St BOS LLC, a Delaware limited liability company
 68. 400 Sutter St SF LLC, a Delaware limited liability company
 69. 405 E 4th Avenue SM LLC, a Delaware limited liability company
 70. 405 Howard Street SF LLC, a Delaware limited liability company
 71. 429 Santa Monica Blvd LA LLC, a Delaware limited liability company
 72. 42Floors, LLC, a Delaware limited liability company
 73. 44 E 32nd Street NYC LLC, a New York limited liability company
 74. 44 Thomson Pl BOS LLC, a Delaware limited liability company
 75. 447 Broadway NYC LLC, a New York limited liability company
 76. 45 W 45 ST NYC LLC, a New York limited liability company
 77. 4501 Glencoe Blvd LA LLC, a Delaware limited liability company
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78. 455 Market St SF LLC, a Delaware limited liability company
 79. 456 Montgomery St SF LLC, a Delaware limited liability company
 80. 465 California St SF LLC, a Delaware limited liability company
 81. 5 Bryant Park NYC LLC, a New York limited liability company
 82. 50 Osgood Pl SF LLC, a Delaware limited liability company
 83. 505 Howard SF St LLC, a Delaware limited liability company
 84. 545 5th Ave NYC LLC, a New York limited liability company
 85. 555 Montgomery St SF LLC, a Delaware limited liability company
 86. 565 Commercial St SF LLC, a Delaware limited liability company
 87. 580 8th Ave NYC LLC, a New York limited liability company
 88. 590 Fifth Ave NYC LLC, a New York limited liability company
 89. 597 Fifth Ave NYC LLC, a New York limited liability company
 90. 6 W 28th NYC LLC, a New York limited liability company
 91. 60 Madison NYC LLC, a New York limited liability company
 92. 600 Corporate Pointe LA LLC, a Delaware limited liability company
 93. 649 Mission St SF LLC, a Delaware limited liability company
 94. 650 Fifth Ave NYC LLC, a New York limited liability company
 95. 71 Stevenson St SF LLC, a Delaware limited liability company
 96. 750 HARRISON ST SF LLC, a Delaware limited liability company
 97. 818 Mission St SF LLC, a Delaware limited liability company
 98. 8590 National Blvd LA LLC, a Delaware limited liability company
 99. 8690 National Blvd LA LLC, a Delaware limited liability company
 100. 875 6th Ave NYC LLC, a New York limited liability company
 101. 88 Kearny St SF LLC, a Delaware limited liability company
 102. 901 Market St SF LLC, a Delaware limited liability company
 103. 909 E Street DC LLC, a Delaware limited liability company
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- 104.909 Ocean Front Walk LA LLC, a Delaware limited liability company
 - 105.91 Fifth Ave NYC LLC, a New York limited liability company
 - 106.Bush 225 SF LLC, a Delaware limited liability company
 - 107.Cortlandt White NYC LLC, a New York limited liability company
 - 108.Kkoin, LLC, a Delaware limited liability company
 - 109.Knotel 1 Whitehall LLC, a New York limited liability company
 - 110.Knotel 102 Madison LLC, a New York limited liability company
 - 111.Knotel 105 Madison LLC, a New York limited liability company
 - 112.Knotel 109 Stevenson LLC, a Delaware limited liability company
 - 113.Knotel 11 E 44th LLC, a New York limited liability company
 - 114.Knotel 110 Greene LLC, a New York limited liability company
 - 115.Knotel 110 William LLC, a New York limited liability company
 - 116.Knotel 114 W 26th LLC, a New York limited liability company
 - 117.Knotel 12 W 21st St LLC, a New York limited liability company
 - 118.Knotel 12 W 27th St LLC, a New York limited liability company
 - 119.Knotel 121 2nd Street LLC, a Delaware limited liability company
 - 120.Knotel 147 W 24th LLC, a New York limited liability company
 - 121.Knotel 148 Lafayette LLC, a New York limited liability company
 - 122.Knotel 150 Post LLC, a Delaware limited liability company
 - 123.Knotel 1500 Broadway LLC, a New York limited liability company
 - 124.Knotel 155 Fifth Ave LLC, a New York limited liability company
 - 125.Knotel 156 Fifth, LLC, a New York limited liability company
 - 126.Knotel 16 W 22nd LLC, a New York limited liability company
 - 127.Knotel 160 Pine LLC, a Delaware limited liability company
 - 128.Knotel 17 W 20th LLC, a New York limited liability company
 - 129.Knotel 180 Howard LLC, a Delaware limited liability company
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- 130.Knotel 200 W 41st LLC, a New York limited liability company
 - 131.Knotel 2080 Addison LLC, a Delaware limited liability company
 - 132.Knotel 211 East 43 LLC, a New York limited liability company
 - 133.Knotel 213 W 35th St LLC, a New York limited liability company
 - 134.Knotel 220 W 19th St LLC, a New York limited liability company
 - 135.Knotel 221 Pine LLC, a Delaware limited liability company
 - 136.Knotel 224 W 30th LLC, a New York limited liability company
 - 137.Knotel 229 W 43 LLC, a New York limited liability company
 - 138.Knotel 25 W 45th LLC, a New York limited liability company
 - 139.Knotel 250 Hudson LLC, a New York limited liability company
 - 140.Knotel 250 Hudson ST LLC, a New York limited liability company
 - 141.Knotel 26 OFarrell LLC, a Delaware limited liability company
 - 142.Knotel 26 W 17 LLC, a New York limited liability company
 - 143.Knotel 261 Madison LLC, a New York limited liability company
 - 144.Knotel 27 W 23rd ST LLC, a New York limited liability company
 - 145.Knotel 29 W 17th LLC, a New York limited liability company
 - 146.Knotel 3 E 28th LLC, a New York limited liability company
 - 147.Knotel 30 Broad LLC, a New York limited liability company
 - 148.Knotel 30 West 26th LLC, a New York limited liability company
 - 149.Knotel 307 Fifth LLC, a New York limited liability company
 - 150.Knotel 31 W 27th LLC, a New York limited liability company
 - 151.Knotel 321 11th LLC, a Delaware limited liability company
 - 152.Knotel 340 Brannan LLC, a Delaware limited liability company
 - 153.Knotel 36 W 14th LLC, a New York limited liability company
 - 154.Knotel 360 Pas LLC, a New York limited liability company
 - 155.Knotel 37 W 17th LLC, a New York limited liability company
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- 156.Knotel 373 Pas LLC, a New York limited liability company
 - 157.Knotel 38 E 29th LLC, a New York limited liability company
 - 158.Knotel 399 Lafayette LLC, a New York limited liability company
 - 159.Knotel 40 EX LLC, a New York limited liability company
 - 160.Knotel 40 Wooster LLC, a New York limited liability company
 - 161.Knotel 400 Madison LLC, a New York limited liability company
 - 162.Knotel 41 USW LLC, a New York limited liability company
 - 163.Knotel 41 W 25 LLC, a New York limited liability company
 - 164.Knotel 417 Montgomery LLC, a Delaware limited liability company
 - 165.Knotel 419 PAS LLC, a New York limited liability company
 - 166.Knotel 43 W 24th LLC, a New York limited liability company
 - 167.Knotel 443 PAS LLC, a New York limited liability company
 - 168.Knotel 475 Park LLC, a New York limited liability company
 - 169.Knotel 49 Drumm LLC, a Delaware limited liability company
 - 170.Knotel 5 Hanover LLC, a New York limited liability company
 - 171.Knotel 5-9 USW LLC, a New York limited liability company
 - 172.Knotel 521 Broadway LLC, a New York limited liability company
 - 173.Knotel 530 Broadway LLC, a New York limited liability company
 - 174.Knotel 530 Seventh Avenue LLC, a New York limited liability company
 - 175.Knotel 54 W 21st LLC, a New York limited liability company
 - 176.Knotel 54 W 22nd LLC, a New York limited liability company
 - 177.Knotel 55 W 21St LLC, a New York limited liability company
 - 178.Knotel 550 Montgomery LLC, a Delaware limited liability company
 - 179.Knotel 551 Fifth Ave LLC, a New York limited liability company
 - 180.Knotel 560 LEXINGTON LLC, a New York limited liability company
 - 181.Knotel 575 8th Ave LLC, a New York limited liability company
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- 182.Knotel 580 5th Ave LLC, a New York limited liability company
 - 183.Knotel 580 Market LLC, a Delaware limited liability company
 - 184.Knotel 584 Broadway LLC, a New York limited liability company
 - 185.Knotel 598 Broadway LLC, a New York limited liability company
 - 186.Knotel 6 W 48th St LLC, a New York limited liability company
 - 187.Knotel 600 Townsend LLC, a Delaware limited liability company
 - 188.Knotel 61 Broadway LLC, a New York limited liability company
 - 189.Knotel 611 Mission LLC, a Delaware limited liability company
 - 190.Knotel 615 Sacramento LLC, a Delaware limited liability company
 - 191.Knotel 625 2nd LLC, a Delaware limited liability company
 - 192.Knotel 655 Madison LLC, a New York limited liability company
 - 193.Knotel 695 AOA LLC, a New York limited liability company
 - 194.Knotel 701 Sutter LLC, a Delaware limited liability company
 - 195.Knotel 72 Madison LLC, a New York limited liability company
 - 196.Knotel 785 Market LLC, a Delaware limited liability company
 - 197.Knotel 80 Eighth Ave LLC, a New York limited liability company
 - 198.Knotel 814 Mission LLC, a Delaware limited liability company
 - 199.Knotel 88 Stevenson LLC, a Delaware limited liability company
 - 200.Knotel 90 John LLC, a New York limited liability company
 - 201.Knotel 900 Broadway LLC, a New York limited liability company
 - 202.Knotel 972 Mission LLC, a Delaware limited liability company
 - 203.Knotel Battery LLC, a New York limited liability company
 - 204.Knotel Blockchain Services LLC, a Delaware limited liability company
 - 205.Knotel Flowerpot LLC, a New York limited liability company
 - 206.Knotel Geometry LLC, a Delaware limited liability company
 - 207.Knotel Platform 2017 LLC, a New York limited liability company
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208.Knotel President LLC, a New York limited liability company

209.Knotel Properties LLC, a Delaware limited liability company

210.Knotel Varick LLC, a New York limited liability company

211.Knotel William LLC, a New York limited liability company

212.Paces Ferry Road ATL LLC, a Delaware limited liability company

213.Pine Street Tenant NY LLC, a New York limited liability company

214.Tenant 660 Mkt St SF LLC, a Delaware limited liability company

Exhibit A

Resolutions

**OMNIBUS RESOLUTIONS BY
THE MEMBERS OF THE BOARD OF DIRECTORS AND THE SOLE MEMBERS (AS
APPLICABLE) OF THE ENTITIES LISTED ON SCHEDULE 1 (EACH AND
COLLECTIVELY, THE “COMPANY”)**

January 28, 2021

Effective as of the date written above, each of the following governing bodies (each and collectively, the “**Governing Body**”):

- (i) all of the members of the board of directors of Knotel, Inc. (“**Knotel**”), a Delaware corporation;
- (ii) Knotel as the sole member of each of the other entities listed on Schedule 1, each a Delaware limited liability company or a New York limited liability company, as designated on Schedule 1;

hereby consents to and approves the following actions and adopts the following resolutions pursuant to the bylaws or limited liability company agreements, as applicable, and the laws of the state of formation or organization of each Company:

RECITALS

WHEREAS, the Governing Body of each Company has reviewed and considered the financial and operational condition of each Company and each Company’s business on the date hereof, including the historical and current performance of the Company, the assets and prospects of the Company, the current and long-term liabilities of the Company, the market for the Company’s assets, and credit market conditions, and fully considered the strategic alternatives available to each Company; and

WHEREAS, the Governing Body of each Company has received, reviewed, and considered the recommendations of the senior management of each Company and each Company’s legal, financial, and other advisors as to the relative risks and benefits of pursuing a reorganization case under the provisions of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”); and

WHEREAS, the Governing Body of each Company, in consultation with the senior management of each Company and each Company’s legal, financial, and other advisors, has determined that it is in the best interests of the Company to explore a potential sale of its assets to one or more potential bidders (the “**Sale**”); and

WHEREAS, after reviewing indications of interest submitted by interested bidders, the Governing Body of each Company, with the assistance of the senior management of each Company and each Company’s legal, financial, and other advisors, reviewed and negotiated an asset purchase agreement (the “**Stalking Horse Agreement**”) with Digiotech, LLC (or its

designee) (the “**Stalking Horse Bidder**”) to purchase substantially all of each Company’s assets; and

WHEREAS, the Governing Body of each Company determined that the Stalking Horse Agreement is fair and reasonable, will not discourage competitive bidding in connection with the Sale, and that it is in the best interests of each Company that the Company enter into the Stalking Horse Agreement; and

WHEREAS, the Governing Body of each Company has determined that taking the actions set forth below are advisable and in the best interests of the Company and, therefore desires to approve the following resolutions:

NOW, THEREFORE, BE IT

I. Commencement of Chapter 11 Cases

RESOLVED, that, in the judgment of the Governing Body of each Company, it is in the best interests of the Company, and would promote the maximization of the value of the Company for the benefit of its shareholders, that a voluntary petition (the “**Petition**” and, collectively, the “**Petitions**”) be filed with the bankruptcy court by the Company commencing a case (the “**Chapter 11 Case**” and, collectively, the “**Chapter 11 Cases**”) under the provisions of the Bankruptcy Code; and it is further

RESOLVED, that any one of John M. Jureller and Amit Khanna and any other officer of the Company specifically designated by the foregoing officers (each, an “**Authorized Person**”), in each case, acting singly or jointly, be, and each hereby is, authorized and empowered to execute and file in the name and on behalf of the Company, to execute, acknowledge, deliver, and verify the Petition and to cause the same to be filed with the bankruptcy court at such time as such Authorized Person may determine; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered on behalf of the Company, to execute, acknowledge, deliver, and verify and file any and all petitions, schedules, statements of affairs, lists, motions, applications, and other papers and to take any and all related actions that such Authorized Persons may deem necessary or proper in connection with the filing of the Petition and commencement of the Chapter 11 Case; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and on behalf of the Company, to perform the obligations of the Company under the Bankruptcy Code, with all such actions to be performed in such manner, and all such certificates, instruments, guaranties, notices and documents to be executed and delivered in such form, as the Authorized Person performing or executing the same shall approve, and the performance or execution thereof by such Authorized Person shall be conclusive evidence of the approval thereof by such Authorized Person and by the Company; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and on behalf of the Company, to cause the Company to enter into, execute, deliver, certify, file, record, and perform such agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities, certificates or other documents, to pay all expenses, including filing fees, and to take such other actions, as in the judgment of such Authorized Persons, shall be necessary, proper and desirable to prosecute to a successful completion the Chapter 11 Case and to effectuate the restructuring, reorganization, sale or liquidation of the Company's assets, refinancing, restructuring or other transaction with respect to, its debt, other obligations, organizational form and structure or ownership of the Company, and to carry out and put into effect the purposes of these resolutions, and the transactions contemplated by these resolutions, their authority thereunto to be evidenced by the taking of such actions; and it is further

II. Retention of Advisors

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ the law firm of Milbank LLP, located at 2029 Century Park East, 33rd Floor, Los Angeles, CA 90067, as general bankruptcy counsel to represent and advise the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations, including filing any pleadings in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Milbank LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ the law firm of Morris, Nichols, Arsht & Tunnell LLP, located at 1201 North Market Street, 16th Floor, Wilmington, DE 19899, as general bankruptcy counsel to represent and advise the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations, including filing any pleadings in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Morris, Nichols, Arsht & Tunnell LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Moelis & Company, located at 399 Park Avenue, 5th Floor, New York, NY 10022, as investment banker to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate

retainers prior to and immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Moelis & Company; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Omni Agent Solutions, located at 5955 De Soto Avenue, Suite 100, Woodland Hills, CA 91367, as claims, noticing and administrative agent to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Omni Agent Solutions; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Fenwick & West LLP, located at 801 California Street, Mountain View, CA 94041, as special corporate counsel; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Fenwick & West LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Ernst & Young LLP, located at 5 Times Square, New York, New York 10036, as tax consultant; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Ernst & Young LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ any other professionals, including attorneys, accountants, and tax advisors, necessary to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to or immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed appropriate applications with the bankruptcy court for authority to retain the services of any other professionals, as necessary; and it is further

III. Debtor-In-Possession Financing and Use of Cash Collateral

RESOLVED that, the Authorized Persons, and any employees or agents (including counsel) designated by or directed by any such persons, be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed, in the name and on behalf of the Company, to, if the Authorized Persons determine it to be necessary or appropriate, enter into senior, secured, super-priority debtor in possession credit facilities, including the credit facilities

contemplated by that certain Senior Secured Superpriority Debtor-In-Possession Credit Agreement, dated on or about the date hereof, by and among the Company, as borrower, the guarantors party thereto, and Digiotech, LLC, as lender (the “**Lender**”), in each case, in substantially the form as presented to the Governing Body (the “**DIP Credit Facilities**”), and any related documents or instruments, each on terms and conditions agreed to by the Company, and the Lender and such other terms as are customary for similar debtor-in-possession facilities and to cause the Company to grant a senior security interest in substantially all of its assets in connection therewith, and to undertake any and all related transactions contemplated thereby; and it is further

RESOLVED that the Authorized Persons be, and each of them hereby is, acting alone or in any combination, authorized, empowered, and directed, in the name and on behalf of the Company, to, if the Authorized Persons determine it to be necessary or appropriate, cause to be prepared, to negotiate, execute, and deliver, and the Company is hereby authorized to perform its obligations and take the actions contemplated under, the DIP Credit Facilities and such other documents, agreements, guaranties, instruments, financing statements, notices, undertakings, other loan documents promissory notes, term sheets, fee letters, control agreements, landlord agreements, pledge agreements, assignments, stock powers, intellectual property filings and recordations, letters of credit, certificates, powers of attorney, consents, waivers, other security documents and any other necessary or appropriate agreement, instrument, document, or certificates related to the DIP Credit Facilities (the “**DIP Documents**”) each containing such provisions, terms, conditions, covenants, warranties, and representations as may be deemed necessary or appropriate by the Authorized Persons, and any amendments, restatements, amendments and restatements, supplements, or other modifications thereto, in each case with such changes therein and additions thereto as shall be deemed necessary, appropriate, or advisable by any Authorized Person executing the same in the name and on behalf of the Company, such approval to be evidenced conclusively by such execution; and it is further

RESOLVED that the Company, as debtor and debtor in possession under the Bankruptcy Code, be authorized, empowered, and directed to (i) negotiate and obtain the use of cash collateral or other similar arrangements, including, without limitation, to enter into any guarantees of, and security interests in, mortgage, pledge, and grant liens on and claims against the Company’s assets as security or otherwise in connection with the DIP Documents as may be contemplated by or required under the terms of cash collateral agreements or other similar arrangements, in such amounts as is reasonably necessary for the continuing conduct of the affairs of the Company in the Chapter 11 Case and any of the Company’s affiliates who may also, concurrently with the Company’s petition, file for relief under the Bankruptcy Code and (ii) in the Company’s capacity, as shareholder, member, manager, or owner of any other borrower or guarantor, execute and deliver such votes, consents, waivers, or other approvals of certifications as are necessary or desirable to cause or permit any such borrower or guarantor to enter into and consummate the foregoing and the other matters contemplated by these resolutions; and that any Authorized Person of the Company be, and each of them hereby is, authorized and empowered in the name and on behalf of the Company to enter into and perform its obligations under and as set forth in the DIP Documents; and that any Authorized Person of the Company be, and each of them hereby is, authorized and empowered in the name and on behalf of the Company, to execute (manually or by electronic signature) and deliver such DIP Documents, with such changes, additions and deletions

as any Authorized Person may approve and on such terms as any Authorized Person deems necessary or desirable; and it is further

RESOLVED that each Authorized Person be, and hereby is, authorized, directed and empowered, either jointly or severally, for and on behalf of and in the name of the Company to cause the Company and its subsidiaries to pledge, mortgage, or otherwise grant security interests in, and liens upon, any or all of the assets and properties, real and personal, now owned or hereafter acquired by the Company and its subsidiaries, including, without limitation, any capital stock, membership interests, or other ownership interests owned by the Company or any subsidiary in any corporations, limited liability companies, or other entities, now existing or hereafter arising or acquired (collectively, the “**Collateral**”), as applicable, and all proceeds of the Collateral as may now or from time to time be required in connection with the DIP Credit Facilities to secure payment and performance by the Company of its obligations under the DIP Documents and such other obligations that are required to be secured under the DIP Documents and take such further action to maintain and perfect such liens and otherwise necessary to effect the purposes of the DIP Documents; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to cause the Company’s subsidiaries to enter into subsidiary guarantees of the payment by the Company of all amounts due with respect to the DIP Documents and the performance by the Company of its obligations under the DIP Documents and such other obligations that such subsidiaries are required to guaranty; and it is further

RESOLVED that the Company will receive substantial direct and indirect benefits from the loans and other financial accommodations to be made under the DIP Credit Facilities to the Company and its affiliates; and it is further

IV. Stalking Horse Agreement, Sale Process, and Bidding Procedures Motion

RESOLVED, that the execution, delivery and performance of the Stalking Horse Agreement substantially in the form previously provided to the Governing Body of the Company and the transactions contemplated thereby, be, and they hereby are, deemed advisable and in the best interests of the Company and are hereby authorized, approved and adopted for all purposes; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to negotiate, execute and deliver on behalf of the Company any agreements, documents and instruments in connection with the Stalking Horse Agreement or as such Authorized Persons may deem necessary, advisable or appropriate, such execution and delivery by any such Authorized Persons to be conclusive evidence of such authorization and approval; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to (i) file a motion (the “**Bidding Procedures Motion**”) with the bankruptcy court to request, among

other things, the bankruptcy court's approval of (a) the Sale, (b) the commencement of a marketing and sale process in the Chapter 11 Cases for the Sale (the "**Sale Process**"), and (c) the bidding procedures associated with the Sale Process, which are attached to the Bidding Procedures Motion (such bidding procedures, in the form approved by the bankruptcy court, the "**Bidding Procedures**"), including a request for approval of a break-up fee payable to the Stalking Horse Bidder on the terms set forth in the Stalking Horse Agreement and (ii) commence and implement the Sale Process; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to take any and all other actions as they may deem necessary or advisable to implement the Sale Process as contemplated by the Bidding Procedures; and it is further

V. General Authorization and Ratification

RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Authorized Persons, each Authorized Person (and his designees and delegates) be, and hereby is, authorized and empowered, in the name of and on behalf of the Company, to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver, and file any and all such agreements, certificates, instruments, and other documents and to pay all expenses, including but not limited to filing fees, in each case as in such Authorized Person's (or his designees' or delegates') judgment, shall be necessary, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; and it is further

RESOLVED, that in addition to the specific authorizations heretofore conferred upon each Authorized Person be, and hereby is, authorized and empowered, in the name of and on behalf of the Company, to execute on behalf of the Company any and all such other agreements, agreements, deeds, consents, notices, applications, certificates, authorities, letters, instruments, undertakings, or other documents, in each case as in the judgment of the person(s) executing the same on behalf of the Company, shall be necessary, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; and it is further

RESOLVED, that each Governing Body has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the bylaws or limited liability company agreements of the Company, as applicable, or hereby waives any right to have received such notice; and it is further

RESOLVED, that all actions and transactions heretofore taken, and all agreements, instruments, reports, and documents executed, delivered, or filed through the date hereof, by any manager or Authorized Person of the Company in, for, and on behalf of the Company, in connection with the matters described in or contemplated by the foregoing resolutions, are hereby in all respects approved, adopted, ratified, and confirmed in all respects as the true acts and deeds of the Company as of the date such action or actions were taken; and it is further

RESOLVED, that, to the extent that the Company serves as the sole member, managing member, general partner, partner, or other governing body (the "**Controlling Company**") of any

other company (a “**Controlled Company**”), each Authorized Person of the Controlling Company, any one of whom may act without the joinder of any other Authorized Person, be, and each of them hereby is, severally authorized and empowered in the name and on behalf of the Controlling Company (acting for such Controlled Company in the capacity set forth above, as applicable), to take all of the actions on behalf of such Controlled Company that an Authorized Person is herein authorized to take on behalf of the Controlling Company; and it is further

RESOLVED, that facsimile or photostatic copies of any signature to these resolutions shall be deemed to be originals and may be relied on to the same extent as the originals.

Fill in this information to identify the case and this filing:

Debtor Name Knotel, Inc., et al.
 United States Bankruptcy Court for the: _____ District of Delaware
 (State)
 Case number (if known): _____

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- Schedule H: Codebtors* (Official Form 206H)
- Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- Amended Schedule
- Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- Other document that requires a declaration Corporate Ownership Statement, Creditor Matrix

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1/31/2021
 MM / DD / YYYY

X /s/ John M. Jureller
 Signature of individual signing on behalf of debtor

John M. Jureller
 Printed name

Chief Financial Officer
 Position or relationship to debtor

This is Exhibit "C" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

Fill in this information to identify the case:

United States Bankruptcy Court for the:

_____ District of Delaware
(State)

Case number *(if known)*: _____ Chapter 11

Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. **Debtor's name** Knotel Canada, Inc.

2. **All other names debtor used in the last 8 years** N/A
 Include any assumed names, trade names, and *doing business* as names

3. **Debtor's federal Employer Identification Number (EIN)** N/A

4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business
	<u>5-9 Union Square West</u> Number Street <hr/> <u>New York NY 10003</u> City State ZIP Code <hr/> County	_____ Number Street <hr/> P.O. Box <hr/> _____ City State ZIP Code
		Location of principal assets, if different from principal place of business _____ Number Street <hr/> _____ City State ZIP Code

5. **Debtor's website (URL)** www.knotel.com

Debtor Knotel Canada, Inc.
Name

Case number (if known) _____

6. Type of debtor

- Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
- Partnership (excluding LLP)
- Other. Specify: _____

7. Describe debtor's business

A. *Check one:*

- Health Care Business (as defined in 11 U.S.C. § 101(27A))
- Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- Railroad (as defined in 11 U.S.C. § 101(44))
- Stockbroker (as defined in 11 U.S.C. § 101(53A))
- Commodity Broker (as defined in 11 U.S.C. § 101(6))
- Clearing Bank (as defined in 11 U.S.C. § 781(3))
- None of the above

B. *Check all that apply:*

- Tax-exempt entity (as described in 26 U.S.C. § 501)
- Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
- Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

5 3 1 1

8. Under which chapter of the Bankruptcy Code is the debtor filing?

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

Check one:

- Chapter 7
- Chapter 9

Chapter 11. *Check all that apply:*

- The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11.** If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- A plan is being filed with this petition.
- Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

Chapter 12

Debtor Knotel Canada, Inc.
Name

Case number (if known) _____

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

No

Yes. District _____ When MM / DD / YYYY Case number _____

If more than 2 cases, attach a separate list.

District _____ When MM / DD / YYYY Case number _____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

No

Yes. Debtor See Annex 1. Relationship _____

List all cases. If more than 1, attach a separate list.

District _____ When MM / DD / YYYY

Case number, if known _____

11. Why is the case filed in this district?

Check all that apply:

Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

No

Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? *(Check all that apply.)*

It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

It needs to be physically secured or protected from the weather.

It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

Other _____

Where is the property?

Number _____ Street _____

City _____ State ZIP Code _____

Is the property insured?

No

Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

Debtor Knotel Canada, Inc.
Name

Case number (if known) _____

13. Debtor's estimation of available funds

Check one:

- Funds will be available for distribution to unsecured creditors.
 After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 | | |

15. Estimated assets

- | | | |
|--|---|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input checked="" type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities

- | | | |
|--|---|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input checked="" type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 3/8/2021
MM / DD / YYYY

X /s/ John M. Jureller
Signature of authorized representative of debtor
Title Chief Financial Officer

John M. Jureller
Printed name

Annex 1**Pending or Current Bankruptcy Cases Filed by Affiliates**

On January 31, 2021, each of the affiliated entities listed below filed a voluntary petition for relief under title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware.

Debtor Name [Other names, if any, used by the Debtor in the last 8 years appear in brackets and italics]	Case No.	Petition Date	EIN
Knotel, Inc., <i>lead case</i>	21-10146	01/31/2021	47-5086469
100 Bush St SF LLC	21-10147	01/31/2021	84-2942215
101 Fifth Ave NYC LLC	21-10148	01/31/2021	83-4090224
101 Montgomery St SF LLC	21-10149	01/31/2021	83-2678393
10301 Jefferson Blvd LA LLC	21-10150	01/31/2021	84-2431430
110 W 32nd NYC LLC	21-10151	01/31/2021	83-4343344
1100 Glendon LA LLC	21-10152	01/31/2021	83-3914535
1120 20th St DC LLC	21-10153	01/31/2021	83-3662233
116 W 32nd NYC LLC	21-10154	01/31/2021	83-3682073
12 E 33 St NYC LLC	21-10155	01/31/2021	83-3875535
12121 Bluff Creek LA LLC	21-10156	01/31/2021	83-4131394
12211 Washington LA LLC	21-10157	01/31/2021	83-3080572
125 Fifth Ave NYC LLC	21-10158	01/31/2021	84-1876335
1250 Eye St DC LLC	21-10159	01/31/2021	84-2757981
12555 West Jefferson Way LA LLC	21-10160	01/31/2021	84-2325657
126 Post St SF LLC	21-10161	01/31/2021	83-2775878
129 W 29th NYC LLC	21-10162	01/31/2021	83-4005122
131 Rodeo 102 LA LLC	21-10163	01/31/2021	83-2857167
131 Rodeo 250 LA LLC	21-10164	01/31/2021	83-2889670
13160 Mindanao Way LA LLC	21-10165	01/31/2021	84-2307667
1317 5th St LA LLC	21-10166	01/31/2021	83-4406337
1330 Conn Ave DC LLC	21-10167	01/31/2021	84-3288693
1407 Broadway NYC LLC	21-10168	01/31/2021	83-3054080
142 Berkeley St BOS LLC	21-10169	01/31/2021	84-2681465
1444 Market St SF LLC	21-10170	01/31/2021	84-2272723
146 Geary St SF LLC	21-10171	01/31/2021	84-2242574
152 W 25 NYC LLC	21-10172	01/31/2021	83-3839397
1550 Bryant St SF LLC	21-10173	01/31/2021	83-4314610
1556 20th LA LLC	21-10174	01/31/2021	83-3761760
16 W 36 St NYC LLC	21-10175	01/31/2021	83-3109002
1625 Oly Blvd LA LLC	21-10176	01/31/2021	83-4247066
1640 Sepulveda LA LLC	21-10177	01/31/2021	83-4195317

166 Geary St SF LLC	21-10178	01/31/2021	83-2493115
1720 Eye St DC LLC	21-10179	01/31/2021	84-2730790
1725 Montgomery St SF LLC	21-10180	01/31/2021	84-2166207
19 W 44th NYC LLC	21-10181	01/31/2021	84-2251886
195 Broadway NYC LLC	21-10182	01/31/2021	83-4026670
2 Liberty Sq BOS LLC	21-10183	01/31/2021	84-3509124
22 W 21 ST NYC LLC	21-10184	01/31/2021	83-2717693
2228 Cottner LA LLC	21-10185	01/31/2021	83-3933742
23 W 20th NYC LLC	21-10186	01/31/2021	83-3979493
239 Causeway St Boston LLC	21-10187	01/31/2021	84-2383913
240 W 35th NYC LLC	21-10188	01/31/2021	83-3958480
240 W 40 St NYC LLC	21-10189	01/31/2021	84-3422852
250 Montgomery St LLC	21-10190	01/31/2021	84-2059579
259 W 30TH NYC LLC	21-10191	01/31/2021	83-3458173
26 W 17th St NYC LLC	21-10192	01/31/2021	83-4070508
260 W 39th NYC LLC	21-10193	01/31/2021	83-4156968
275 Battery St SF LLC	21-10194	01/31/2021	83-4277442
28 W 25 NYC LLC	21-10195	01/31/2021	83-3625955
29 W 35th St NYC LLC	21-10196	01/31/2021	83-2583842
295 Madison NYC LLC	21-10197	01/31/2021	84-2201937
30 W 21 St NYC LLC	21-10198	01/31/2021	83-2784719
300 Broadway St SF LLC	21-10199	01/31/2021	84-2179840
300 Montgomery St SF LLC	21-10200	01/31/2021	84-2118694
301 Brannan St SF LLC	21-10201	01/31/2021	84-4011349
303 Second St SF LLC	21-10202	01/31/2021	83-4281264
3137 S La Cienega Blvd LA LLC	21-10203	01/31/2021	83-4578732
320 Lincoln LA LLC	21-10204	01/31/2021	83-3566758
3309 La Cienega Place LA LLC	21-10205	01/31/2021	84-2416819
333 Broadway SF Tenant LLC	21-10206	01/31/2021	84-2089613
350 Sansome St SF LLC	21-10207	01/31/2021	84-2195065
3535 Hayden Ave LA LLC	21-10208	01/31/2021	84-3095720
360 Madison NYC LLC	21-10209	01/31/2021	84-3443372
369 Lexington Ave NYC LLC	21-10210	01/31/2021	83-2814283
390 Broadway NYC LLC	21-10211	01/31/2021	83-3433057
40 Broad St BOS LLC	21-10212	01/31/2021	84-2653293
400 Sutter St SF LLC	21-10213	01/31/2021	83-3349792
405 E 4th Avenue SM LLC	21-10214	01/31/2021	84-2075196
405 Howard Street SF LLC	21-10215	01/31/2021	84-2135179
429 Santa Monica Blvd LA LLC	21-10216	01/31/2021	83-2692522
42Floors LLC	21-10217	01/31/2021	83-3297556
44 E 32nd Street NYC LLC	21-10218	01/31/2021	84-2348777
44 Thomson Pl BOS LLC	21-10219	01/31/2021	84-2389379
447 Broadway NYC LLC	21-10220	01/31/2021	84-2003365

45 W 45 ST NYC LLC	21-10221	01/31/2021	83-2797749
4501 Glencoe Blvd LA LLC	21-10222	01/31/2021	84-3064141
455 Market St SF LLC	21-10223	01/31/2021	83-3470010
456 Montgomery St SF LLC	21-10224	01/31/2021	84-2927577
465 California St SF LLC	21-10225	01/31/2021	84-2228081
5 Bryant Park NYC LLC	21-10226	01/31/2021	83-3392865
50 Osgood Pl SF LLC	21-10227	01/31/2021	84-1998973
505 Howard SF St LLC	21-10228	01/31/2021	84-2475071
545 5th Ave NYC LLC	21-10229	01/31/2021	84-1891165
555 Montgomery St SF LLC	21-10230	01/31/2021	83-2663045
565 Commercial St SF LLC	21-10231	01/31/2021	83-3509276
580 8th Ave NYC LLC	21-10232	01/31/2021	83-2567612
590 Fifth Ave NYC LLC	21-10233	01/31/2021	83-2990113
597 Fifth Ave NYC LLC	21-10234	01/31/2021	83-3010158
6 W 28th NYC LLC	21-10235	01/31/2021	83-4112594
60 Madison NYC LLC	21-10236	01/31/2021	84-2329645
600 Corporate Pointe LA LLC	21-10237	01/31/2021	84-1982713
649 Mission St SF LLC	21-10238	01/31/2021	83-3834760
650 Fifth Ave NYC LLC	21-10239	01/31/2021	83-3413279
71 Stevenson St SF LLC	21-10240	01/31/2021	83-3495366
750 Harrison St SF LLC	21-10241	01/31/2021	83-2927076
818 Mission St SF LLC	21-10242	01/31/2021	83-4173973
8590 National Blvd LA LLC	21-10243	01/31/2021	83-4386204
8690 National Blvd LA LLC	21-10244	01/31/2021	83-4400571
875 6th Ave NYC LLC	21-10245	01/31/2021	83-4358710
88 Kearny St SF LLC	21-10246	01/31/2021	83-4620116
901 Market St SF LLC	21-10247	01/31/2021	83-4323218
909 E Street DC LLC	21-10248	01/31/2021	84-3199729
909 Ocean Front Walk LA LLC	21-10249	01/31/2021	84-2371053
91 Fifth Ave NYC LLC	21-10250	01/31/2021	83-3644405
Bush 225 SF LLC	21-10251	01/31/2021	83-3571909
Cortlandt White NYC LLC	21-10252	01/31/2021	83-4217796
Kkoin, LLC	21-10253	01/31/2021	61-1929249
Knotel 1 Whitehall LLC	21-10254	01/31/2021	82-5449153
Knotel 102 Madison LLC	21-10255	01/31/2021	82-4703377
Knotel 105 Madison LLC	21-10256	01/31/2021	83-0596066
Knotel 109 Stevenson LLC	21-10257	01/31/2021	83-2165629
Knotel 11 E 44th LLC	21-10258	01/31/2021	83-2518243
Knotel 110 Greene LLC	21-10259	01/31/2021	83-2396272
Knotel 110 William LLC	21-10260	01/31/2021	83-0925421
Knotel 114 W 26th LLC	21-10261	01/31/2021	37-4045116
Knotel 12 W 21st St LLC	21-10262	01/31/2021	83-1966858
Knotel 12 W 27th St LLC	21-10263	01/31/2021	83-1951596

Knotel 121 2nd Street LLC	21-10264	01/31/2021	83-1188215
Knotel 147 W 24th LLC	21-10265	01/31/2021	82-5085253
Knotel 148 Lafayette LLC	21-10266	01/31/2021	83-1213977
Knotel 150 Post LLC	21-10267	01/31/2021	83-2273916
Knotel 1500 Broadway LLC	21-10268	01/31/2021	84-2140184
Knotel 155 Fifth Ave LLC	21-10269	01/31/2021	83-1026739
Knotel 156 Fifth, LLC	21-10270	01/31/2021	82-5438679
Knotel 16 W 22nd LLC	21-10271	01/31/2021	83-4608517
Knotel 160 Pine LLC	21-10272	01/31/2021	83-1172683
Knotel 17 W 20th LLC	21-10273	01/31/2021	83-0958965
Knotel 180 Howard LLC	21-10274	01/31/2021	83-2212705
Knotel 200 W 41st LLC	21-10275	01/31/2021	30-1000246
Knotel 2080 Addison LLC	21-10276	01/31/2021	83-2200842
Knotel 211 East 43 LLC	21-10277	01/31/2021	83-2552391
Knotel 213 W 35th St LLC	21-10278	01/31/2021	83-1937484
Knotel 220 W 19th St LLC	21-10279	01/31/2021	83-0874568
Knotel 221 Pine LLC	21-10280	01/31/2021	83-2098382
Knotel 224 W 30th LLC	21-10281	01/31/2021	82-4891740
Knotel 229 W 43 LLC	21-10282	01/31/2021	83-2598162
Knotel 25 W 45th LLC	21-10283	01/31/2021	82-5490457
Knotel 250 Hudson LLC	21-10284	01/31/2021	83-0808143
Knotel 250 Hudson ST LLC	21-10285	01/31/2021	83-1202293
Knotel 26 OFarrell LLC	21-10286	01/31/2021	83-2286955
Knotel 26 W 17 LLC	21-10287	01/31/2021	83-1908035
Knotel 261 Madison LLC	21-10288	01/31/2021	82-5519847
Knotel 27 W 23rd ST LLC	21-10289	01/31/2021	83-2625510
Knotel 29 W 17th LLC	21-10290	01/31/2021	82-5035895
Knotel 3 E 28th LLC	21-10291	01/31/2021	32-0551410
Knotel 30 Broad LLC	21-10292	01/31/2021	83-0545218
Knotel 30 West 26th LLC	21-10293	01/31/2021	83-0776440
Knotel 307 Fifth LLC	21-10294	01/31/2021	83-0891088
Knotel 31 W 27th LLC	21-10295	01/31/2021	83-0859757
Knotel 321 11th LLC	21-10296	01/31/2021	83-2147976
Knotel 340 Brannan LLC	21-10297	01/31/2021	83-1778879
Knotel 36 W 14th LLC	21-10298	01/31/2021	83-3032502
Knotel 360 Pas LLC	21-10299	01/31/2021	61-1862846
Knotel 37 W 17th LLC	21-10300	01/31/2021	82-5051571
Knotel 373 Pas LLC	21-10301	01/31/2021	82-2342495
Knotel 38 E 29th LLC	21-10302	01/31/2021	83-0575641
Knotel 399 Lafayette LLC	21-10303	01/31/2021	83-2447613
Knotel 40 EX LLC	21-10304	01/31/2021	82-2303350
Knotel 40 Wooster LLC	21-10305	01/31/2021	82-5015971
Knotel 400 Madison LLC	21-10306	01/31/2021	36-4876101

Knotel 41 USW LLC	21-10307	01/31/2021	35-2614014
Knotel 41 W 25 LLC	21-10308	01/31/2021	83-2537411
Knotel 417 Montgomery LLC	21-10309	01/31/2021	83-1141285
Knotel 419 PAS LLC	21-10310	01/31/2021	30-1004176
Knotel 43 W 24th LLC	21-10311	01/31/2021	82-4557137
Knotel 443 PAS LLC	21-10312	01/31/2021	82-5471284
Knotel 475 Park LLC	21-10313	01/31/2021	36-4875485
Knotel 49 Drumm LLC	21-10314	01/31/2021	83-2228930
Knotel 5 Hanover LLC	21-10315	01/31/2021	83-0824463
Knotel 5-9 USW LLC	21-10316	01/31/2021	37-1866663
Knotel 521 Broadway LLC	21-10317	01/31/2021	30-1015737
Knotel 530 Broadway LLC	21-10318	01/31/2021	83-0840906
Knotel 530 Seventh Avenue LLC	21-10319	01/31/2021	82-5502045
Knotel 54 W 21st LLC	21-10320	01/31/2021	83-0942085
Knotel 54 W 22nd LLC	21-10321	01/31/2021	82-5069685
Knotel 55 W 21st LLC	21-10322	01/31/2021	37-1866349
Knotel 550 Montgomery LLC	21-10323	01/31/2021	83-1152317
Knotel 551 Fifth Ave LLC	21-10324	01/31/2021	36-4876259
Knotel 560 LEXINGTON LLC	21-10325	01/31/2021	61-1853704
Knotel 575 8th Ave LLC	21-10326	01/31/2021	83-2437317
Knotel 580 5th Ave NYC LLC	21-10327	01/31/2021	83-3373638
Knotel 580 Market LLC	21-10328	01/31/2021	83-2255639
Knotel 584 Broadway LLC	21-10329	01/31/2021	37-1874518
Knotel 598 Broadway LLC	21-10330	01/31/2021	61-1855099
Knotel 6 W 48th St LLC	21-10331	01/31/2021	82-4998601
Knotel 600 Townsend LLC	21-10332	01/31/2021	83-1108449
Knotel 61 Broadway LLC	21-10333	01/31/2021	83-1231135
Knotel 611 Mission LLC	21-10334	01/31/2021	83-2246833
Knotel 615 Sacramento LLC	21-10335	01/31/2021	83-2173880
Knotel 625 2nd LLC	21-10336	01/31/2021	83-2646631
Knotel 655 Madison LLC	21-10337	01/31/2021	36-4876782
Knotel 695 AOA LLC	21-10338	01/31/2021	83-0991566
Knotel 701 Sutter LLC	21-10339	01/31/2021	83-2136460
Knotel 72 Madison LLC	21-10340	01/31/2021	35-2607138
Knotel 785 Market LLC	21-10341	01/31/2021	82-2186419
Knotel 80 Eighth Ave LLC	21-10342	01/31/2021	83-0793223
Knotel 814 Mission LLC	21-10343	01/31/2021	83-1118910
Knotel 88 Stevenson LLC	21-10344	01/31/2021	83-2079635
Knotel 90 John LLC	21-10345	01/31/2021	83-0907200
Knotel 900 Broadway LLC	21-10346	01/31/2021	83-1920444
Knotel 972 Mission LLC	21-10347	01/31/2021	36-4880419
Knotel Battery LLC	21-10348	01/31/2021	35-2611884
Knotel Blockchain Services LLC	21-10349	01/31/2021	83-2942568

Knotel Flowerpot LLC	21-10350	01/31/2021	83-2829868
Knotel Geometry LLC	21-10351	01/31/2021	84-2518599
Knotel Platform 2017 LLC	21-10352	01/31/2021	32-0540957
Knotel President LLC	21-10353	01/31/2021	35-2608350
Knotel Properties LLC	21-10354	01/31/2021	83-4699432
Knotel Varick LLC	21-10355	01/31/2021	82-1483113
Knotel William LLC	21-10356	01/31/2021	37-1869449
Paces Ferry Road ATL LLC	21-10357	01/31/2021	84-3842036
Pine Street Tenant NY LLC	21-10358	01/31/2021	83-3317479
Tenant 660 Mkt St SF LLC	21-10359	01/31/2021	84-2026785

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

In re Knotel, Inc., <i>et al.</i> , Debtors. ¹	Chapter 11 Case No. 21-10146 (MFW) Jointly Administered
In re Knotel Canada, Inc. Debtor. ²	Chapter 11 Case No. 21-____ (____) Joint Administration Requested

**CORPORATE OWNERSHIP STATEMENT AND
LIST OF EQUITY SECURITY HOLDERS**

Pursuant to Rules 1007(a)(1), 1007(a)(3), and 7007.1 of the Federal Rules of Bankruptcy Procedure, Knotel Canada, Inc. states as follows:

- Knotel Canada, Inc., is wholly owned by Knotel, Inc.
- The following entities directly or indirectly own 10% or more of the equity interests in Knotel, Inc.: Essential Media Group, LLC, Peak State Limited (f/k/a Arvensis Ventures Ltd), and Sarva TXT, LLC.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records ("PACER") account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² The last four digits of Knotel Canada, Inc.'s business number are 0136 and its service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

Debtor name Knotel, Inc., et al.

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

Case No. (If known) _____

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person who is an *insider*, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1 One Workpl L Ferrari LLC dba Two 2500 De La Cruz Blvd Santa Clara, CA 95050	One Workpl L Ferrari LLC Email: payments@oneworkplace.com	Supply Chain - Furniture				\$4,985,299.47
2 Hudson 901 Market LLC 303 2nd St San Francisco, CA 94107	Hudson 901 Market LLC Attn: Jason Storm Email: jstorm@hudsonppi.com Phone: (310) 445-5700	Rent				\$4,042,220.05
3 Eden Technologies Inc 54 Gilbert St San Francisco, CA 94103	Eden Technologies Inc Email: billing@eden.io Phone: 1-800-754-3166	Facilities				\$3,108,234.37
4 260-261 Madison Ave LLC 261 Madison Ave, Fl 27 New York, NY 10016	260-261 Madison Ave LLC	Rent				\$2,692,399.58
5 505 Howard SF LLC 21575 Ridgetop Cir Sterling, VA 20166	505 Howard SF LLC	Rent				\$2,309,973.88
6 SourceMedia 1 State St New York, NY 10004	SourceMedia Attn: Anthony DeNoris Email: Anthony.DeNoris@sourcemedia.com	Rent				\$2,119,571.35

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7 HRC Corp 156 5th Ave, Ste 300 New York, NY 10010	HRC Corp Email: ehaddad@hrccorp.com Attn: Robert E. Haddad Email: ehaddad@hrccorp.com Phone: (212) 807-7664 ext. 2	Rent		\$2,342,099.70	\$225,000.00	\$2,117,099.70
8 530 Broadway Owner LLC 1040 Ave of Americas, 3rd Fl New York, NY 10018	530 Broadway Owner LLC Attn: Joanne Agoglia Email: jagoglia@hspny.com Phone: (212) 519-2036	Rent				\$1,560,785.50
9 RXR 61 Broadway Owner LLC 61 Broadway New York, NY 10006	RXR 61 Broadway Owner LLC Attn: Jason Barnett, General Counsel Email: leasing@rxrrealty.com Phone: (212) 797-1330	Rent				\$1,487,384.21
10 Hudson 625 Second LLC 625 2nd Rincon Ctr, Ste 220 San Francisco, CA 94105	Hudson 625 Second LLC Attn: Sarah Epstein Email: sepstein@hudsonppi.com Phone: (310) 445-5700	Rent				\$1,333,644.18
11 30 Broad Street Venture, LLC 30 Broad St New York, NY 10004	30 Broad Street Venture, LLC	Rent		\$1,346,943.29	\$18,096.69	\$1,328,846.60
12 Office Resources, Inc 263 Summer St Boston, MA 02210	Office Resources, Inc Attn: Leanne Niland Email: accountsreceivablegroup@ori.com Phone: (617) 896-3263	Supply Chain - Furniture				\$1,245,306.91
13 RELX, Inc 9443 Springboro Pike Miamisburg, OH 45342	RELX, Inc Attn: Daniel J. Weissman Email: dan.weissman@lexisnexis.com Phone: (202) 857-8202	Rent		\$1,312,770.36	\$197,000.00	\$1,115,770.36
14 DP 1550 Bryant LLC 1550 Bryant St, 4th Fl San Francisco, CA 94103	DP 1550 Bryant LLC Attn: Kimberly Tran Email: bli@downtown-properties.com	Rent		\$1,651,155.89	\$566,760.97	\$1,084,394.92

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
15 JLJ LLC c/o Olmstead Properties Inc 27 W 23rd St New York, NY 10010	JLJ LLC Email: mcarter@olmsteadinc.com Phone: (212) 564-2240 or (212) 564-6662	Rent				\$1,057,433.61
16 29 W 35th Street LLC 29 W 35th St, Ste 900 New York, NY 10001	29 W 35th Street LLC	Rent		\$1,821,516.42	\$779,675.00	\$1,041,841.42
17 Alliance Brokerage Corp 990 Westbury Rd Westbury, NY 11590	Alliance Brokerage Corp Email: mvescovo@abc990.com Attn: Michael Vescovo Phone: (516) 465-1100	Legal				\$991,338.37
18 ASB Allegiance Real Estate Fund dba 400 Madison Holdings LLC c/o Ds400Owner LLC 400 Madison Ave, Ste 14B New York, NY 10017	ASB Allegiance Real Estate Fund Attn: Adeline Juliet Martin, MYoungkuk Kim Email: Julietmartin111@gmail.com Phone: (301) 523-5721 OR	Rent		\$1,498,483.33	\$527,041.00	\$971,442.33
19 Kidder Matthews of California, Inc. 101 Mission Street, Suite 2100 San Francisco CA 94105	Kidder Matthews of California, Inc. Email: bradv@kiddermathews.com	Rent				\$927,672.00
20 31 West 27th Street Property Investors IV, LLC 31 West 27th Street New York NY 10001	31 West 27th Street Property Investors IV, LLC					\$ 901,476.31

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
21 5 Hanover Square (NY) Owner, LLC 5 Hanover Square New York NY 10004	5 Hanover Square (NY) Owner, LLC	Rent				\$896,606.96
22 475 Building Company LLC 750 Lexington Avenue New York NY 10022	475 Building Company LLC	Rent				\$849,723.12
23 303 2nd Street Sf LLC / Syapse Inc 303 Second Street, Suite 500 North San Francisco CA 94107	303 2nd Street Sf LLC / Syapse Inc Attn: Todd Mayover	Rent		\$1,052,896.83	\$208,777.24	\$844,119.59
24 11 E 44th Street LLC 346 Madison Ave New York NY 10017	11 E 44th Street LLC	Legal		\$1,290,813.02	\$474,739.67	\$816,073.35
25 598 Broadway Realty Assoc, Inc P.O. Box 514 Prince St Station New York, NY 10012	598 Broadway Realty Assoc, Inc Attn: Zvi Mosery	Rent		\$960,735.85	\$144,986.00	\$815,749.85
26 GODADDY MSH INC. 14455 N. Hayden Rd., Suite 219 Scottsdale, AZ 85260	GODADDY MSH INC.	Rent		\$788,915.12	19,030.57	\$769,884.55
27 250 HUDSON STREET LLC	250 HUDSON STREET LLC	Rent				\$755,139.37

Debtor name Knotel, Inc., et al.

Case No. (If known) _____

(Continuation Sheet)

Name of creditor and complete mailing address, including zip code.	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total Claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
28 Legacy 455 Market Street L.P. 1865 Harman Street, 1R Ridgewood NY 11385	Legacy 455 Market Street L.P. Attn: Tania A Monar					\$747,678.13
29 Essence Global LLC 54 West 21st Street New York NY 10010	Essence Global LLC Email: eyleen.donneys@essenceglobal.com					\$746,983.31
30 6 West 48 th LLC 242 West 38th Street 12th Floor New York NY 10018	6 West 48 th LLC Email: ecerritos@hspny.com					\$730,712.50

AUTHORIZED PERSON'S CERTIFICATE

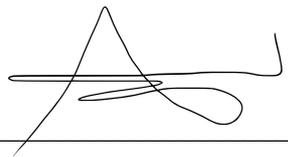
March 8, 2021

This Authorized Person's Certificate (this "**Certificate**") is furnished in connection with that certain chapter 11 petition filed on March 8, 2021 (as amended, modified or supplemented from time to time, the "**Petitions**"), by Knotel Canada, Inc., a British Columbia corporation (the "**Company**") and the related application for recognition under the *Companies' Creditors Arrangement Act* (Canada).

The undersigned, being an Authorized Person (as such term is defined in the attached resolutions) of the Company, hereby certifies, solely in his/her capacity as such and not in his/her individual capacity and without personal liability, that attached hereto as **Exhibit A** is a true, correct and complete copy of the resolutions duly adopted by the sole shareholder of the Company on the date hereof, in accordance with the articles of such Company and the requirements of applicable law, and such resolutions have not been modified, rescinded or amended and are in full force and effect as of the date of this Certificate.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate as of the date first set forth above.

By:  _____

Name: Amit Khanna

Title: Director, Authorized Signatory

Exhibit A

Resolutions

**RESOLUTIONS BY
THE SOLE SHAREHOLDER OF KNOTEL CANADA, INC. (THE “COMPANY”)**

March 8, 2021

Effective as of the date written above, the undersigned, being the sole shareholder of the Company, hereby consents to and approves the following actions and adopts the following resolutions pursuant to and in accordance with the *Business Corporations Act* (British Columbia):

RECITALS

WHEREAS, the sole shareholder of the Company has reviewed and considered the financial and operational condition of the Company and the Company’s business on the date hereof, including the historical and current performance of the Company, the assets and prospects of the Company, the current and long-term liabilities of the Company, the market for the Company’s assets, and credit market conditions, and fully considered the strategic alternatives available to the Company; and

WHEREAS, the sole shareholder of the Company has received, reviewed, and considered the recommendations of the senior management of the Company and the Company’s legal, financial, and other advisors as to the relative risks and benefits of pursuing a reorganization case under the provisions of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”);

WHEREAS, the sole shareholder has determined that it is desirable and in the best interest of the Company, its creditors, and other stakeholders generally that the Company to seek ancillary relief in Canada in respect of the relief sought under the Bankruptcy Code on behalf of the Company and certain of its affiliates, pursuant to the *Companies’ Creditors Arrangement Act* (Canada) R.S.C. 1985, c. C-36 as amended (the “**CCAA**”) in the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) in the Province of Ontario, Canada. and

WHEREAS, the sole shareholder of the Company, in consultation with the senior management of the Company and the Company’s legal, financial, and other advisors, has determined that it is in the best interests of the Company to explore a potential sale of its assets to one or more potential bidders (the “**Sale**”); and

WHEREAS, after reviewing indications of interest submitted by interested bidders, the sole shareholder of the Company, with the assistance of the senior management of the Company and the Company’s legal, financial, and other advisors, reviewed and negotiated an asset purchase agreement (the “**Stalking Horse Agreement**”) with Digiotech, LLC (or its designee) (the “**Stalking Horse Bidder**”) to purchase substantially all of the Company’s assets; and

WHEREAS, the sole shareholder of the Company determined that the Stalking Horse Agreement is fair and reasonable, will not discourage competitive bidding in connection with the Sale, and that it is in the best interests of the Company that the Company enter into the Stalking Horse Agreement; and

WHEREAS, the sole shareholder of the Company has determined that taking the actions set forth below are advisable and in the best interests of the Company and, therefore desires to approve the following resolutions:

NOW, THEREFORE, BE IT

I. Commencement of Proceedings

RESOLVED, that, in the judgment of the sole shareholder of the Company, it is in the best interests of the Company, and would promote the maximization of the value of the Company for the benefit of its shareholders, that a voluntary petition (the “**Petition**”) be filed with the bankruptcy court by the Company commencing a case (the “**Chapter 11 Case**” and, collectively, the “**Chapter 11 Cases**”) under the provisions of the Bankruptcy Code; and it is further

RESOLVED, that any one of John M. Jureller and Amit Khanna and any other officer of the Company specifically designated by the foregoing officers (each, an “**Authorized Person**”), in each case, acting singly or jointly, be, and each hereby is, authorized and empowered to execute and file in the name and on behalf of the Company, to execute, acknowledge, deliver, and verify the Petition and to cause the same to be filed with the bankruptcy court at such time as such Authorized Person may determine; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered on behalf of the Company, to execute, acknowledge, deliver, and verify and file any and all petitions, schedules, statements of affairs, lists, motions, applications, and other papers and to take any and all related actions that such Authorized Persons may deem necessary or proper in connection with the filing of the Petition and commencement of the Chapter 11 Case; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and on behalf of the Company, to perform the obligations of the Company under the Bankruptcy Code, with all such actions to be performed in such manner, and all such certificates, instruments, guaranties, notices and documents to be executed and delivered in such form, as the Authorized Person performing or executing the same shall approve, and the performance or execution thereof by such Authorized Person shall be conclusive evidence of the approval thereof by such Authorized Person and by the Company; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and

on behalf of the Company, to cause the Company to enter into, execute, deliver, certify, file, record, and perform such agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities, certificates or other documents, to pay all expenses, including filing fees, and to take such other actions, as in the judgment of such Authorized Persons, shall be necessary, proper and desirable to prosecute to a successful completion the Chapter 11 Case and to effectuate the restructuring, reorganization, sale or liquidation of the Company's assets, refinancing, restructuring or other transaction with respect to, its debt, other obligations, organizational form and structure or ownership of the Company, and to carry out and put into effect the purposes of these resolutions, and the transactions contemplated by these resolutions, their authority thereunto to be evidenced by the taking of such actions; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized to file or cause to be filed an application for recognition of the Chapter 11 Case as a foreign proceeding under the CCAA in the Canadian Court and to seek such other insolvency or bankruptcy relief in Canada as may be necessary from time to time (the "**Canadian Proceedings**"); and it is further

RESOLVED, that each Authorized Person be, and each of them acting alone hereby is, authorized to execute and verify such application of the Company in the name of the Company under the CCAA and to cause the same to be filed with the Canadian Court, in such form and at such time as the Authorized Officer executing such application shall determine; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and on behalf of the Company, to perform the obligations of the Company in the Canadian Proceedings, with all such actions to be performed in such manner, and all such certificates, instruments, guaranties, notices and documents to be executed and delivered in such form, as the Authorized Person performing or executing the same shall approve, and the performance or execution thereof by such Authorized Person shall be conclusive evidence of the approval thereof by such Authorized Person and by the Company; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized and empowered from time to time in the name and on behalf of the Company, to cause the Company to enter into, execute, deliver, certify, file, record, and perform such agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities, certificates or other documents, to pay all expenses, including filing fees, and to take such other actions, as in the judgment of such Authorized Persons, shall be necessary, proper and desirable to prosecute to a successful completion the Canadian Proceedings and to effectuate the restructuring, reorganization, sale or liquidation of the Company's assets, refinancing, restructuring or other transaction with respect to, its debt, other obligations, organizational form and structure or ownership of the Company, and to carry out and put into effect the purposes of these resolutions, and the transactions contemplated by these resolutions, their authority thereunto to be evidenced by the taking of such actions; and it is further

RESOLVED, that each of the Authorized Persons be, and each of them hereby is, authorized to execute and file, or cause to be filed (or direct others to do so on their behalf as provided herein) with the Canadian Court, on behalf of the Company, all petitions, affidavits, schedules, motions, lists, applications, pleadings, and other necessary papers or documents, including any amendments thereto and in connection therewith, to employ and retain all assistance by legal counsel, financial advisors, accountants, or other professionals and to take any and all actions that they deem necessary or proper to obtain such recognition of a foreign proceeding and such other relief as may be necessary from time to time, and to take any necessary steps to coordinate and effectuate the Canadian Proceedings; and it is further

II. Retention of Advisors

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ the law firm of Milbank LLP, located at 2029 Century Park East, 33rd Floor, Los Angeles, CA 90067, as general bankruptcy counsel to represent and advise the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations, including filing any pleadings in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Milbank LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ the law firm of Morris, Nichols, Arsht & Tunnell LLP, located at 1201 North Market Street, 16th Floor, Wilmington, DE 19899, as general bankruptcy counsel to represent and advise the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations, including filing any pleadings in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Morris, Nichols, Arsht & Tunnell LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Moelis & Company, located at 399 Park Avenue, 5th Floor, New York, NY 10022, as investment banker to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance its rights and obligations in connection with the Chapter 11 Case and with any post-petition financing; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate

retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Moelis & Company; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Omni Agent Solutions, located at 5955 De Soto Avenue, Suite 100, Woodland Hills, CA 91367, as claims, noticing and administrative agent to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Omni Agent Solutions; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Fenwick & West LLP, located at 801 California Street, Mountain View, CA 94041, as special corporate counsel; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Fenwick & West LLP; and it is further;

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Cassels Brock & Blackwell LLP, located at 2100 Scotia Plaza, 40 King Street West, Toronto, ON, Canada M5H 3C2, as Canadian counsel; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Canadian Proceedings and seek an order from the bankruptcy court clarifying that no additional retention applications need be made; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ Ernst & Young LLP, located at 5 Times Square, New York, New York 10036, as tax consultant; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 Case, and cause to be executed and filed an appropriate application with the bankruptcy court for authority to retain the services of Ernst & Young LLP; and it is further

RESOLVED, that the Authorized Persons be, and each of them, acting alone or in any combination, hereby is, authorized, empowered, and directed to employ any other professionals, including attorneys, accountants, and tax advisors, necessary to assist the Company in carrying out its duties under the Bankruptcy Code or in connection with the Canadian Proceedings; and in connection therewith, the Authorized Persons are hereby authorized, empowered, and directed to execute appropriate retention agreements, pay

appropriate retainers prior to or immediately upon the filing of the Chapter 11 Case, and cause to be executed and filed appropriate applications with the bankruptcy court or the Canadian Court for authority to retain the services of any other professionals, as necessary; and it is further

III. Stalking Horse Agreement, Sale Process, and Bidding Procedures Motion

RESOLVED, that the execution, delivery and performance of the Stalking Horse Agreement substantially in the form previously provided to the sole shareholder of the Company and the transactions contemplated thereby, be, and they hereby are, deemed advisable and in the best interests of the Company and are hereby authorized, approved and adopted for all purposes; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to negotiate, execute and deliver on behalf of the Company any agreements, documents and instruments in connection with the Stalking Horse Agreement or as such Authorized Persons may deem necessary, advisable or appropriate, such execution and delivery by any such Authorized Persons to be conclusive evidence of such authorization and approval; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to commence and implement the Sale; and it is further

RESOLVED, that each Authorized Person be, and hereby is, authorized, directed, and empowered, either jointly or severally, for and on behalf of and in the name of the Company, to take any and all other actions as they may deem necessary or advisable to implement the Sale as contemplated bidding procedures associate with the Sale; and it is further

IV. General Authorization and Ratification

RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Authorized Persons, each Authorized Person (and his designees and delegates) be, and hereby is, authorized and empowered, in the name of and on behalf of the Company, to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver, and file any and all such agreements, certificates, instruments, and other documents and to pay all expenses, including but not limited to filing fees, in each case as in such Authorized Person's (or his designees' or delegates') judgment, shall be necessary, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; and it is further

RESOLVED, that each sole shareholder has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may

be required by the articles of the Company or hereby waives any right to have received such notice; and it is further

RESOLVED, that all actions and transactions heretofore taken, and all agreements, instruments, reports, and documents executed, delivered, or filed through the date hereof, by any officer, director or Authorized Person of the Company in, for, and on behalf of the Company, in connection with the matters described in or contemplated by the foregoing resolutions, are hereby in all respects approved, adopted, ratified, and confirmed in all respects as the true acts and deeds of the Company as of the date such action or actions were taken; and it is further

RESOLVED, that, to the extent that the Company serves as the sole shareholder, sole member, managing member, general partner, partner, or other governing body (the “**Controlling Company**”) of any other company (a “**Controlled Company**”), each Authorized Person of the Controlling Company, any one of whom may act without the joinder of any other Authorized Person, be, and each of them hereby is, severally authorized and empowered in the name and on behalf of the Controlling Company (acting for such Controlled Company in the capacity set forth above, as applicable), to take all of the actions on behalf of such Controlled Company that an Authorized Person is herein authorized to take on behalf of the Controlling Company; and it is further

RESOLVED, that facsimile, PDF or photostatic copies of any signature to these resolutions shall be deemed to be originals and may be relied on to the same extent as the originals.

Fill in this information to identify the case and this filing:

Debtor Name Knotel Canada, Inc.
 United States Bankruptcy Court for the: _____ District of Delaware
 (State)
 Case number (If known): _____

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- Schedule H: Codebtors (Official Form 206H)
- Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)
- Amended Schedule _____
- Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- Other document that requires a declaration Corporate Ownership Statement and List of Equity Security Holders, Creditor Matrix

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 3/8/2021
 MM / DD / YYYY

X /s/ John M. Jureller
 Signature of individual signing on behalf of debtor

John M. Jureller
 Printed name

Chief Financial Officer
 Position or relationship to debtor

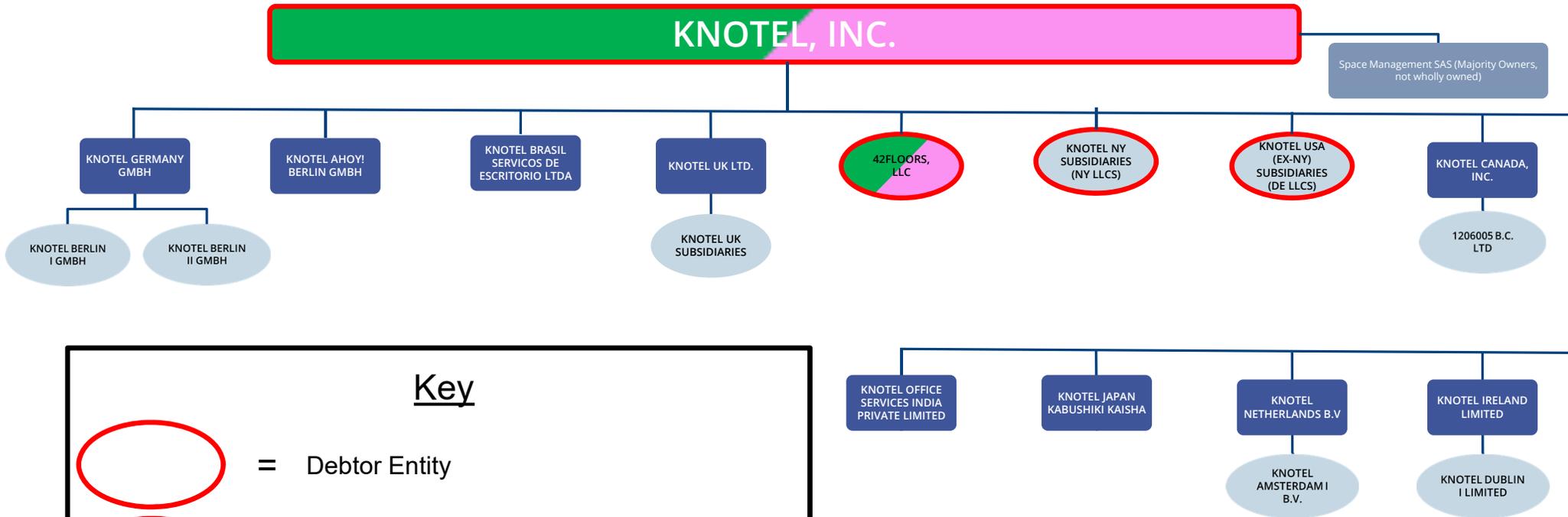
This is Exhibit “D” referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

KNOTEL GLOBAL STRUCTURE



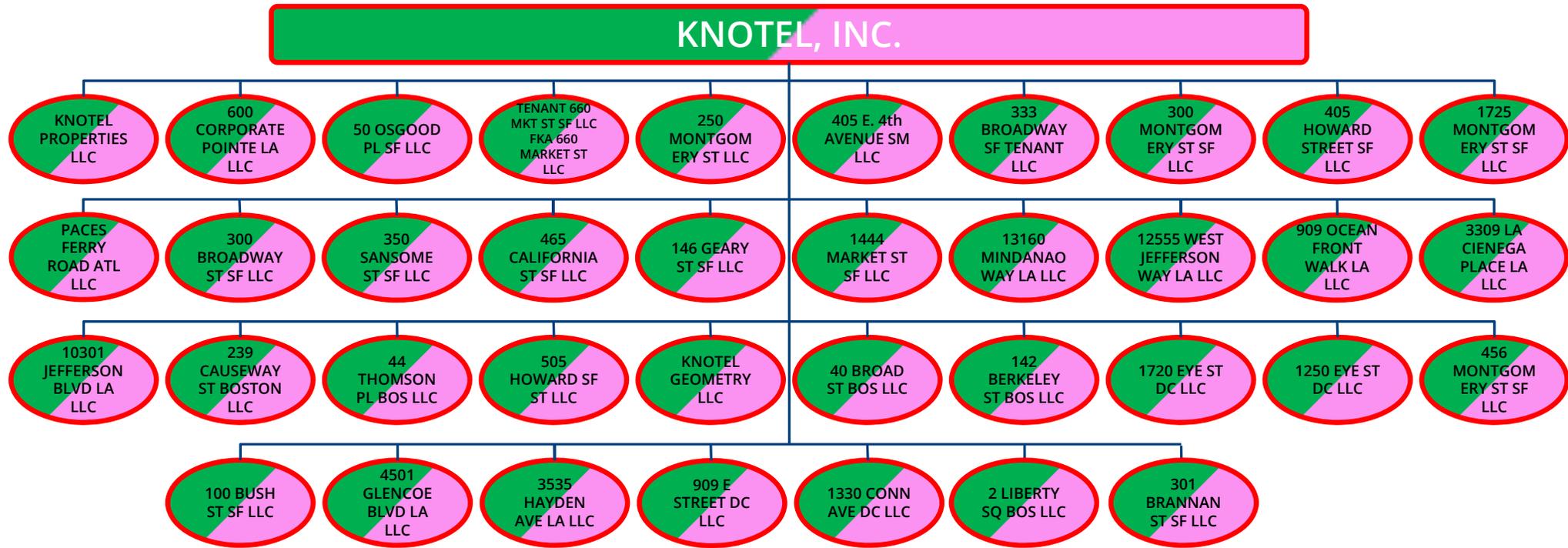
Key

-  = Debtor Entity
-  = First Lien Obligor Under Bridge Bank Loan
-  = Second Lien Obligor Under TPC Loan

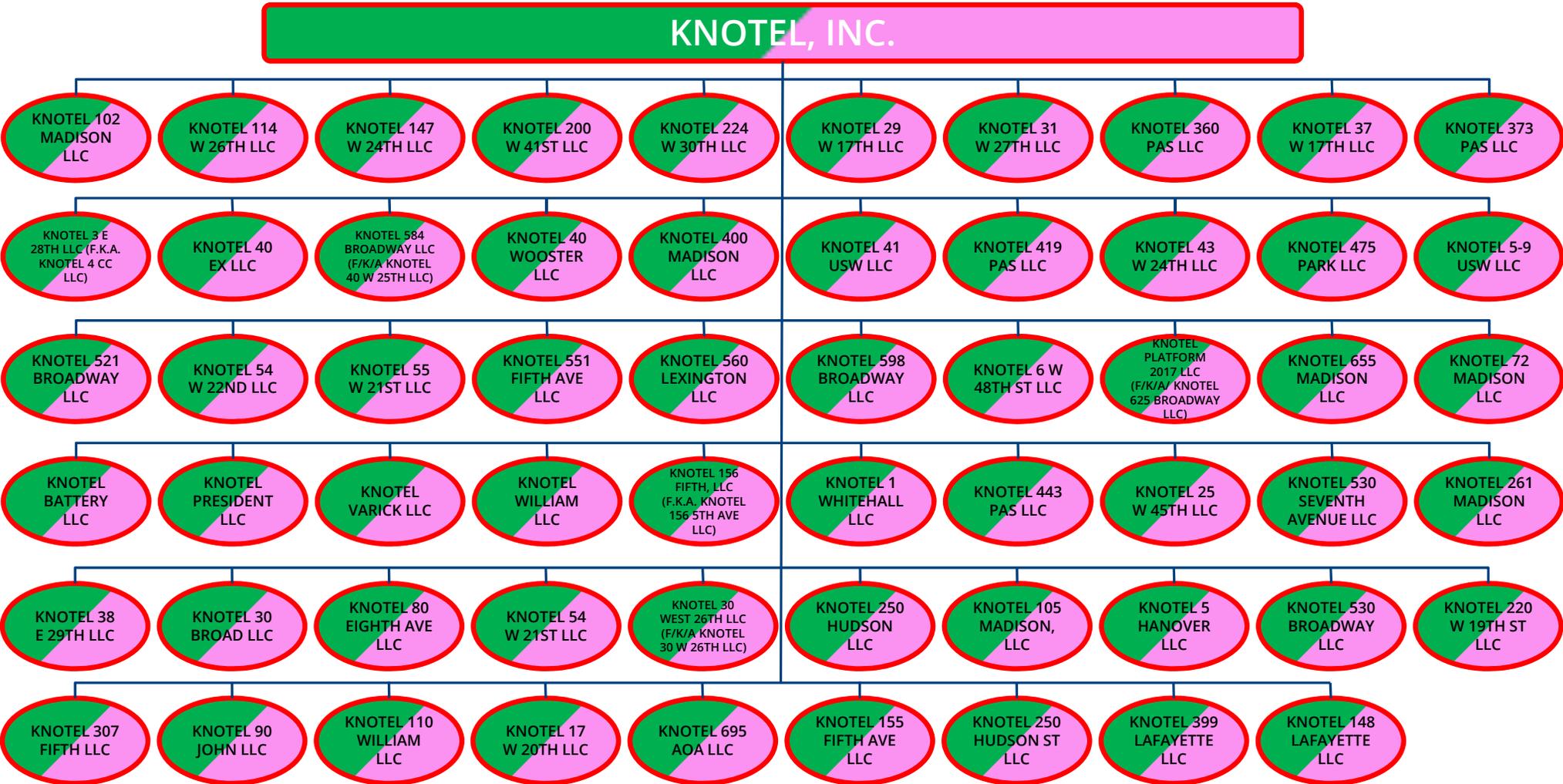
KNOTEL USA (EX-NY) SUBSIDIARIES (DE LLCs)



KNOTEL USA (EX-NY) SUBSIDIARIES CONT. (DE LLCs)



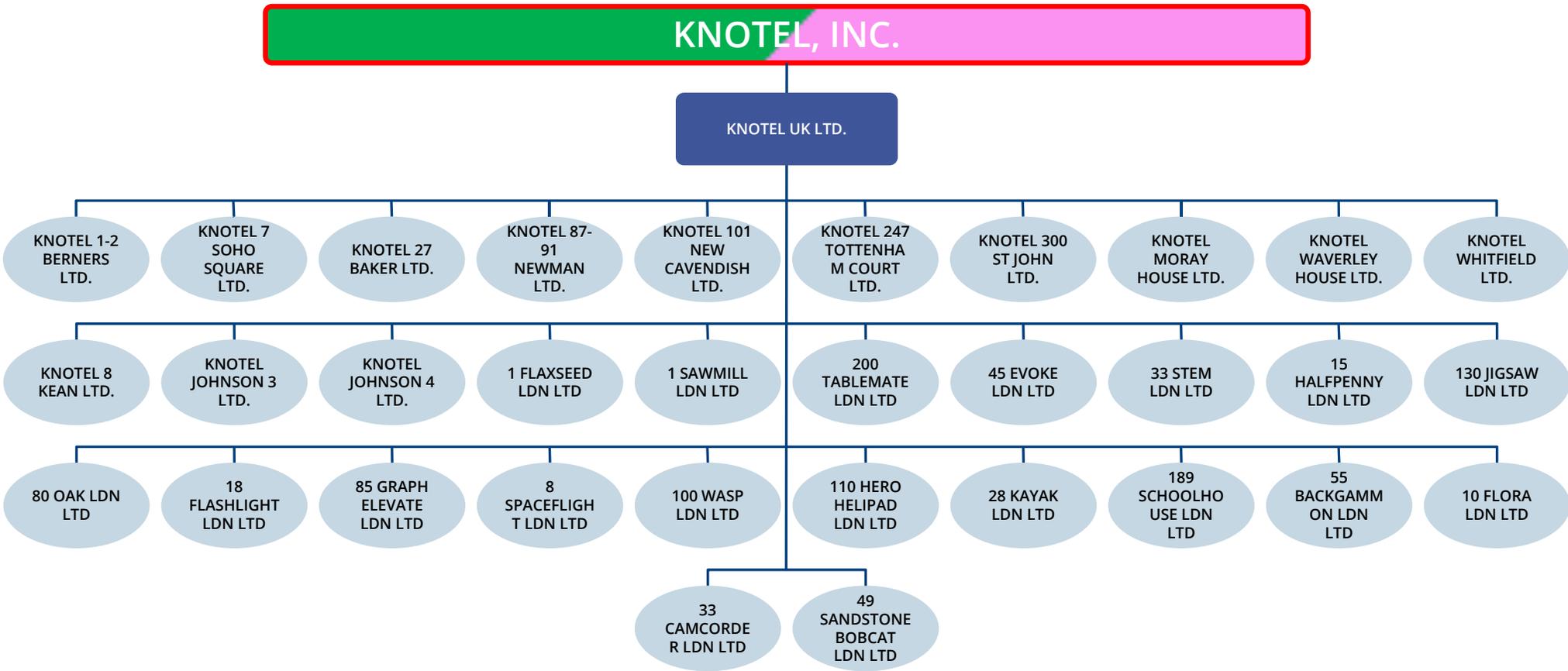
KNOTEL NY SUBSIDIARIES (NY LLCs)



KNOTEL NY SUBSIDIARIES CONT. (NY LLCs)



KNOTEL UK SUBSIDIARIES (UK LIMITED COMPANIES)



This is Exhibit "E" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

RUN NUMBER : 062
RUN DATE : 2021/03/03
ID : 20210303175623.90

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(3851)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : KNOTEL CANADA, INC.

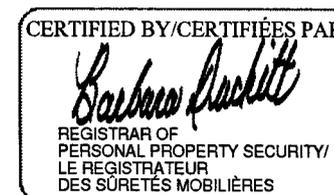
FILE CURRENCY : 02MAR 2021

ENQUIRY NUMBER 20210303175623.90 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

ESC CORPORATE SERVICES LTD
RC-15454374
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

CONTINUED... 2



(crj)5 06/2019)

RUN NUMBER : 062
RUN DATE : 2021/03/03
ID : 20210303175623.90

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(3852)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KNOTEL CANADA, INC.
FILE CURRENCY : 02MAR 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
770282811

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20210303 1620 9234 6040	P PPSA	10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME KNOTEL CANADA, INC.

04 ADDRESS 40 KING STREET WEST, SUITE 2100 TORONTO ONTARIO CORPORATION NO. ON M5H 3C2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT KNOTEL, INC.
09 ADDRESS 40 KING STREET WEST, SUITE 2100 TORONTO ON M5H 3C2

10 COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO-FIXED MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT CASSELS BROCK & BLACKWELL LLP (55506-1/TK)
17 ADDRESS SUITE 2100, 40 KING STREET W. TORONTO ON M5H 3C2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Aschitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 062
RUN DATE : 2021/03/03
ID : 20210303175623.90

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

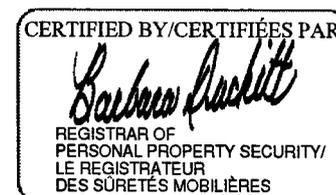
REPORT : PSSR060
PAGE : 3
(3853)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KNOTEL CANADA, INC.
FILE CURRENCY : 02MAR 2021

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
770282811	20210303	1620	9234	6040

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crj5 06/2019)

This is Exhibit "F" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

This is Exhibit "G" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P



BC Company Summary

For KNOTEL CANADA, INC.

Date and Time of Search: March 02, 2021 12:00 PM Pacific Time
Currency Date: October 15, 2020

ACTIVE

Incorporation Number: BC1206002
Name of Company: KNOTEL CANADA, INC.
Recognition Date and Time: Incorporated on April 23, 2019 02:54 PM Pacific Time
Last Annual Report Filed: April 23, 2020
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

Delivery Address:
1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

Delivery Address:
1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Khanna, Amit

Mailing Address:
33 WEST 17TH STREET
2ND FLOOR
NEW YORK NY 10011
UNITED STATES

Delivery Address:
33 WEST 17TH STREET
2ND FLOOR
NEW YORK NY 10011
UNITED STATES

Last Name, First Name, Middle Name:

Sarva, Amol

Mailing Address:

33 WEST 17TH STREET
2ND FLOOR
NEW YORK NY 10011
UNITED STATES

Delivery Address:

33 WEST 17TH STREET
2ND FLOOR
NEW YORK NY 10011
UNITED STATES

NO OFFICER INFORMATION FILED AS AT April 23, 2020.

This is Exhibit "H" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

Request ID: 025774776
Transaction ID: 78379093
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/03/02
Time Report Produced: 14:41:57
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
5020447	KNOTEL CANADA, INC.	2019/04/23
		Jurisdiction
		BR COLUMBIA
Corporation Type	Corporation Status	Former Jurisdiction
EP DOMESTIC WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
925 WEST GEORGIA STREET	NOT APPLICABLE	NOT APPLICABLE
Suite # 1600	New Amal. Number	Notice Date
VANCOUVER	NOT APPLICABLE	NOT APPLICABLE
BRITISH COLUMBIA		Letter Date
CANADA V6C 3L2		NOT APPLICABLE
Principal Place of Business in Ontario	Revival Date	Continuation Date
REPORTED AS NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	2019/04/23	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 025774776
Transaction ID: 78379093
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/03/02
Time Report Produced: 14:41:57
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

5020447

Corporation Name

KNOTEL CANADA, INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	2	2019/08/14

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "I" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

Knotel Inc
Knotel, Inc. : Knotel Canada : Knotel Canada - Toronto
CM - Knotel Balance Sheet
End of Feb 2021

Options: Activity Only

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
1000 - Bank Accounts & Cash - Summary	\$13,982.32
Total Bank	\$13,982.32
Accounts Receivable	
1100 - Accounts Receivable - Summary	\$246,310.75
Total Accounts Receivable	\$246,310.75
Other Current Asset	
1200 - Prepaid Expenses & Other Current Assets	\$1,889,138.61
Total Other Current Asset	\$1,889,138.61
Total Current Assets	\$2,149,431.68
Fixed Assets	
1400 - Property, Plant & Equipment, Net - Summary	
1405 - PP&E - Assets Gross - Summary	\$2,545,703.19
1500 - PP&E Accumulated Depreciation - Summary	(\$266,074.73)
Total - 1400 - Property, Plant & Equipment, Net - Summary	\$2,279,628.46
Total Fixed Assets	\$2,279,628.46
Other Assets	
1640 - Right-of-Use Assets - Summary	
1641 - ROUA - Operating Leases	\$10,320,175.24
1644 - ROUA - Broker's Rebates (Contra Asset)	(\$132,831.73)
Total - 1640 - Right-of-Use Assets - Summary	\$10,187,343.51
1650 - Asset Retirement Cost - Summary	
1651 - Asset Retirement Cost	\$39,921.06
1652 - Asset Retirement Cost - Amortization	(\$5,154.27)
Total - 1650 - Asset Retirement Cost - Summary	\$34,766.79
1700 - Other Assets - Summary	
1750 - Other Long-Term Assets - Summary	\$692,451.48
Total - 1700 - Other Assets - Summary	\$692,451.48
Total Other Assets	\$10,914,561.78
Total ASSETS	\$15,343,621.92
LIABILITIES & EQUITY	
Current Liabilities	
Accounts Payable	
1999 - Intercompany - AP	\$2,636,430.90
2000 - Accounts Payable - Summary	\$2,836,621.32
Total Accounts Payable	\$5,473,052.22
Other Current Liability	
2200 - Other Current Liabilities & Accrued Expenses Summary	\$18,732.76
2300 - Current Tax Liabilities - Summary	\$746,561.37
2400 - Deferred Revenue - Current - Summary	\$1,653,152.40
2450 - ST Lease Liability - ROUA Leases - Summary	\$1,000,262.48
Total Other Current Liability	\$3,418,709.01
Total Current Liabilities	\$8,891,761.23
Long Term Liabilities	
2600 - Long Term Liabilities - Summary	
2610 - LT - Member Refundable Service Retainer - Due > 12 mos	\$228,436.66
2695 - LT - Asset Retirement Obligation >12 Months	\$44,738.93
2700 - LT Lease Liability - ROUA Leases - Summary	\$10,571,288.52
Total - 2600 - Long Term Liabilities - Summary	\$10,844,464.11
Total Long Term Liabilities	\$10,844,464.11
Equity	
Retained Earnings	(\$7,781,656.02)
Net Income	\$3,389,052.64
Total Equity	(\$4,392,603.38)
Total LIABILITIES & EQUITY	\$15,343,621.96

This is Exhibit "J" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

KNOTEL, INC., et al.,¹

Debtors.

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

ORDER APPROVING (I) THE DEBTORS' ENTRY INTO THE STALKING HORSE AGREEMENT AND RELATED EXPENSE REIMBURSEMENT (II) THE BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (III) THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (IV) THE FORM AND MANNER OF NOTICE OF THE SALE HEARING, ASSUMPTION PROCEDURES, AND AUCTION RESULTS, (V) DATES FOR AN AUCTION AND SALE HEARING AND (VI) GRANTING RELATED RELIEF

Upon the motion [Docket No. 16] (the "*Motion*")² of the above-captioned debtors and debtors in possession (collectively, the "*Debtors*") for entry of an order (this "*Order*"), (a) authorizing the Debtors to enter into and perform under an asset purchase agreement attached to the Motion as Exhibit B (the "*Stalking Horse Agreement*") between the Debtors and the Stalking Horse Bidder (as defined herein), subject to the solicitation of higher or otherwise better offers for the Debtors' Assets (as defined herein); (b) approving the bidding procedures attached hereto as Exhibit 1 (the "*Bidding Procedures*") in connection with the sale of the Assets, (c) approving procedures for assuming and assigning executory contracts and unexpired leases, including notice of proposed cure amounts, (d) approving the form and manner of (1) notice of the Auction and

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records ("*PACER*") account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures, as applicable.

Sale Hearing (the “*Sale Notice*”), attached hereto as Exhibit 2; (2) notice of the Assumption Procedures (the “*Assumption Notice*”), attached hereto as Exhibit 3, and (3) notice of Successful Bidder and Back-Up Bidder (the “*Notice of Successful Bidder*”), attached hereto as Exhibit 4, (e) establishing dates and deadlines in connection with the Sale and the approval thereof, including the Bid Deadline, the date of the Auction, if any, and the Sale Hearing, and (f) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and that no other notice need be provided; and this Court having reviewed the Motion and the filed objections, and having heard the statements in support of the relief requested therein at a hearing before this Court on February 18, 2021 (the “*Hearing*”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and based on the agreements set forth on the record at the Hearing; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS THAT:

A. Statutory Predicates. The predicates for the relief granted herein are sections 105, 363, 365, 503, and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014.

B. Notice of Motion. The Debtors' notice of the Motion, the Hearing, and the proposed entry of this Order was sufficient under the circumstances of this case and complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the applicable Local Rules. Accordingly, no other or further notice of the Motion or the entry of this Order is necessary or required.

C. Bidding Procedures. The Debtors have articulated good and sufficient reasons for authorizing and approving the Bidding Procedures, as modified herein pursuant to the agreements set forth on the record at the Hearing, which were developed in good faith, are fair, reasonable, and appropriate under the circumstances, and are designed to maximize the recovery on, and realizable value of, the Debtors' assets (including, for the avoidance of doubt, any causes of action belonging to the Debtors, rights under leases or other contracts, and intellectual property rights or other intangible assets) (the "*Assets*"), as determined by the Debtors in an exercise of their business judgment.

D. Sale Notice. The Sale Notice is reasonably calculated to provide all interested parties with timely and proper notice of the proposed Sale, including: (i) the date, time, and place of the Auction (if one is held); (ii) the Bidding Procedures and certain dates and deadlines related thereto; (iii) the objection deadline for the Sale and the date, time, and place of the Sale Hearing; (iv) reasonably specific identification of the assets for sale; (v) representations describing the Sale as being free and clear of liens, claims, interests, and other encumbrances; and (vi) notice of the proposed assumption and assignment of the Assigned Contracts to the Successful Bidder and the rights, procedures, and deadlines for objecting thereto, and no other or further notice of the Sale shall be required.

E. Assumption Procedures. The Contract Assumption Notice (as defined herein) is reasonably calculated to provide counterparties to the Assigned Contracts with proper notice of the intended assumption and assignment of their executory contracts, any Cure Payments (as defined herein), and the Assumption Procedures (as defined herein).

F. Other Findings. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the preceding findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the preceding conclusions of law constitute findings of fact, they are adopted as such.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth in this Order.
2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled prior to or at the Hearing are overruled.

I. Important Dates and Deadlines

3. Bid Deadline. March 12, at 10:00 a.m., prevailing Eastern Time, is the deadline by which all Bids must be actually received by the parties specified in the Bidding Procedures.

4. Auction. March 12, at 2:00 p.m., prevailing Eastern Time, is the date and time the Auction, if one is needed, will be held in accordance with the Bidding Procedures by video via Zoom or a similar service. The Debtors shall send written notice of the date, time, and place of the Auction to the Qualified Bidders no later than two hours before such Auction, and will post notice of the date, time, and place of the Auction no later than two business days before such Auction on the website of the Debtors' notice, claims, and solicitation agent at <https://www.omniagentsolutions.com/knotel>. Any interested party seeking to attend the Auction

via Zoom meeting room shall contact proposed Debtors' counsel Milbank LLP at least one day prior to the start of the Auction as set forth in the Bidding Procedures.

5. **Sale Objection Deadline.** March 16, 2021, at 12:00 p.m., prevailing Eastern Time (the "***Sale Objection Deadline***") is the deadline by which objections to the entry of an order by the Court approving the Sale, including to the Stalking Horse Agreement, the conduct of the Auction and the choice of Successful Bidder and/or Back-Up Bidder, the assumption of any Assigned Contract and adequate assurance of future performance (other than objections to Cure Amounts and the Subsequently Designated Assigned Contracts, as defined in paragraph 25(g) herein) (each a "***Sale Objection***" and collectively, the "***Sale Objections***") shall be filed. Such objections must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, and (c) be filed with the Court and served so as to be actually received by: (i) counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, Attn: Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com); (ii) counsel to the Stalking Horse Bidder, Sullivan & Worcester LLP, 1633 Broadway, New York, New York 10019, Attn: Jeffrey R. Gleit, Esq (email jgleit@sullivanlaw.com); (iii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Joseph McMahon (email Joseph.McMahon@UST.DDJ.GOV); and (iv) counsel to the Official Committee of Unsecured Creditors (the "***Committee***"), Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael Etkin (email metkin@lowenstein.com), Bruce Buechler (email bbuechler@lowenstein.com), and Wojciech Jung (email wjung@lowenstein.com) (the parties identified in (i) through (iv), collectively, the "***Objection Notice Parties***"). Any party or entity who fails to timely make an objection to the Sale on or before

the Sale Objection Deadline shall be forever barred from asserting any objection to the Sale, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances, and other interests.

6. **Reply Deadline.** All replies to any Sale Objection, except for those filed after the Sale Objection Deadline, must be filed by 12 noon (prevailing Eastern Time) on March 17, 2021 (the “*Reply Deadline*”).

7. **Sale Hearing.** March 18, at 2:00 p.m., prevailing Eastern Time, is the date and time for the hearing for the Court to consider the Successful Bid; *provided, however*, that the Sale Hearing may be continued by the Debtors in accordance with the Bidding Procedures or by further Order of the Court, from time to time, without further notice to creditors or parties in interest.

8. **Subsequently Designated Assigned Contracts Objection Deadline.** March 24, at 4:00 p.m., prevailing Eastern Time (the “*Subsequently Designated Assigned Contracts Objection Deadline*”) is the deadline by which Contract Objections with respect to the Subsequently Designated Assigned Contracts shall be filed. Such objections must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, and (c) be filed with the Court and served so as to be actually received by the Objection Notice Parties. Any party or entity who fails to timely make an objection with respect to the Subsequently Designated Assigned Contracts on or before the Subsequently Designated Assigned Contracts Deadline shall be forever barred from asserting any objection with respect to the Subsequently Designated Assigned Contracts.

9. **Adequate Assurance.** The Stalking Horse Bidder shall provide information regarding adequate assurance of future performance to counterparties of proposed Assigned Contracts no later than March 10, 2021 (eight (8) days before the scheduled Sale Hearing).

Objections to adequate assurance of future performance of the Assigned Contracts by the Successful Bidder must be filed with the Court and served on the Objection Notice Parties no later than the Sale Objection Deadline.

10. **Cigna.** Notwithstanding anything in this Order to the contrary, unless Cigna (as defined in the Objection of Cigna [D.I. 119] (“*Cigna Objection*”)) and the Debtors agree otherwise, the Debtors shall, not later than 4:00 p.m. two (2) business days prior to the Sale Hearing provide to Cigna, through its counsel of record: (i) written notice of Debtor's irrevocable (subject to closing of the Sale) decision as to whether it proposes to assume and assign the Cigna Agreements (as defined in the Cigna Objection) to the Successful Bidder as part of the Sale, or reject the Cigna Agreements as of the Closing Date; (ii) the identity of the Successful Bidder; and (iii) adequate assurance information for the Successful Bidder, including a good faith estimate as to the number of employees of the Debtors who will become employees of the Successful Bidder.

II. Stalking Horse and Expense Reimbursement.

11. The Debtors are hereby authorized to select Digiotech, LLC, together with any designated affiliate thereof, as the Stalking Horse Bidder (the “*Stalking Horse Bidder*”).

12. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to enter into and perform under the Stalking Horse Agreement, subject to the solicitation of higher or otherwise better offers for the Purchased Assets (as defined in the Stalking Horse Agreement) and entry of the Sale Order.

13. The Stalking Horse Agreement is authorized and approved in the form attached to the Bidding Procedures Motion as Exhibit B as the stalking horse bid for the Purchased Assets (the “*Stalking Horse Bid*”), and is binding as between the Debtors and the Stalking Horse Bidder, provided, however, the Committee and any other party in interest’s right to object to the Stalking Horse Agreement is preserved and will be heard in connection with the Sale Hearing if the Stalking

Horse is the Successful Bidder and if a timely objection is filed. Notwithstanding the foregoing, if as a result of objections sustained by the Court to the Stalking Horse Agreement, said changes would result in a Material Adverse Effect (as defined in the Stalking Horse Agreement) the Stalking Horse Bidder reserves its right to exercise any rights provided thereunder together with all other rights of the Stalking Horse Bidder under the Stalking Horse Agreement, all of which shall be expressly preserved, notwithstanding the entry of this Order.

14. Subject only to the Committee's Challenge Rights (as defined herein), (a) section 363(k) of the Bankruptcy Code, including the Court's authority as set forth therein, shall be applicable to the Stalking Horse Bid, (b) the Stalking Horse Bidder shall be deemed a Qualified Bidder and (c) the Stalking Horse Bid shall be deemed a Qualified Bid for all purposes under this Order and the Bidding Procedures.

15. The Stalking Horse Agreement shall be binding and enforceable as between the Debtors and the Stalking Horse Bidder in accordance with its terms subject to entry of the Sale Order. The failure to describe specifically or include any provision of the Stalking Horse Agreement or related documents in the Motion or herein shall not diminish or impair the effectiveness of such provision as to such parties. The Stalking Horse Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, solely in accordance with the terms thereof, without further order of the Court.

16. Notwithstanding anything in the Stalking Horse Agreement to the contrary, the Expense Reimbursement (as defined in the Stalking Horse Agreement) is approved in its entirety, limited to documented and reasonable expenses relating to the Sale, and subject to review by the Office of the United States Trustee and the Committee. The obligation of the Debtors to pay the Expense Reimbursement shall (i) be subject to the terms of the Stalking Horse Agreement, (ii) be

the joint and several obligation of the Debtors and payable only upon the closing of a higher or otherwise better bid for the Sale of the Assets, (iii) constitute an administrative expense of the Debtors under section 364(c)(1) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in section 503(b) or 507(b) of the Bankruptcy Code, and (iv) survive the termination of the Stalking Horse Agreement, or dismissal or conversion of the Chapter 11 Cases.

17. Subject to this Order, the Bidding Procedures and entry of the Sale Order, the Debtors and Stalking Horse Bidder are granted all rights and remedies provided to them under the Stalking Horse Agreement, including, without limitation, the right to specifically enforce the Stalking Horse Agreement (including with respect to the Expense Reimbursement) in accordance with its terms.

III. Auction, Bidding Procedures, Sale Notice, and Related Relief.

18. The Bidding Procedures, including the Expense Reimbursement contained therein, substantially in the form attached hereto as Exhibit 1, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any proposed Sale. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all reasonable actions necessary to implement the Bidding Procedures, subject to the provisions of this Order.

19. For the avoidance of doubt and notwithstanding anything to the contrary contained in this Order, this Order does not approve the sale of the Assets or authorize the consummation of the Sale, such approval and authorization (if any) to be considered only at the Sale Hearing and all rights of all parties in interest to object to such approval and authorization are reserved.

20. Subject to paragraphs 14, 38 and 40 of this Order and the terms of the Bidding Procedures, in the event of a competing Qualified Bid, the Stalking Horse Bidder will be entitled, but not obligated, to submit overbids and will be entitled in any such overbids to credit bid all of its claims pursuant to section 363(k) of the Bankruptcy Code, including the Court's authority as set forth therein.

21. Except as provided in the Stalking Horse Agreement, no person or entity shall be entitled to any expense reimbursement, break-up fee, topping, termination, or other similar fee or payment in connection with any Sale, and by submitting a bid, such person or entity is deemed to have waived their right to request or file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of section 503(b) of the Bankruptcy Code or otherwise.

22. Any deposit provided by a Qualified Bidder shall be held in a segregated account by the Debtors or their agent in accordance with the Bidding Procedures, and shall not become property of the Debtors' bankruptcy estates unless and until released to the Debtors pursuant to the terms of the purchase agreement with such Qualified Bidder or order of this Court.

23. The Sale Notice, substantially in the form attached hereto as Exhibit 2, is hereby approved. As soon as reasonably practicable following the entry of this Order, the Debtors will cause the Bidding Procedures, the Sale Notice, and the Assumption Notice to be served upon the following parties, and their respective counsel, if known (collectively, the "**Notice Parties**"): (a) counsel to the Committee; (b) the U.S. Trustee for the District of Delaware; (c) the United States Attorney's Office for the District of Delaware; (d) the Internal Revenue Service; (e) the attorneys general for the states in which the Debtors operate; (f) any parties known or reasonably believed to have expressed an interest in the Debtors' assets; (g) all entities known or reasonably believed to have asserted a lien, encumbrance, claim, or other interest in any of the Debtors' assets; (h) any

party that has requested notice pursuant to Bankruptcy Rule 2002; and (i) all known creditors of the Debtors. In addition, as soon as practicable, after entry of this Order, the Debtors will publish the Sale Notice, with any modification necessary for ease of publication, once in The New York Times National Edition to provide notice to any other potential interested parties.

IV. The Assumption and Assignment Procedures.

24. The procedures set forth below regarding the assumption and assignment of the executory contracts and unexpired leases proposed to be assumed by the Debtors pursuant to section 365(b) of the Bankruptcy Code and assigned to the Successful Bidder pursuant to section 365(f) of the Bankruptcy Code in connection with the Sale (the “*Assumption Procedures*”) are hereby approved to the extent set forth herein.

25. These Assumption Procedures shall govern the assumption and assignment of all of the Debtors’ executory contracts and unexpired leases to be assumed and assigned in connection with the Sale (each, an “*Assigned Contract*,” and, collectively, the “*Assigned Contracts*”), subject to the payment of any payments necessary to cure any defaults arising under any Assigned Contract (the “*Cure Payments*”):

- a. **Contract Assumption Notice.** On or prior to February 22, 2021 (the “*Assumption Notice Deadline*”), the Debtors shall file with the Court and serve a notice of contract assumption (the “*Assumption Notice*”), in substantially the form attached hereto as Exhibit 3, via overnight delivery on all counterparties to all potential Assigned Contracts (each, a “*Counterparty*” and, collectively, the “*Counterparties*”). The Assumption Notice shall include, without limitation, a list of Assigned Contracts (the “*Assigned Contract List*”) that may be assumed and assigned in connection with the Sale and the Cure Payment, if any, that the Debtors believe is required to be paid to the applicable Counterparty under Bankruptcy Code sections 365(b)(1)(A) and (B) for each of the Assigned Contracts. If no Cure Payment is listed on the Assigned Contracts List for a particular Assigned Contract, the Debtors’ asserted Cure Payment for such Assigned Contract shall be deemed to be \$0.00; *provided, however*, if an Assigned Contract is not listed on the Assigned Contracts List attached to an Assumption Notice, supplemental

Assumption Notice or revised Assumption Notice at all, it may not be assumed and assigned via the Motion. If a Counterparty objects to the Cure Payment, the Counterparty must file with the Court and serve on the Objection Notice Parties a written objection (a “**Contract Objection**”) on or before the Sale Objection Deadline. Service of an Assumption Notice does not constitute an admission that such contract is an executory contract or unexpired lease or that such stated Cure Payment constitutes a claim against the Debtors or a right against the Successful Bidder (all rights with respect thereto being expressly reserved). Further, the inclusion of a contract or lease on the Assumption Notice is not a guarantee that such contract will ultimately be assumed and assigned. The Debtors may amend or modify the Assumption Notice no later than March 8, 2021 (ten (10) days prior to the Sale Hearing), except as provided below with respect to Subsequently Designated Assigned Contracts.

- b. Cure Payments.** The payment of the applicable Cure Payments specified in the Assumption Notice by the Successful Bidder or the Debtors, as applicable, after the expiration of the applicable objection period and the failure of any applicable Counterparty to object to the proposed Cure Payment or to the assumption or assignment of its executory contract or unexpired lease, shall (i) effect a cure of all defaults existing thereunder as of the filing of the Assumption Notice, and (ii) compensate for any actual pecuniary loss to such counterparty resulting from such default.
- c. Cure Objections and Contract Objections.**

 - a. Objections, if any, to any proposed Cure Payments of an Assignment Contract (each, as defined above, a “**Cure Objection**”), must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, and the Local Rules, (iii) state with specificity the nature of the objection and the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served, so as to be actually received by, the Objection Notice Parties, before March 12, 2021 at 5:00 p.m. (prevailing Eastern Time) (the “**Cure Objection Deadline**”), except as otherwise set forth below with respect to Assigned Contracts added to the Assigned Contracts List (or for which a previously stated Cure Payment associated with any Assigned Contract is modified) less than ten (10) days but no later than one (1) day prior to the Sale Hearing (collectively, the “**Subsequently Designated Assigned Contracts**”). If the parties are unable to consensually resolve

- a Cure Objection timely filed by the Cure Objection Deadline prior to the Sale Hearing, the amount to be paid or reserved shall be the subject of a status conference at the time of the Sale Hearing and, if necessary, determined at a hearing on March 23, 2021, at 2:00 p.m. prevailing Eastern Time or such other date determined by the Court.
- b. Objections, if any, to the proposed assumption and assignment of a contract or lease other than with respect to any proposed Cure Amount, including objections to adequate assurance of future performance (each a “***Contract Objection***”), must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, and the Local Rules, (iii) state with specificity the nature of the objection, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served, so as to be actually received by, the Objection Notice Parties, before the Sale Objection Deadline, except as otherwise set forth below with respect to Subsequently Designated Assigned Contracts.
- d. **Changes to Assigned Contract List and Cure Payments.** Up until one (1) day prior to the Sale Hearing, the Debtors are authorized but not directed, to (i) add previously omitted Assigned Contracts to the Assigned Contracts List as contracts that may be assumed and assigned to a Successful Bidder in accordance with the definitive agreement for the Sale, or (ii) modify the previously stated Cure Payment associated with any Assigned Contract; *provided however*, objections to the Subsequently Designated Assigned Contracts shall be filed by the Subsequently Designated Assigned Contracts Deadline. Such objections must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, and (c) be filed with the Court and served so as to be actually received by the Objection Notice Parties. Any party or entity who fails to timely make an objection with respect to the Subsequently Designated Assigned Contracts on or before the Subsequently Designated Assigned Contracts Deadline shall be forever barred from asserting any objection with respect to the Subsequently Designated Assigned Contracts.
- e. **Changes to Assigned Contract List and Cure Payments.** Up until one (1) day prior to Closing of the Sale, the Debtors are authorized, but not directed, to remove an Assigned Contract from the Assigned Contract List that a successful bidder proposes be assumed and assigned in connection with the Sale (excluding the Cigna Agreements).

- f. Notice of Successful Bidder/Adequate Assurance Objections.** As soon as practicable after the conclusion of the Auction and in no event later than 12 hours after the conclusion of the Auction, the Debtors shall file with the Court and post on the case website, <https://www.omniagentsolutions.com/knotel>, and, if possible, shall email to each non-debtor counterparty to the Assigned Contracts or their counsel, the notice, substantially in the form attached hereto as Exhibit 4 (the “*Notice of Successful Bidder*”), identifying any Successful Bidder and Back-Up Bidder, together with a copy of the Successful Bidder’s proposed purchase agreement and financial and other information regarding adequate assurance of future performance of the Assigned Contracts, and serve the Notice of Successful Bidder on the Counterparties by overnight delivery, and the Counterparties shall file any Contract Objections solely on the basis of adequate assurance of future performance by the Successful Bidder other than any Stalking Horse Bidder (each, an “*Adequate Assurance Objection*”) not later than the Sale Objection Deadline.
- g. Assigned Contracts.** At the Sale Hearing, the Debtors will seek Court approval of the assumption and assignment to the Successful Bidder of the Assigned Contracts; *provided* that, in the event the Successful Bidder is not the Stalking Horse Bidder, objections to adequate assurance of future performance of the Assigned Contracts by such Successful Bidder will be heard at a subsequent hearing, as set forth in paragraph 25(i) below. The inclusion of an Assigned Contract on an Assumption Notice will not (a) obligate the Debtors to assume any Assigned Contract listed thereon nor the Successful Bidder to take assignment of such Assigned Contract or (b) constitute any admission or agreement of the Debtors that such Assigned Contract is an executory contract.
- h. Dispute Resolution.** To the extent that the parties are unable to consensually resolve any Contract Objection prior to the commencement of the Sale Hearing, including, without limitation, any dispute with respect to the cure amount required to be paid to the applicable Counterparty under Bankruptcy Code sections 365(b)(1)(A) and (B) (any such dispute, a “*Cure Dispute*”), such Contract Objection will be adjudicated at the Sale Hearing or at such other date and time as may be fixed by the Court; *provided, however*, (A) Contract Objections to Assigned Contracts added to the Assigned Contract List up until ten (10) days prior to the Sale Hearing shall be heard and resolved at the Sale Hearing; and (B) Contract Objections to the Subsequently Designated Assigned Contracts shall be heard and resolved at a subsequent hearing before the Court at such day and time as may be fixed by the Court.

- i. Back-Up Bidder Adequate Assurance Objections.** In the event that a Successful Bidder does not consummate the Sale and a Back-Up Bidder has been previously identified, the Debtors shall file with the Court and post on the case website, <https://www.omniagentsolutions.com/knotel>, a Notice of Intent to Proceed with Back-Up Bid, together with a copy of the Back-Up Bidder's proposed purchase agreement and financial and other information regarding adequate assurance of future performance of the Assigned Contracts by the Back-Up Bidder (including the name of the Back-Up Bidder and description of its business), and serve the Notice of Intent to Proceed with Back-Up Bid on the Counterparties by overnight delivery, and the Counterparties shall have seven (7) days to file and serve on the Objection Notice Parties a Contract Objection solely on the basis of adequate assurance of future performance by the Back-Up Bidder. If any objections are filed, the Debtors shall schedule a hearing, which may be expedited, upon reasonable notice under the circumstances (which shall be no less than ten (10) days after the Notice of Intent to Proceed with Back-Up Bid is filed), with respect to such Contract Objections.
- j. Contract Assumption or Deemed Rejection at Closing.** No Assigned Contract shall be deemed assumed and assigned pursuant to section 365 of the Bankruptcy Code until the later of (i) the date the Court has entered an order authorizing the assumption and assignment of such Assigned Contracts or (ii) the date the Sale has closed. Any executory contracts and unexpired leases that are not Assigned Contracts will be deemed rejected at Closing.

26. Any party failing to timely file an objection to the Cure Payment or the proposed assumption and assignment of an Assigned Contract listed on the Contract Assumption Notice is deemed to have consented to (a) such Cure Payment, (b) the assumption and assignment of such Assigned Contract, (c) the related relief requested in the Motion, and (d) the Sale. Such party shall be forever barred and estopped from objecting to the Cure Payments, the assumption and assignment of the Assigned Contract, adequate assurance of future performance, the relief requested in the Motion, whether applicable law excuses such counterparty from accepting performance by, or rendering performance to, the Successful Bidder for purposes of section 365(c)(1) of the Bankruptcy Code, and from asserting any additional cure or other amounts against

the Debtors and the Successful Bidder, as applicable, with respect to such party's Assigned Contract.

V. Assumption Notice and Notice of Successful Bidder.

27. The Assumption Notice attached hereto as Exhibit 3 and the Notice of Successful Bidder attached hereto as Exhibit 4 are hereby approved.

28. To provide the Counterparties with information concerning the Successful Bidder and any back-up bidder who may be assigned their contracts or leases and enable them to object to such assignment on adequate assurance grounds (to the extent the Successful Bidder/Back-up Bidder is not the Stalking Horse Bidder), as soon as practicable after the Auction and in no event less than twelve (12) hours after the Auction, the Debtors shall file with the Court and serve on all Counterparties the Notice of Successful Bidder.

VI. Back-Up Bidder.

29. Following entry of the Sale Order, if the Successful Bidder fails to consummate the Successful Bid, the Debtors may designate the Back-Up Bid, which can be the Stalking Horse Bid, to be the new Successful Bid and the Back-Up Bidder to be the new Successful Bidder, and file a Notice of Intent to Proceed with Back-Up Bid in accordance with paragraph 25 above. Subject to resolution of any adequate assurance objections filed pursuant to paragraph 25 above, which may be heard on reasonable notice under the circumstances (which shall be no less than ten (10) days after the Notice of Intent to Proceed with Back-Up Bid is filed), the Debtors will be authorized, but not required, to consummate the transaction with the Back-Up Bidder without further order of this Court, so long as such Back-Up Bid shall have been approved in connection with the Court's approval of the Successful Bid, or subject to Court approval if not. In such case of a breach or failure to perform on the part of the Successful Bidder and in such other circumstances as may be specified in the definitive documentation governing the Successful Bid, the defaulting Successful

Bidder's deposit shall be forfeited to the Debtors. The Debtors' right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Back-Up Bidder designated as a Successful Bidder) in accordance with the terms of the Bidding Procedures are reserved.

30. Notwithstanding anything to the contrary in the Bidding Procedures, the Stalking Horse Bidder, if selected as Back-Up Bidder at the Auction, shall keep its bid in place until the Closing of the Successful Bid.

VII. Access to Debtors' Employees.

31. The Stalking Horse Bidder and any subsequently Qualified Bidder shall have access to the Debtors' employees upon request to the Debtors, with notice to the Committee.

32. The Stalking Horse Bidder or Qualified Bidder may meet with the Debtors' employees in groups only, together with a representative from the Debtors, subject to agreed upon discussion points with the Debtors. The Debtors will consult with the Committee regarding any bidder's proposed meetings with employees in advance of any such meeting(s).

33. For a period of one year from the Auction, the Stalking Horse Bidder agrees, if it is not the Successful Bidder, not to solicit, hire, or retain as a consultant, any current employee of the Debtors' unless such employee has been terminated by the Debtors or the Successful Bidder.

VIII. Committee Consultation Rights.

34. The Debtors shall consult with the Committee prior to authorizing any communication between bidders.

35. The Debtors shall share copies of any bids received with the Committee's professionals immediately following the Bid Deadline.

36. The Committee shall be consulted by the Debtors prior to any changes made to the Bidding Procedures.

37. The Debtors shall consult with the Committee in determining the Successful Bid.

IX. Committee Challenge Period.

38. This Order confers upon the Committee standing and the authority, to the exclusion of any other person or entity, to pursue on behalf of the Debtors and the Debtors' estates by way of complaint or otherwise, any challenge against the Stalking Horse Bidder with respect to the Prepetition Liens or the Prepetition Secured Debt Obligations (as such terms are defined in the Interim DIP Order) and the Stalking Horse Bidder's rights under section 363(k) of the Bankruptcy Code, including but not limited to, the extent, validity, priority and/or perfection of the Prepetition Liens or the Prepetition Secured Debt Obligations (collectively, the "***Committee's Challenge Rights***") on or before March 17, 2021, unless further extended by agreement of the parties or order of the Court (the "***Challenge Deadline***" and the related period, the "***Challenge Period***") (if the Sale Hearing is adjourned, the Challenge Deadline will be 1 day prior to the adjourned Sale Hearing). This paragraph shall be deemed to supersede the Interim DIP Order and control as to the rights of all parties-in-interest to assert any challenge against the Stalking Horse Bidder with respect to the Prepetition Liens or the Prepetition Secured Debtor Obligations.

39. In light of the shortened Challenge Period set forth herein, the Debtors and the Prepetition Lender and its affiliates, parent and related entities will endeavor to respond in a reasonably expeditious manner to all reasonable document requests and other reasonable discovery requested by the Committee in connection with the Committee's investigation. The Debtors and the Prepetition Lender and its affiliates, parent and related entities reserve all rights to contest and object to such requests, which are expressly not waived by this Order. In the event of a discovery dispute, the Debtors, the Committee, and the Prepetition Lender and its affiliates, parent and

related entities reserve their respective rights to ask the Court to resolve any such dispute on an expedited basis.

40. If no such adversary proceeding, motion, or other appropriate pleading is timely filed by the Committee prior to the expiration of the Challenge Period in connection with the Committee's Challenge Rights, absent further order of this Court to the contrary: (a) the Stalking Horse Bidder shall be automatically entitled to all rights provided under section 363(k) of the Bankruptcy Code in connection with the Stalking Horse Bid and any other credit bid made by the Stalking Horse Bidder and (b) the Stalking Horse Bidder's Prepetition Liens and Prepetition Secured Debt Obligations shall be deemed valid and enforceable.

X. Miscellaneous.

41. The Committee hereby agrees not to object to or challenge the prepetition payment of \$1,000,000 to Newmark & Company Real Estate, Inc. for real estate advisory services.

42. Notwithstanding any provision of the DIP Credit Agreement to the contrary, the Debtors are hereby authorized to use the approximate \$6 million received from the settlement of a litigation claim shortly before the Petition Date.

43. The Stalking Horse Agreement shall be deemed amended to clarify that section 2.01 will not include deposits in connection with rejected executory contracts and unexpired leases as Purchased Assets.

44. As provided in section 2.03(f) of the Stalking Horse Agreement, the Stalking Horse Bidder is obligated to fund costs of administration of these Chapter 11 Cases until the Closing Date, provided, however, that nothing herein shall obligate the Stalking Horse Bidder to fund costs of administration under the Stalking Horse Agreement in the event that the Stalking Horse Bidder is not the Successful Bidder. The obligations of the Stalking Horse Bidder under the Stalking

Horse Agreement are independent from any obligations of Digiatech, as DIP Lender, under the DIP Credit Agreement, the Interim DIP Order and any final order approving the transactions contemplated thereunder.

45. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

46. In the event of any inconsistencies between this Order and the Motion, this Order shall govern in all respects. In the event of any inconsistencies between this Order and the Bidding Procedures, this Order shall govern in all respects.

47. Any substantial contribution claims by any Bidder are deemed waived.

48. This Order shall be binding on and inure to the benefit of the Debtors, including any chapter 7 or chapter 11 trustee or other fiduciary appointed for the estates of the Debtors.

49. This Order shall constitute the findings of fact and conclusions of law.

50. To the extent this Order is inconsistent with any prior order or pleading with respect to the Motion in these cases, the terms of this Order shall govern.

51. To the extent any of the deadlines set forth in this Order do not comply with the Local Rules, such Local Rules are waived and the terms of this Order shall govern.

52. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

53. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

54. The Debtors shall serve this Order in accordance with all applicable rules and shall file a certificate of service evidencing compliance with this requirement.

55. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

56. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: February 22nd, 2021
Wilmington, Delaware

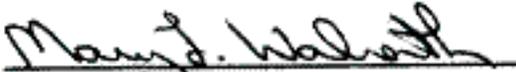

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Bidding Procedures

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

In re

KNOTEL, INC., et al.,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

**BIDDING PROCEDURES IN CONNECTION
WITH THE SALE OF THE ASSETS OF THE DEBTORS**

On January 31, 2021, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

On [●], 2021, the Bankruptcy Court entered an order [Docket No. [●]] (the “Bidding Procedures Order”)² approving, among other things, these bidding procedures (the “Bidding Procedures”). As described in the Bidding Procedures Order, the Debtors have entered into an asset purchase agreement (the “Stalking Horse Agreement”) with Digiotech, LLC (or its designee, the “Stalking Horse Bidder”) pursuant to which, among other things, the Stalking Horse Bidder has committed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims, encumbrances, and other interests (except as otherwise provided in the Stalking Horse Agreement), substantially all of the Debtors’ assets as set forth in the Stalking Horse Agreement, and (b) assume certain liabilities associated with the Debtors’ operations to the extent expressly set forth in the Stalking Horse Agreement (collectively, the “Stalking Horse Bid”), for a purchase price (the “Stalking Horse Purchase Price”) consisting of (i) a credit bid, pursuant to section 363(k) of the Bankruptcy Code, in an amount equal to \$70,000,000 subject to adjustments; and (ii) the assumption of certain liabilities.

The Stalking Horse Agreement, as amended by the Bidding Procedures Order, provides for reimbursement of the Stalking Horse Bidder’s actual, reasonable, documented out-of-pocket expenses up to an amount not to exceed \$500,000 (“Expense Reimbursement”) on the terms and conditions set forth in the Stalking Horse Agreement.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms used but not defined herein have the meanings ascribed in the Bidding Procedures Order or the Stalking Horse Agreement (as defined below), as applicable.

The Bidding Procedures set forth the process by which the Debtors are authorized to solicit the highest or otherwise best bid or bids (each, a “Bid”) for the Debtors’ assets (including, for the avoidance of doubt, any causes of action belonging to the Debtors, rights under leases or other contracts, and intellectual property rights or other intangible assets, the “Assets”), culminating in an auction (the “Auction”) if competing Qualified Bids (as defined herein) are received. The sale is contemplated to be implemented under section 363(b) of the Bankruptcy Code (the “Sale”) pursuant to the terms and conditions of either (a) the Stalking Horse Agreement, as the same may be amended pursuant to the terms thereof, or (b) such other applicable asset purchase agreement upon the receipt of a Successful Bid (as defined herein) that the Debtors have determined in their business judgment is the best or highest bid in accordance with these Bidding Procedures.

Copies of the Bidding Procedures Order, or any other documents in the Debtors’ chapter 11 cases are available upon request to **Omni Agent Solutions** by calling (866) 771-0565 (Domestic) or (818) 581-2989 (International) or by visiting <https://www.omniagentsolutions.com/knotel>.

A. Potential Bidder.

For purposes of the Bidding Procedures, a “Potential Bidder” shall refer to any person or entity interested in submitting a bid.

B. Due Diligence.

(i) **Access to Due Diligence.**

Any Potential Bidder that (i) executes a confidentiality agreement on customary terms that are reasonably acceptable to the Debtors (a “Confidentiality Agreement”) ³, (ii) provides sufficient evidence, as reasonably determined by the Debtors that the Potential Bidder intends to obtain due diligence and participate in the sale process for a bona fide purpose consistent with these Bidding Procedures and (iii) provides evidence of such Potential Bidder’s financial capability to acquire the Assets, the adequacy of which will be assessed by the Debtors (with the assistance of their advisors) (any such Potential Bidder being referred to as an “Acceptable Bidder”) will be eligible to receive due diligence materials and access to certain non-public information regarding the Assets. The Debtors will provide each Acceptable Bidder with such information as is reasonably contemplated to enable such Acceptable Bidder to make a Bid for Assets. The Debtors will also provide to each Acceptable Bidder reasonable due diligence information as requested by such Acceptable Bidder in writing, as soon as reasonably practicable after such request. The Debtors will post substantially all written due diligence provided to any Acceptable Bidder to the Debtors’ electronic data room (the “Data Room”). The Debtors may restrict or limit access of an Acceptable Bidder to the Data Room if the Debtors determine, based on their reasonable business judgment, that certain information in the Data Room is sensitive, proprietary, or otherwise not appropriate for disclosure to such Acceptable Bidder.

³ Potential Bidders may obtain a Confidentiality Agreement by contacting the Debtors’ advisors listed below.

The initial due diligence period will end on the Bid Deadline (as defined herein). Following the Bid Deadline, the Debtors may, in their reasonable discretion, furnish additional non-public information to a Qualified Bidder or Qualified Bidders that submitted a Qualified Bid (each as defined herein), but shall have no obligation to do so.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors, regarding qualification as an Acceptable Bidder or Qualified Bidder, the terms of the Potential Bidder's Bid, or the ability of the Potential Bidder to acquire the Assets. Failure by a Potential Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors, to determine that such bidder is no longer a Potential Bidder or that any bid made by such Potential Bidder is not a Qualified Bid.

In connection with the provision of due diligence information to Acceptable Bidders, the Debtors will not furnish any confidential information relating to the Debtors, the Assets or liabilities, or the Sale to any person except an Acceptable Bidder or such Acceptable Bidder's duly-authorized representatives, in each case, to the extent provided in the applicable Confidentiality Agreement.

The Debtors and their financial advisors will coordinate all reasonable requests for additional information and due diligence access from Acceptable Bidders; provided that the Debtors may decline to provide such information to Acceptable Bidders who, in the Debtors' reasonable business judgment, have not established that such Acceptable Bidders intend in good faith to, or have the capacity to, consummate their Bid. No conditions relating to the completion of due diligence will be permitted to exist after the Bid Deadline.

The Debtors also reserve the right to withhold any diligence materials from an Acceptable Bidder who the Debtors reasonably determine is a competitor of the Debtors or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives will be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder. The Debtors will make any diligence information available to the Stalking Horse Bidder if such diligence has been made available to any other Acceptable Bidder.

Each Acceptable Bidder will be deemed to acknowledge and represent that it: (a) either directly or through its advisors has had an opportunity to conduct any and all due diligence regarding the Debtors' Assets and liabilities prior to making any Qualified Bid; (b) has relied solely upon its own or its advisors' independent review, investigation, and/or inspection of any documents and/or the Assets and liabilities in making any Qualified Bid; and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise regarding the Debtors' Assets or liabilities, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures or the Acceptable Bidder's proposed purchase agreement (including, in the case of the Stalking Horse Bidder, the Stalking Horse Agreement). Neither the Debtors nor any of their employees, officers, directors, affiliates, subsidiaries, representatives, agents, advisors, or professionals are responsible for, and will bear no liability with respect to, any information obtained by Acceptable Bidders in connection with the Sale.

The Debtors have designated Moelis & Company, 399 Park Avenue, 5th Floor, New York, NY 10022 Attn: Adam Keil (Adam.Keil@moelis.com), Rachel Murray (Rachel.Murray@moelis.com), Larry Kwon (Larry.Kwon@moelis.com), and Kevin Hagedorn (Kevin.Hagedorn@moelis.com) to coordinate all reasonable requests for additional information and due diligence access.

(ii) **No Communications Among Acceptable Bidders.**

There must be no communications regarding the Debtors' sale process between and among Acceptable Bidders (including, for the avoidance of doubt, the Stalking Horse Bidder), unless the Debtors have previously authorized such communication in writing. The Debtors reserve the right, in their reasonable business judgment, to disqualify any Acceptable Bidders that have communications between and amongst themselves.

C. Bid Requirements.

To be eligible to participate in the Auction, a Potential Bidder must deliver to the Debtors and their advisors, a written, irrevocable offer that must be determined by the Debtors, in their reasonable business judgment, to satisfy each of the following conditions (collectively, the "**Bid Requirements**"):

- (i) **Purpose.** Each Potential Bidder must state that the Bid includes an offer by the Potential Bidder to purchase some or all of the Assets and identify the Assets with reasonable specificity and the particular liabilities, if any, the Potential Bidder seeks to assume.
- (ii) **Purchase Price.** Each Bid must clearly set forth the purchase price to be paid for the Assets (the "**Purchase Price**") and must (a) indicate the source of cash consideration, including funding commitments, and confirm that such consideration is not subject to any contingencies, and (b) identify separately the cash and non-cash components of the Purchase Price, which non-cash components shall be limited only to credit-bids and assumed liabilities. The Bid should include a detailed sources and uses schedule. The Purchase Price must include (i) an aggregate amount of cash sufficient to pay all amounts owed to Digiatech, LLC, in its capacity as DIP Lender (the "**DIP Facility Claims**") outstanding at the closing (or, if the holder of any such DIP Facility Claims so consents, such payment may be effected, in lieu of cash, by way of credit bid pursuant to section 363(k) of the Bankruptcy Code), (ii) the assumption or payment in cash of all allowed administrative claims, all allowed tax priority claims, all allowed other priority claims, and all allowed other secured claims, and (iii) the payment of all cure amounts and all other amounts required to effect the assumption and assignment of all applicable executory contracts and unexpired leases pursuant to section 365 of the Bankruptcy Code (any executory contracts and unexpired leases that are not assumed and assigned will be deemed rejected at closing).

- (iii) **Minimum Bid.** The value of each Bid for all or substantially all of the Debtors' Assets, as determined by the Debtors in their business judgment, must exceed (a) the Stalking Horse Purchase Price set forth in the Stalking Horse Agreement, plus (b) the maximum amount of Bid Protections payable to the Stalking Horse Bidder under the Stalking Horse Agreement in the form of Expense Reimbursement of up to \$500,000, plus (c) the minimum Bid increment of \$500,000 (or such other amount as the Debtors may determine, which amount may be less than \$500,000, including with respect to a Bid for less than all Assets). The Debtors and their advisors will determine, in their reasonable business judgment, the value of any assumed liabilities that differ from those included in the Stalking Horse Bid.

Each Bid seeking to acquire only the U.S. Assets or only the Foreign Assets must have a value that in the Debtors' reasonable business judgment, either independently or in conjunction with one or more other Bids, exceeds the value that would be realized for such individual asset or combination of assets pursuant to the Stalking Horse Bid.

- (iv) **Bid Deposit.** Each Bid must be accompanied by a cash deposit (made by wire transfer or certified or cashier's check) equal to 7.5% of the aggregate value of the cash and non-cash consideration of the Bid (the "Good Faith Deposit"), which will be held in a segregated account established by the Debtors. To the extent a Qualified Bid is modified before, during, or after the Auction in any manner that increases the purchase price contemplated by such Qualified Bid, the Debtors reserve the right to require that such Qualified Bidder increase its Good Faith Deposit so that it equals 10% of the increased Purchase Price.
- (v) **Committed Financing.** If a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Sale transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction that demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations (including any assumed liabilities) under its Bid. Such funding commitments or other financing must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants, conditions and term and termination provisions acceptable to the Debtors.
- (vi) **Pro Forma Capital Structure.** Each Bid must include a description of the Bidder's pro forma capital structure.
- (vii) **Good Faith Offer.** Each Bid must constitute a good faith, bona fide offer to purchase the Assets set forth in such Bid.
- (viii) **Marked Agreement.** Each Bid must be accompanied by clean and duly executed transaction documents including, at a minimum, a draft purchase agreement, including the exhibits and schedules related thereto, and any related material documents integral to such Bid pursuant to which the Potential Bidder proposes to

effectuate the Sale, along with redlines of such agreements marked to reflect any amendments and modifications from the Stalking Horse Agreement and any other applicable transaction documents relating to the Stalking Horse Bid, which amendments and modifications may not be inconsistent with these Bidding Procedures. Each such draft purchase agreement must provide for payment in cash at closing of the Bid Protections to the Stalking Horse Bidder. The documents contemplated by this Section C (viii) shall herein be referred to as the “Qualified Bid Documents.”

- (ix) **Contracts and Leases; Employees**. Each Bid must identify an initial schedule of executory contracts and unexpired leases to be assumed and assigned to the Potential Bidder in connection with the Sale. Each Bid must identify with specificity (i) the party responsible for satisfying cure amounts and other amounts that have accrued under assumed and assigned contracts and leases after the Petition Date and prior to the Closing, including amounts that have accrued but not yet become due prior to the Closing, (ii) the Debtors’ leases to be assumed and assigned to the Potential Bidder; and (iii) which of the Debtors’ employees or groups thereof will be offered employment with the Potential Bidder to the extent it is the Successful Bidder and the Closing occurs.
- (x) **No Contingencies**. A Bid must contain a clear statement that it is not conditioned on any contingency, including, among others, on obtaining any of the following (a) financing, (b) shareholder, board of directors, or other approvals (including regulatory approvals), and/or (c) the outcome or completion of a due diligence review by the Potential Bidder.
- (xi) **Binding and Irrevocable**. A Potential Bidder’s Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Potential Bidder is not selected as the Back-Up Bidder (as defined herein). In the event a Bid is chosen as the Back-Up Bid (as defined below), it must remain irrevocable until the Debtors and the Successful Bidder consummate the Sale.
- (xii) **Joint Bids**. The Debtors will be authorized to approve joint Bids in their reasonable discretion, on a case-by-case basis.
- (xiii) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information (the “Adequate Assurance Information”) to demonstrate, to the reasonable satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the acquisition of the Assets covered by the Bid (the “Closing”), and (b) can provide adequate assurance of future performance in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code, and the Potential Bidder’s willingness to perform, under any contracts that are proposed to be assumed and assigned to such party (any executory contracts and unexpired leases that are not assumed and assigned will be deemed rejected at closing). Such evidence may also include audited and unaudited financial statements, tax returns, bank account statements, a description of the proposed business to be conducted at the premises

and/or any other documentation that the Debtors further request. The Bid must also identify a contact person that parties may contact to obtain additional Adequate Assurance Information.

- (xiv) **Identity**. Each Bid must fully disclose the identity of each entity that will be participating in connection with such Bid (including any equity owners or sponsors, if the purchaser is an entity formed for the purpose of consummating the acquisition of the Assets), and the complete terms of any such participation, along with sufficient evidence that the Potential Bidder is legally empowered, by power of attorney or otherwise, to complete the transactions on the terms contemplated by the parties. A Bid must also fully disclose any connections or agreements with the Debtors, any known, potential, prospective bidder, or Qualified Bidder (as defined herein), or any officer, director, or equity security holder of the Debtors.
- (xv) **Authorization**. Each Bid must contain evidence that the Potential Bidder has obtained authorization or approval from its board of directors and, if required, its shareholders (or a comparable governing body reasonably acceptable to the Debtors) with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.
- (xvi) **No Fees**. Except as otherwise provided in the Stalking Horse Agreement with respect to the Stalking Horse Bid: (a) each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction; (b) by submitting its Bid, each Potential Bidder agrees to waive its right to request or receive fees or reimbursement of expenses on any basis, including under section 503(b) of the Bankruptcy Code; and (c) each Bid must expressly state that the Bid does not entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.
- (xvii) **Adherence to Bidding Procedures**. By submitting its Bid, each Potential Bidder is agreeing to (a) abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction and (b) serve as Back-Up Bidder, if its Bid is selected as the next highest or next best bid after the Successful Bid with respect to the applicable assets.
- (xviii) **Regulatory Approvals and Covenants**. A Bid must set forth each regulatory and third-party approval required for the Potential Bidder to consummate the applicable Sale, if any, and the time period within which the Potential Bidder expects to receive such governmental, licensing, regulatory, or third-party approvals (and in the case that receipt of any such approval is expected to take more than thirty days following execution and delivery of the asset purchase agreement, those actions the Potential Bidder will take to ensure receipt of such approvals as promptly as possible).
- (xix) **As-Is, Where-Is**. Each Bid must include a written acknowledgement and representation that the Potential Bidder (a) has had an opportunity to conduct any

and all due diligence regarding the Assets and liabilities prior to making its Bid, (b) has relied solely upon its own or its advisors' independent review, investigation, and/or inspection of any documents and/or the Assets and liabilities in making its Bid, and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Assets, liabilities, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Potential Bidder's proposed purchase agreement for the Assets.

- (xx) **Time Frame for Closing**. A Bid by a Potential Bidder must be reasonably likely (based on experience, and other considerations) to be consummated, if selected as the Successful Bid (as defined herein), within a time frame reasonably acceptable to the Debtors.
- (xxi) **Consent to Jurisdiction**. The Potential Bidder must submit to the jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to the Debtors' qualification of Bids, the Auction, the construction and enforcement of these Bidding Procedures, the Sale documents, and the Closing, as applicable.

Bids fulfilling all of the preceding requirements, as determined by the Debtors and their advisors, in their reasonable business judgment, will be deemed to be "Qualified Bids," and those parties submitting Qualified Bids will be deemed to be "Qualified Bidders." The Debtors shall provide the Stalking Horse Bidder with the number of Qualified Bids received and the amount of each respective Qualified Bid. The Debtors reserve the right to work with any Potential Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. In addition, the Debtors reserve the right to waive any of the Qualified Bid requirements set forth above and deem a Bid to be a Qualified Bid notwithstanding any non-compliance with such requirements.

For the avoidance of doubt, the Stalking Horse Bidder will be deemed a Qualified Bidder by the Debtors in accordance with these Bidding Procedures, and the Stalking Horse Bid will be deemed a Qualified Bid, which qualifies the Stalking Horse Bidder to participate in the Auction as a Qualified Bidder. If the Stalking Horse Bid is chosen as the Successful Bid, the rights and obligations of the Stalking Horse Bidder shall be as set forth in the Stalking Horse Agreement (as the same may be modified in connection with the Auction). If the Stalking Horse Bid is selected as the Back-Up Bid, it must remain irrevocable only for so long as is required under the Stalking Horse Agreement.

Promptly after the Bid Deadline, the Debtors and their advisors will determine which Potential Bidders are Qualified Bidders and will notify the Potential Bidders whether Bids submitted constitute, alone or together with other Bids, Qualified Bids so as to enable such Qualified Bidders to bid at the Auction. Any Bid that is not deemed a Qualified Bid will not be considered by the Debtors.

Qualified Bids must be received by each of the Debtors' advisors so as to be actually received no later than March 12, at 10:00 a.m., prevailing Eastern Time (the "Bid Deadline").

D. Evaluation of Qualified Bids.

Prior to the Auction, the Debtors and their advisors will evaluate Qualified Bids and identify the Qualified Bid that is, in the Debtors' reasonable business judgment, the highest or otherwise best Bid (the "Starting Bid"). In determining the Starting Bid, the Debtors will take into account, among other things, (i) the amount and nature of consideration offered in each Qualified Bid, (ii) the impact on customers, vendors, and employees, (iii) the execution risk attendant to any submitted Bids, (iv) the number, type, and nature of any changes to the Stalking Horse Agreement, if any, requested by the Qualified Bidder, including the type and obligations to be assumed in the Qualified Bid; (v) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Qualified Bid, (vi) the tax consequences of such Qualified Bid, (vii) the impact on employees, including the number of employees proposed to be transferred and the Employee Obligations; (viii) the assumption of liabilities, including obligations under contracts and leases, and (ix) the cure amounts to be paid (collectively, the "Evaluation Criteria"). Not later than two business days prior to the date of the Auction, the Debtors will (1) notify the Stalking Horse Bidder as to which Qualified Bid is the Starting Bid and (2) distribute copies of the Starting Bid to each Qualified Bidder who has submitted a Qualified Bid.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Debtors will refund such Potential Bidder's Good Faith Deposit and all accumulated interest thereon on or within ten business days after the Bid Deadline, or as soon as reasonably practicable thereafter.

E. No Qualified Bids.

If no Qualified Bids, other than the Stalking Horse Bid, are received by the Bid Deadline, then the Auction will not occur, the Stalking Horse Bidder will be deemed the Successful Bidder, and the Debtors will pursue entry of an order by the Bankruptcy Court approving the Stalking Horse Agreement and authorizing the Sale to the Stalking Horse Bidder at the Sale Hearing (as defined herein).

F. Credit Bidding and Credit Bid Backup Bid.

At the Auction, any Qualified Bidder who has a valid and perfected lien on any Assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of such Secured Creditor's allowed claims pursuant to section 363(k) of the Bankruptcy Code; *provided* that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral securing such claim; *provided, further* that a credit bid shall not constitute a Qualified Bid if the bid does not include a cash component sufficient to pay in full, in cash, all claims for which there are valid, perfected and unavoidable liens on any Assets included in such Bid that are senior in priority to those of the party seeking to credit bid (unless such senior lien holder consents to alternative treatment); *provided, further*, that any Secured Creditor, other than the Stalking Horse Bidder, that intends to participate in the Auction with a Bid that includes a credit bid shall, as a condition to such participation, (i) notify the Debtors at least five (5) calendar days prior to the Bid

Deadline that it intends to submit a credit bid, and (ii) provide all documentation requested by the Debtors to establish the lien, claims, and encumbered assets that will be the subject of the Secured Creditor's potential credit bid. For the avoidance of doubt, a Secured Creditor shall be required to provide cash consideration in respect of any Assets to be acquired but do not constitute collateral securing such Secured Creditor's claim(s).

G. Auction.

If one or more Qualified Bids is received by the Bid Deadline, the Debtors will conduct the Auction with respect to the Debtors' Assets. The Auction will commence on **March 12, 2021, at 2:00 p.m., prevailing Eastern Time**, by video via Zoom or other similar conferencing service, or such later time or other place as the Debtors will timely notify all other Qualified Bidders.

The Auction will be conducted in accordance with the following procedures (the "Auction Procedures"):

- (i) the Auction will be conducted openly;
- (ii) only the Qualified Bidders, including the Stalking Horse Bidder, will be entitled to bid at the Auction;
- (iii) the Qualified Bidders, including the Stalking Horse Bidder, must appear, telephonically, or by video via Zoom, or through duly-authorized representatives at the Auction;
- (iv) any interested party will be permitted to attend the Auction by contacting Debtors' counsel Milbank LLP (Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com) by email to request access to the Zoom meeting room at least one day prior to the start of the Auction;
- (v) bidding at the Auction will begin at the Starting Bid;
- (vi) subsequent Bids at the Auction, including any Bids by any Stalking Horse Bidder, must be made in minimum increments of \$500,000 (or such other amount as the Debtors may determine, which amount may be higher or lower than \$500,000) of additional value, if applicable;
- (vii) each Qualified Bidder will be informed of the terms of the previous Bids and the Debtors shall, during the course of the Auction, promptly inform each Qualified Bidder of which subsequent Bids reflect, in the Debtors' reasonable business judgment, the highest or otherwise best bid(s) for the Assets;
- (viii) the Auction will be transcribed to ensure an accurate recording of the bidding at the Auction;
- (ix) each Qualified Bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the Sale;

- (x) the Auction will not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then prevailing highest or otherwise best Bid, subject to the Debtors' right to require last and final Bids to be submitted on a "blind" basis;
- (xi) the Debtors reserve the right, in their reasonable business judgment, to adjourn the Auction one or more times to, among other things, (a) facilitate discussions between the Debtors and Qualified Bidders, (b) allow Qualified Bidders to consider how they wish to proceed, and (c) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, may require to establish that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount; and
- (xii) the Auction will be governed by such other Auction Procedures as may be announced by the Debtors and their advisors, from time to time on the record at the Auction; *provided* that such other Auction Procedures are (a) not inconsistent with the Bidding Procedures Order, the Bankruptcy Code, or any other order of the Bankruptcy Court, (b) disclosed orally or in writing to all Qualified Bidders and other attendees at the Auction and recorded on the record, and (c) determined by the Debtors, in good faith, to further the goal of attaining the highest or otherwise best offer for the Assets.

To remain eligible to participate in the Auction, in each round of bidding, (i) each Qualified Bidder must submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding highest or otherwise best Bid submitted by a Qualified Bidder in such round of bidding (the "Current High Bid"), which, in the event that the Current High Bid is a credit-bid submitted by the Stalking Horse Bidder shall be in an amount greater than or equal to the Current High Bid plus the then applicable minimum bid increment and the maximum amount of Expense Reimbursement payable to the Stalking Horse Bidder, and (ii) to the extent a Qualified Bidder fails to submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding highest or otherwise best Bid submitted by a Qualified Bidder in such round of bidding, as determined by the Debtors, in their reasonable business judgment, such Qualified Bidder shall be disqualified from continuing to participate in the Auction.

For the avoidance of doubt, nothing in the Auction Procedures will prevent the Debtors from exercising their respective fiduciary duties under applicable law (as reasonably determined in good faith by the Debtors in consultation with their outside legal counsel).

H. Acceptance of the Successful Bid or Successful Bids.

Upon the conclusion of the Auction (if such Auction is conducted), the Debtors, in the exercise of their reasonable business judgment, will identify the highest or otherwise best Qualified Bid for the Assets (the "Successful Bid," and the person or entity submitting a Successful Bid, the "Successful Bidder"), which will be determined by considering, among other things, (a) the total expected consideration to be received by the Debtors, (b) the Qualified Bidder's ability to close a

transaction and the timing thereof (including any anticipated delays to Closing and the cost to the Debtors of such delays), and other matters affecting the execution risk associated with a particular Bid, (c) the expected net benefit to the estates, (d) the impact on customers, vendors, and employees, (e) the certainty of the Debtors being able to confirm a plan, and (f) any other criteria, including the Evaluation Criteria, as may be considered by the Debtors in their reasonable business judgment. The Successful Bidder or Successful Bidders and the Debtors shall, as soon as commercially reasonably practicable after the conclusion of the Auction, complete and sign all agreements, contracts, instruments, or other documents evidencing and containing the terms upon which such Successful Bid was made.

The Debtors shall file a notice in substantially the form annexed to the Bidding Procedures Order as Exhibit 4 (the “Notice of Successful Bidder”) identifying the Successful Bidder and attaching the proposed asset purchase agreement with the Successful Bidder, no later than twelve hours after the conclusion of the Auction. Such Notice of Successful Bidder shall also identify the Back-Up Bidder and contain either (i) a summary of the material terms of the Back-Up Bid or (ii) proposed asset purchase agreement with the Back-Up Bidder.

The Debtors will present the results of the Auction to the Bankruptcy Court at the Sale Hearing, at which certain findings will be sought from the Bankruptcy Court regarding the Auction, including, among other things, that (a) the Auction was conducted, and the Successful Bidder was selected, in accordance with these Bidding Procedures, (b) the Auction was fair in substance and procedure, and (c) consummation of the Successful Bid will provide the highest or otherwise best value for the Debtors’ Assets and is in the best interests of the Debtors’ estates.

If an Auction is held, the Debtors will be deemed to have accepted a Qualified Bid only when (a) such Qualified Bid is declared a Successful Bid at the Auction, and (b) definitive documentation has been executed in respect thereof. Such acceptance is conditioned upon approval by the Bankruptcy Court of the Successful Bid and entry of an order approving such Successful Bid (the “Sale Order”).

I. Sale Hearing.

A hearing before the Bankruptcy Court to consider approval of the Successful Bid or Successful Bids (the “Sale Hearing”), pursuant to which the Debtors and the Successful Bidder will consummate the Sale, will be held on **March 18, 2021, at 2:00 p.m.**, prevailing Eastern Time, before the Bankruptcy Court.

The Sale Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party.

At the Sale Hearing, the Debtors will present the Successful Bid to the Bankruptcy Court for approval.

J. Designation of Back-Up Bidder(s).

If for any reason the Successful Bidder fails to consummate the Qualified Bid within the time permitted after the entry of the Confirmation Order approving the Sale to the Successful

Bidder, then the Qualified Bidder(s) with the next-highest or otherwise second-best Bid (or combination of Bids) for the Assets (a “Back-Up Bidder”), as determined by the Debtors after consultation with their advisors, at the conclusion of the Auction and announced at that time to all the Qualified Bidders participating therein, will automatically be deemed to have submitted the highest or otherwise best Bid (a “Back-Up Bid”), and the Debtors will be authorized, but not required, to consummate the transaction pursuant to the Back-Up Bid as soon as commercially reasonably practicable without further order of the Bankruptcy Court (except with respect to any Back-Up Bidder adequate assurance objections that may be heard at a subsequent hearing in accordance with paragraph 25 of the Bidding Procedures Order) upon at least 24 hours advance notice, which notice will be filed with the Bankruptcy Court.

Upon designation of the Back-Up Bidder at the Auction, the Back-Up Bid must remain open until the Closing of the Successful Bid.

K. Return of Good Faith Deposit to Qualified Bidders that Submit Qualified Bids.

The Good Faith Deposit of the Successful Bidder will, upon consummation of the Successful Bid, become property of the Debtors’ estates and be credited to the portion of the Purchase Price. If the Successful Bidder (or Back-Up Bidder) fails to consummate the Successful Bid (or Back-Up Bid), then the Good Faith Deposit of such Successful Bidder (or Back-Up Bidder) will be irrevocably forfeited to the Debtors and may be retained by the Debtors as damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors, in each case, subject to the terms and conditions of the purchase agreement(s) with the Successful Bidder or Back-Up Bidder, as applicable.

The Good Faith Deposit of any unsuccessful Qualified Bidders (except for the Back-Up Bidder) will be returned within the earlier of five business days after the conclusion of the Auction or upon the permanent withdrawal of the proposed Sale of the Debtors’ Assets. The Good Faith Deposit of the Back-Up Bidder, if any, will be returned to such Back-Up Bidder no later than five business days after the Closing with the Successful Bidder.

Except as set forth in the first paragraph of this Section K, all deposits shall be held in a segregated account maintained by the Debtors and at no time shall be deemed property of the Debtors’ estates absent further order of the Bankruptcy Court.

L. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in good faith, including by setting procedures for an Auction, to further the goal of attaining the highest or otherwise best offer for the Assets, or impose, at or prior to the Auction, additional customary terms and conditions on the Sale of the Assets. The Debtors shall provide notice of any such modification to any Qualified Bidder, including the Stalking Horse Bidder.

All parties expressly reserve all of their rights (and do not waive any such rights) to seek Bankruptcy Court relief with regard to the Auction, the Bidding Procedures, the Sale, and any related items (including, if necessary, to seek an extension of the Bid Deadline).

M. Consent to Jurisdiction.

All Qualified Bidders at the Auction will be deemed to have consented to the jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to the Sale, the Auction, and/or the construction and enforcement of these Bidding Procedures, as applicable, and consented to the entry of a final order or judgment in any way related to these Bidding Procedures, the bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to a Sale if it is determined that the Bankruptcy Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

Any parties raising a dispute relating to these Bidding Procedures must request that such dispute be heard by the Bankruptcy Court on an expedited basis.

N. Fiduciary Out.

Nothing in these Bidding Procedures will require any director, manager or officer of any Debtor to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, that would violate his or her fiduciary duties to any Debtor.

O. Sale Is As Is/Where Is.

The Assets sold pursuant to these Bidding Procedures will be conveyed at the Closing in their then present condition, “as is, with all faults, and without any warranty whatsoever, express or implied,” except as otherwise expressly provided in the purchase agreement with the Successful Bidder.

* * * * *

Exhibit 2

Sale Notice

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

In re:)	
)	Chapter 11
Knotel, Inc., <i>et al.</i> ,)	
)	Case No. 21-10146 (MFW)
Debtors. ¹)	
)	(Jointly Administered)
)	
)	

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “*Court*”) on January 31, 2021 (the “*Petition Date*”).

PLEASE TAKE FURTHER NOTICE that, on January 31, 2021, the Debtors filed a motion (the “*Motion*”)² with the Court seeking entry of orders, among other things, (a) approving an asset purchase agreement (the “*Stalking Horse Agreement*”) between the Debtors and Digiotech, LLC (or its designee) and related Expense Reimbursement, subject to higher or better bids, (b) approving the Debtors’ bidding procedures (the “*Bidding Procedures*”) in connection with the proposed auction (the “*Auction*”) for the sale (the “*Sale*”) of substantially all of the Debtors’ assets (the “*Assets*”), (c) approving procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale, including notice of proposed cure amounts (the “*Assumption Procedures*”), (d) approving the form and manner of notices related to the Sale and Assumption Procedures, and (e) establishing dates and deadlines in connection with the Sale.

PLEASE TAKE FURTHER NOTICE that, on _____, 2021, the Court entered an order (the “*Bidding Procedures Order*”) granting certain of the relief sought in the Motion, including, among other things, approving the (a) Stalking Horse Agreement and related Expense Reimbursement, (b) Bidding Procedures, which establish the key dates and times related to the Sale

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“*PACER*”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Motion.

and the Auction, and (c) Assumption Procedures. All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.³

CONTACT PERSON FOR PARTIES INTERESTED IN SUBMITTING A BID

The Bidding Procedures set forth the requirements for becoming a Qualified Bidder and submitting a Qualified Bid, and any party interested in making an offer to purchase the Assets must comply strictly with the Bidding Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bidding Procedures.

Any interested bidder should contact, as soon as possible:

Moelis & Company
399 Park Avenue, 5th Floor
New York, NY 10022
Attn: Adam Keil (Adam.Keil@moelis.com),
Rachel Murray (Rachel.Murray@moelis.com),
Larry Kwon (Larry.Kwon@moelis.com), and
Kevin Hagedorn (Kevin.Hagedorn@moelis.com)

OBTAINING ADDITIONAL INFORMATION

Copies of the Bidding Procedures Motion, the Bidding Procedures, and the Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Agreement and all other documents filed with the Court, are available free of charge on the Debtors' case information website, located at <https://www.omniagentsolutions.com/knotel> or by calling (866) 771-0565 (Domestic) or (818) 581-2989 (International).

IMPORTANT DATES AND DEADLINES⁴

1. **Bid Deadline.** The deadline to submit a Qualified Bid is **March 12, 2021 at 10:00 a.m. (prevailing Eastern Time)**.
2. **Auction.** If one or more Qualified Bids is received by the Bid Deadline, the Debtors will conduct the Auction with respect to the Debtors' Assets. The Auction will commence on **March 12, 2021, at 2:00 p.m., prevailing Eastern Time**, at the offices of Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, telephonically, or by video via Zoom, or such later time or other place as the Debtors will timely notify all Qualified Bidders. Any interested party will be permitted to attend the Auction by contacting Debtors' counsel Milbank LLP (Mark Shinderman, Esq.

³ To the extent of any inconsistencies between the Bidding Procedures and the summary descriptions of the Bidding Procedures in this notice, the terms of the Bidding Procedures shall control in all respects.

⁴ The following dates and deadlines may be extended by the Debtors or the Court pursuant to the terms of the Bidding Procedures and the Bidding Procedures Order.

(email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com)) by email to request access to the Zoom meeting room at least one day prior to the start of the Auction. **All interested or potentially affected parties should carefully read the Bidding Procedures and the Bidding Procedures Order.**

3. **Objection Deadlines.** The deadline to file an objection to (i) the Sale, (ii) the potential assumption or assumption and assignment of the Assigned Contracts (except as otherwise set forth in the Assumption Procedures), and/or (iii) if the Auction is held, the choice of Successful Bidder and/or Back-Up Bidder and Adequate Assurance Objections with respect to a Successful Bidder and/or Back-Up Bidder other than the Stalking Horse Bidder is **March 16, 2021 at 12:00 pm. (prevailing Eastern Time)** (the “**Sale Objection Deadline**”).
4. **Sale Hearing.** A hearing (the “**Sale Hearing**”) to consider approval of the proposed Sale **free and clear of all liens, claims, interests and encumbrances** will be held on **March 18, 2021 at 2:00 p.m. (prevailing Eastern Time)** before the Honorable Mary F. Walrath, Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, at District of Delaware, at 824 Market Street North, 5th Floor, Courtroom #4, Wilmington, Delaware 19801, or at such other place (which may be by video conference) and time as the Debtors shall notify all Qualified Bidders and all other parties entitled to attend the Auction. The Debtors have the right to adjourn or cancel the Auction at or prior to the Auction.

FILING OBJECTIONS

Sale Objections, if any, must (a) be in writing; (b) state, with specificity, the legal and factual bases thereof; (c) be filed with the Court by no later than the **Sale Objection Deadline**; and (d) be served on (i) proposed counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, Attn: Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com), (ii) counsel to the Stalking Horse Bidder, Sullivan & Worcester LLP, 1633 Broadway, New York, New York 10019, Attn: Jeffrey R. Gleit, Esq (email jgleit@sullivanlaw.com), (iii) the Office of the United States Trustee for the District of Delaware, Attn: Joseph McMahon (email Joseph.McMahon@usdoj.gov), and (iv) proposed counsel to the Official Committee of Unsecured Creditors, Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael Etkin (email metkin@lowenstein.com), Bruce Buechler (email bbuechler@lowenstein.com), and Wojciech Jung (email wjung@lowenstein.com).

CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION

Any party who fails to make a timely Sale Objection on or before the Sale Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any Sale Objection, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances and other interests.

NO SUCCESSOR LIABILITY

The Sale will be free and clear of, among other things, any claim arising from any conduct of the Debtors prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale. Accordingly, as a result of the Sale, the Successful Bidder will not be a successor to any of the Debtors by reason of any theory of law or equity, and the Successful Bidder will have no liability, except as expressly provided in the Successful Bidder's asset purchase agreement, for any liens, claims, encumbrances and other interests against or in any of the Debtors under any theory of law, including successor liability theories.

Exhibit 3

Assumption Notice

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

In re:)	
)	Chapter 11
)	
KNOTEL, INC., <i>et al.</i> ,)	Case No. 21-10146 (MFW)
)	
Debtors. ¹)	(Jointly Administered)
)	
)	

**NOTICE OF POTENTIAL ASSUMPTION OF EXECUTORY
CONTRACTS OR UNEXPIRED LEASES AND CURE AMOUNTS**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “*Court*”) on January 31, 2021 (the “*Petition Date*”).

PLEASE TAKE FURTHER NOTICE that, on the January 31, 2021, the Debtors filed a motion (the “*Motion*”)² with the Court seeking entry of orders, among other things, (a) approving the asset purchase agreement (the “*Stalking Horse Agreement*”) between the Debtors and Digiotech, LLC (or its designee) (the “*Stalking Horse Bidder*”) and related Expense Reimbursement, subject to higher or better bids, (b) approving the Debtors’ bidding procedures (the “*Bidding Procedures*”) in connection with the proposed auction (the “*Auction*”) for the sale (the “*Sale*”) of substantially all of the Debtors’ assets (the “*Assets*”), (c) approving procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale, including notice of proposed cure amounts (the “*Assumption Procedures*”), (d) approving the form and manner of notices related to the Sale and the Assumption Procedures, and (e) establishing dates and deadlines in connection with the Sale.

PLEASE TAKE FURTHER NOTICE that, on _____, 2021, the Court entered an order (the “*Bidding Procedures Order*”) granting certain of the relief sought in the Motion, including, among other things, approving the (a) Stalking Horse Agreement and related Expense Reimbursement, (b) Bidding Procedures, which establish the key dates and times related to the Sale and the Auction, and (c) Assumption Procedures.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“*PACER*”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Motion.

PLEASE TAKE FURTHER NOTICE that a hearing (the “*Sale Hearing*”) to consider approval of the proposed Sale free and clear of all liens, claims, interests and encumbrances will be held on **March 18, 2021 at 2:00 p.m. (prevailing Eastern Time)** before the Honorable Mary F. Walrath, Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, at District of Delaware, at 824 Market Street North, 5th Floor, Courtroom #4, Wilmington, Delaware 19801, or at such other place (which may be by video conference) and time as the Debtors shall notify all Qualified Bidders and all other parties entitled to attend the Auction. The Debtors have the right to adjourn or cancel the Auction at or prior to the Auction.

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order, among other things, established procedures for (a) the assumption of certain executory contracts and unexpired leases that the Debtors believe they might seek to assume and assign to the Stalking Horse Bidder or another Successful Bidder in connection with a Sale (collectively, the “*Assigned Contracts*”) and (b) the determination of related Cure Payments (as defined below). The Debtors are parties to numerous Assigned Contracts and, in accordance with the Bidding Procedures Order, hereby file this notice identifying (x) the Assigned Contracts, which may be assumed and assigned to the Stalking Horse Bidder or another Successful Bidder in connection with a Sale, if one occurs and (y) the proposed amounts, if any, the Debtors believe are owed to the counterparty to the Assigned Contract to cure any defaults or arrears existing under the Assigned Contract (the “*Cure Payments*”), both as set forth on Exhibit 1 attached hereto. Other than the Cure Payments listed on Exhibit 1, the Debtors are not aware of any amounts due and owing under the Assigned Contracts listed therein.

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU HAVE BEEN IDENTIFIED AS A COUNTERPARTY TO A CONTRACT OR LEASE THAT MAY BE ASSUMED AND ASSIGNED AS PART OF THE SALE. *The presence of an Assigned Contract listed on Exhibit 1 attached hereto does not constitute an admission that such Assigned Contract is an executory contract or unexpired lease or that such Assigned Contract will be assumed and assigned as part of the Sale. The Debtors reserve all of their rights, claims and causes of action with respect to the Assigned Contracts listed on Exhibit 1 attached hereto.*

Pursuant to the Assumption Procedures, objections to any proposed Cure Payment of an Assigned Contract (a “*Cure Objection*”) must (a) be in writing; (b) comply with the Bankruptcy Rules and Bankruptcy Local Rules; (c) state with specificity the grounds for such objection, including, without limitation, the fully liquidated cure amount and the legal and factual bases for any unliquidated cure amount that the Counterparty believes is required to be paid under Bankruptcy Code sections 365(b)(1)(A) and (B) for the applicable Assigned Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto; (d) be served on (i) proposed counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, Attn: Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com); (ii) counsel to the Stalking Horse Bidder, Sullivan & Worcester LLP, 1633 Broadway, New York, New York 10019, Attn: Jeffrey R. Gleit, Esq (email jgleit@sullivanlaw.com), (iii) the Office of the United States Trustee for the District of

Delaware, Attn: Joseph McMahon (email Joseph.McMahon@usdoj.gov), and (iv) proposed counsel to the Official Committee of Unsecured Creditors, Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael Etkin (email metkin@lowenstein.com), Bruce Buechler (email bbuechler@lowenstein.com), and Wojciech Jung (email wjung@lowenstein.com) (the parties identified in (i) through (iv), collectively, the “*Objection Notice Parties*”); and (e) be filed with the Clerk of the Court and served by no later than **March 12, 2021, at 5:00 p.m. (prevailing Eastern Time)**.

Pursuant to the Assumption Procedures, objections to the proposed assumption and assignment of an Assigned Contract other than any proposed Cure Payment (a “*Contract Objection*”), including any objection relating to adequate assurance of the Stalking Horse Bidder’s future ability to perform, must (a) be in writing; (b) comply with the Bankruptcy Rules and Bankruptcy Local Rules; (c) state with specificity the grounds for such objection, including, without limitation, the fully liquidated cure amount and the legal and factual bases for any unliquidated cure amount that the Counterparty believes is required to be paid under Bankruptcy Code sections 365(b)(1)(A) and (B) for the applicable Assigned Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto; (d) be served on (i) proposed counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, Attn: Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com); (ii) counsel to the Stalking Horse Bidder, Sullivan & Worcester LLP, 1633 Broadway, New York, New York 10019, Attn: Jeffrey R. Gleit, Esq (email jgleit@sullivanlaw.com), (iii) the Office of the United States Trustee for the District of Delaware, Attn: Joseph McMahon (email Joseph.McMahon@usdoj.gov), and (iv) proposed counsel to the Official Committee of Unsecured Creditors, Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael Etkin (email metkin@lowenstein.com), Bruce Buechler (email bbuechler@lowenstein.com), and Wojciech Jung (email wjung@lowenstein.com) (the parties identified in (i) through (iv), collectively, the “*Objection Notice Parties*”); and (e) be filed with the Clerk of the Court and served by no later than **March 16, 2021, at 12:00 p.m. (prevailing Eastern Time)**.

IF A COUNTERPARTY TO A ASSIGNED CONTRACT FILES A CONTRACT OBJECTION IN A MANNER THAT IS CONSISTENT WITH THE REQUIREMENTS SET FORTH ABOVE, AND THE PARTIES ARE UNABLE TO CONSENSUALLY RESOLVE THE DISPUTE PRIOR TO THE SALE HEARING, THE AMOUNT TO BE PAID OR RESERVED WITH RESPECT TO SUCH OBJECTION WILL BE THE SUBJECT OF A STATUS CONFERENCE AT THE TIME OF THE SALE HEARING, DETERMINED AT A HEARING ON MARCH 23, 2021 at 2:00 P.M. (PREVAILING EASTERN TIME) DATE THAT THE DEBTORS DETERMINE IN THEIR DISCRETION, OR SUCH OTHER DATE DETERMINED BY THE COURT. ALL OTHER OBJECTIONS TO THE PROPOSED ASSUMPTION OR PROPOSED ASSUMPTION AND ASSIGNMENT OF THE DEBTORS’ RIGHT, TITLE, AND INTEREST IN, TO, AND UNDER THE ASSIGNED CONTRACTS WILL BE HEARD AT THE SALE HEARING.

PLEASE TAKE FURTHER NOTICE that although the Debtors have made a good-

faith effort to identify all Assigned Contracts that might be assumed and assigned in connection with a Sale, the Debtors or the Successful Bidder may identify certain other executory contracts that should be assumed and assigned in connection with a Sale. Accordingly, the Debtors have reserved the right to (A) up until one (1) day prior to the Sale Hearing, (i) add previously omitted Assigned Contracts to the Assigned Contracts List as contracts that may be assumed and assigned to a Successful Bidder in accordance with the definitive agreement for the Sale, or (ii) modify the previously stated Cure Payment associated with any Assigned Contract; and (B) up until closing, remove an Assigned Contract from the Assigned Contract List that a successful bidder proposes be assumed and assigned in connection with the Sale.

PLEASE TAKE FURTHER NOTICE that (A) Contract Objections to Assigned Contracts added to the Assigned Contract List up until ten (10) days prior to the Sale Hearing shall be heard and resolved at the Sale Hearing; and (B) Contract Objections to Assigned Contracts added to the Assigned Contract List less than ten (10) days prior to the Sale Hearing (or for which a previously stated Cure Payment associated with any Assigned Contract is modified) (collectively, the “*Subsequently Designated Assigned Contracts*”) shall be heard and resolved at a subsequent hearing before the Court at such day and time as may be fixed by the Court.

PLEASE TAKE FURTHER NOTICE that March 24, 2021, at 4:00 p.m., prevailing Eastern Time (the “*Subsequently Designated Assigned Contracts Objection Deadline*”) is the deadline by which Contract Objections with respect to the Subsequently Designated Assigned Contracts shall be filed. Such objections must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, and (c) be filed with the Court and served so as to be actually received by the Objection Notice Parties. Any party or entity who fails to timely make an objection with respect to the Subsequently Designated Assigned Contracts on or before the Subsequently Designated Assigned Contracts Deadline shall be forever barred from asserting any objection with respect to the Subsequently Designated Assigned Contracts. Objections timely filed shall be heard and resolved at a subsequent hearing to be fixed by the Court.

OBTAINING ADDITIONAL INFORMATION

Copies of the Bidding Procedures Motion, the Bidding Procedures, and the Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Agreement and all other documents filed with the Court, are available free of charge on the Debtors’ case information website, located at <https://www.omniagentsolutions.com/knotel> or by calling (866) 771-0565 (Domestic) or (818) 581-2989 (International).

CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION

UNLESS YOU FILE AN OBJECTION TO THE CURE AMOUNT AND/OR THE ASSUMPTION OR ASSIGNMENT OF YOUR CONTRACT OR LEASE IN ACCORDANCE WITH THE INSTRUCTIONS AND DEADLINES SET FORTH HEREIN, YOU SHALL BE (A) BARRED FROM OBJECTING TO THE CURE AMOUNT SET FORTH ON EXHIBIT 1, (B) ESTOPPED FROM ASSERTING OR CLAIMING ANY CURE AMOUNT AGAINST THE DEBTORS, THE STALKING HORSE BIDDER OR SUCH OTHER

SUCCESSFUL BIDDER THAT IS GREATER THAN THE CURE AMOUNT SET FORTH ON EXHIBIT 1, AND (C) DEEMED TO HAVE CONSENTED TO THE ASSUMPTION AND/OR ASSIGNMENT OF YOUR CONTRACT OR LEASE.

Exhibit 4

Notice of Successful Bidder

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

In re:)	
)	Chapter 11
KNOTEL, INC., <i>et al.</i> ,)	
)	Case No. 21-10146 (MFW)
Debtors. ¹)	
)	(Jointly Administered)
)	
)	

**NOTICE OF SUCCESSFUL BIDDER AND BACK-UP BIDDER WITH RESPECT
TO THE AUCTION OF THE DEBTORS’ ASSETS**

PLEASE TAKE NOTICE that, on _____, 2021, the United States Bankruptcy Court for the District of Delaware (the “*Court*”) entered an order [Docket No. ____] (the “*Bidding Procedures Order*”):² (a) approving the asset purchase agreement (the “*Stalking Horse Agreement*”) between the Debtors and Digiotech, LLC (or its designee) (the “*Stalking Horse Bidder*”) and related Expense Reimbursement, subject to higher or better bids, (b) approving the Debtors’ bidding procedures (the “*Bidding Procedures*”) in connection with the proposed auction (the “*Auction*”) for the sale (the “*Sale*”) of substantially all of the Debtors’ assets (the “*Assets*”), (c) approving procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale, (d) approving the form and manner of notice related to the Sale, and (e) establishing dates and deadlines in connection with the Sale.

PLEASE TAKE FURTHER NOTICE that on March 12, 2021, pursuant to the Bidding Procedures Order, the Debtors conducted the Auction with respect to the Assets.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, the Debtors selected the following Successful Bidder and Back-Up Bidder with respect to the Assets:

Asset(s)	Successful Bidder	Back-Up Bidder

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“*PACER*”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of (i) the Sale, (ii) transfer of the Assets to the Successful Bidder, **free and clear of all liens, claims, interests, and encumbrances**, in accordance with section 363(f) of the Bankruptcy Code, and (iii) approval of the releases contemplated by the asset purchase agreement, will be held before the Honorable Mary F. Walrath, Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, at District of Delaware, at 824 Market Street North, 5th Floor, Courtroom #4, Wilmington, Delaware 19801, or pursuant to the Court's video hearing procedures on **March 18, 2021 at 2:00 p.m. (prevailing Eastern Time)**. The Sale Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court or by notice filed on the docket in these Chapter 11 Cases.

PLEASE TAKE FURTHER NOTICE that any objections (a) to the manner in which the Auction was conducted, (b) to the identity of the Successful Bidder or the Back-Up Bidder, and/or (c) the ability of the Successful Bidder to provide adequate assurance of future performance to counterparties to executory contracts and unexpired leases contemplated to be assumed and assigned must be filed with the Court and served on the Objection Notice Parties (defined below) so as to be received no later than **March 16, 2021, at 12:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that in the event that a Successful Bidder does not consummate the Sale and a Back-Up Bidder has been previously identified, the Debtors shall file with the Court and post on the case website, <https://www.omniagentsolutions.com/knotel>, a Notice of Intent to Proceed with Back-Up Bid, together with a copy of the Back-Up Bidder's proposed purchase agreement and financial and other information regarding adequate assurance of future performance of the Assigned Contracts by the Back-Up Bidder (including the name of the Back-Up Bidder and description of its business), and serve the Notice of Intent to Proceed with Back-Up Bid on the Counterparties by overnight delivery, and the Counterparties shall have seven (7) days to file and serve on the Objection Notice Parties a Contract Objection solely on the basis of adequate assurance of future performance by the Back-Up Bidder. If any objections are filed, the Debtors shall schedule a hearing, which may be expedited, upon reasonable notice under the circumstances (which shall be no less than ten (10) days after the Notice of Intent to Proceed with Back-Up Bid is filed), with respect to such Contract Objections.

PLEASE TAKE FURTHER NOTICE that the "*Objection Notice Parties*" are: (i) proposed counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067, Attn: Mark Shinderman, Esq. (email mshinderman@milbank.com) and Daniel Denny, Esq. (email ddenny@milbank.com), (ii) counsel to the Stalking Horse Bidder, Sullivan & Worcester LLP, 1633 Broadway, New York, New York 10019, Attn: Jeffrey R. Gleit, Esq. (email jgleit@sullivanlaw.com), (iii) the Office of the United States Trustee for the District of Delaware, Attn: Joseph McMahan (email Joseph.McMahan@usdoj.gov), and (iv) proposed counsel to the Official Committee of Unsecured Creditors, Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael Etkin (email metkin@lowenstein.com), Bruce Buechler (email bbuechler@lowenstein.com), and Wojciech Jung (email wjung@lowenstein.com).

PLEASE TAKE FURTHER NOTICE that, at the Sale Hearing, the Debtors will seek Court approval of the Successful Bid, and the assumption and assignment of the Assigned

Contracts (as defined in the Bidding Procedures Order) to the Successful Bidder. Unless the Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the sale of the Debtors' assets and there will be no further bidding at the Sale Hearing. In the event that the Successful Bidder cannot or refuses to consummate the Sale because of the breach or failure on the part of the Successful Bidder, the Back-Up Bidder will be deemed the new Successful Bidder and, subject to resolution of any adequate assurance objections filed in accordance with the Bidding Procedures Order, the Debtors shall be authorized, but not required, upon approval of the Back-Up Bid following notice and a hearing, to close with the Back-Up Bidder on the Back-Up Bid upon further order of the Court.

PLEASE TAKE FURTHER NOTICE that this Notice is subject to the terms and conditions of the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review the Bidding Procedures Order in its entirety. Parties with questions regarding this Notice should contact the Debtors' counsel at the contact information provided herein.

PLEASE TAKE FURTHER NOTICE that parties interested in receiving more information regarding the contemplated sale and/or copies of any related documents may visit the websites maintained by Omni Agent Solutions, the Debtors' claims and noticing agent, at <https://www.omniagentsolutions.com/knotel>.

This is Exhibit "K" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

Knotel, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

(Jointly Administered)

Re: D.I. 7, 53

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN
PREPETITION TAXES AND FEES, (II) AUTHORIZING BANKS AND
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND
TRANSFERS RELATED THERETO, AND (III) GRANTING RELATED RELIEF**

Upon the motion the (“Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363(b), 507(a) and 541 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004 and local rule 9013-1(m): (i) authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of certain taxes and fees that the Debtors, in their discretion, deem necessary to various federal, state, county and/or city Taxing Authorities; (ii) authorizing all banks and other financial institutions to honor all checks and other fund transfers authorized pursuant to the Motion, whether such checks or other fund transfers are issued or presented prior to or after the Petition Date; and (iii) granting related relief, all as more fully described in the Motion; and the Court having previously entered the Interim

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms not defined herein are used as defined in the Motion.

Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, in the ordinary course of business as such obligations become due, to pay the Taxes and Fees arising prior to the Petition Date, including all of those Taxes and Fees subsequently determined, upon audit or otherwise, to be owed, in an aggregate amount not to exceed \$435,000.00.
3. Banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Final Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Final Order.
4. To the extent the Debtors have not yet sought to remit payment to the Taxing Authorities, the Debtors are authorized to issue checks or provide for other means of payment to the Taxing Authorities, to the extent necessary to pay the Taxes and Fees.
5. Nothing in the Motion or in this Final Order is intended or should be construed as: (i) an admission as to the validity or priority of any claim against the Debtors; (ii) a waiver of the Debtors' rights to dispute any claim, including the validity or priority thereof; or (iii)

an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

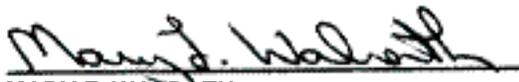
6. Notwithstanding entry of this Final Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

7. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Final Order.

8. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

9. This Court shall retain jurisdiction to hear and determine all matters related to the interpretation or implementation of this Final Order.

Dated: February 24th, 2021
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

This is Exhibit "L" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

Knotel, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

Re: D.I. 11, 54

**FINAL ORDER (I) AUTHORIZING PAYMENT OF PREPETITION CLAIMS OF
CERTAIN CRITICAL VENDORS AND (II) GRANTING RELATED RELIEF**

Upon the motion the (“Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363(b), 507(a), 1107(a) and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003(b) and 6004, and Local Rule 9013-1(m): (i) authorizing, but not directing, the Debtors to make payments toward the prepetition fixed, liquidated and undisputed claims of Critical Vendors; and (ii) granting related relief; all as more fully described in the Motion; and the Court having previously entered the Interim Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms not defined herein are used as defined in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.

2. The Debtors are authorized, but not directed, in consultation with Digiotech, LLC, the United States Trustee, and the Official Committee of Unsecured Creditors (the "Committee"), to make payments toward prepetition Critical Vendor Claims as described in the Motion in amounts not to exceed \$1,800,000.00 in the aggregate.

3. The Debtors are further authorized, but not directed, to undertake appropriate efforts to enter into Trade Agreements with the Critical Vendors if the Debtors determine, in their discretion, that such an agreement is necessary to their postpetition operations, including, without limitation on the following terms:

- (a) The amount of such Critical Vendor's estimated claim, after accounting for any setoffs, other credits and discounts thereto, shall be as mutually determined in good faith by the Critical Vendor and the Debtors (but such amount shall be used only for purposes of the Order and shall not be deemed a claim allowed by the Court, and the rights of all parties in interest to object to such claim shall be fully reserved);
- (b) The amount of payment toward the Critical Vendor's estimated claim;
- (c) The Critical Vendor's agreement to be bound by the Customary Trade Terms, or such other trade terms as mutually agreed to by the Debtors and such Critical Vendor;
- (d) The Critical Vendor's agreement to provide goods and services to the Debtors based upon Customary Trade Terms or such other trade terms mutually agreed to by the Debtors and the Critical Vendor, and the Debtors' agreement to pay the Critical Vendor postpetition in accordance with such terms;
- (e) The Critical Vendor's agreement not to file or otherwise assert against the Debtors, their estates or their respective assets or property (real or personal) any lien (a "Lien") (regardless of the statute or other legal authority upon which such Lien is asserted) related in any way to any remaining prepetition amounts allegedly owed to the Critical Vendor by the Debtors arising from goods or

services provided to the Debtors prior to the Petition Date, and that, to the extent that the Critical Vendor has previously obtained such a Lien, the Critical Vendor shall immediately take all necessary action to release such Lien;

- (f) The Critical Vendor's acknowledgement that it has reviewed the terms and provisions of the Order and consents to be bound thereby;
- (g) The Critical Vendor's agreement that it will not separately assert or otherwise seek payment of any reclamation or Bankruptcy Code section 503(b)(9) claim; and
- (h) If a Critical Vendor who has received payment toward a Critical Vendor Claim subsequently refuses to supply goods or services to the Debtors on Customary Trade Terms, then subject to further Court order: (i) any payments received by the Critical Vendor on account of its Critical Vendor Claim will be deemed to have been in payment of then outstanding postpetition obligations owed to such Critical Vendor; and (ii) such Critical Vendor shall immediately repay to the Debtors any payments received on account of its Critical Vendor Claim to the extent that the aggregate amount of such payments exceed the postpetition obligations then outstanding, without the right of setoff or reclamation.

4. Notwithstanding the foregoing, the Debtors may, in their sole discretion, reinstate a Trade Agreement if the underlying default under the Trade Agreement is fully cured by the Critical Vendor not later than five (5) business days following the Debtors' notification to the Critical Vendor of such default; or the Debtors, in their discretion, reach a favorable alternative agreement with the Critical Vendor.

5. For the avoidance of doubt and notwithstanding the foregoing, the Debtors may, in their sole discretion, negotiate and agree on Customary Trade Terms with Critical Vendors absent a Trade Agreement. The Debtors shall provide the Committee with notice of any such agreement with a Critical Vendor that involves a payment by the Debtors of an amount more than \$20,000.00 to the Critical Vendor on account of the Critical Vendor's prepetition claim(s), and the Committee shall have three days to object.

6. The Debtors shall provide the Committee with weekly reporting of the actual amounts paid to Critical Vendors and copies of each Trade Agreement entered into by the Debtors.

7. The Debtors are not authorized to pay professional service providers (including attorneys, accountants, crisis managers, financial advisors and investment banks) pursuant to this Final Order. Further, the Debtors are not authorized to pay Digiotech, LLC, Newmark Knight Frank or any of their affiliates pursuant to this Final Order.

8. The Debtors' banks shall be and hereby are authorized and directed to receive, process, honor and pay all prepetition and postpetition checks and fund transfers on account of the Critical Vendor Claims that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition fund transfers on account of the Critical Vendor Claims to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

9. Nothing herein shall be construed to limit, or in any way affect, the Debtors' ability to dispute any Critical Vendor Claim.

10. The authorization granted hereby to pay Critical Vendor Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay the Critical Vendor Claims, none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay a Critical Vendor Claim, and nothing contained in this Final Order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect the Critical Vendor Claims to the extent they are not paid.

11. Nothing in the Motion, the Interim Order or in this Final Order is intended

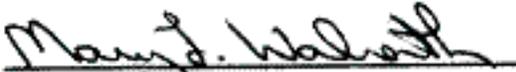
or should be construed as (a) an admission as to the validity or priority of any claim against the Debtors, (b) a waiver of the Debtors' rights to dispute any claim, including the validity or priority thereof, or (c) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

12. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Final Order.

13. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

14. This Court shall retain jurisdiction to hear and determine all matters related to the interpretation or implementation of this Final Order.

Dated: February 25th, 2021
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

This is Exhibit "M" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

Knotel, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

Re: D.I. 8, 55

FINAL ORDER (I) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING UTILITY SERVICES, (II) APPROVING PROPOSED ADEQUATE ASSURANCE OF PAYMENT TO UTILITY PROVIDERS AND AUTHORIZING DEBTORS TO PROVIDE ADDITIONAL ASSURANCE, (III) ESTABLISHING PROCEDURES TO RESOLVE REQUESTS FOR ADDITIONAL ASSURANCE AND (IV) GRANTING RELATED RELIEF

Upon the motion the (“Motion”)² of the above captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363 and 366 of the Bankruptcy Code, Bankruptcy Rules 6003(b) and 6004, and Local Rule 9013-1(m): (i) prohibiting Utility Providers from altering, refusing, discontinuing services or discriminating against the Debtors solely on the basis of the commencement of these case or that the Debtors did not pay a debt when due prepetition; (ii) determining that adequate assurance of payment for postpetition utility services has been furnished to the Utility Providers providing services to the Debtors and authorizing the Debtors to provide additional adequate assurance of payment to the Utility Providers; (iii)

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

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

establishing procedures for resolving requests by any Utility Provider for additional adequate assurance of payment; and (iv) granting related relief, including authorizing certain payments to the third-party administrator that assists the Debtors in managing the Debtors' utility accounts, all as more fully described in the Motion; and the Court having previously entered the Interim Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. Absent (i) further order of the Court or (ii) compliance with the Additional Assurance Procedures set forth in the Motion and this Final Order, the Utility Providers are prohibited from altering, refusing, or discontinuing service on account of the commencement of these chapter 11 cases and/or any unpaid prepetition charges and are deemed to have received adequate assurance of payment in accordance with section 366 of the Bankruptcy Code.
3. Any bonds or security deposits that were in place prior to the Petition Date shall remain in place and shall continue to be held by those Utility Providers holding the same, except upon either (a) written agreement(s) between the Debtors and Utility Providers without further order of the Court or (b) further order(s) of the Court. Absent written agreement(s) between the Debtors and a Utility Provider, the Debtors may not consider any prepetition deposit held by a Utility Provider when determining the amount of Adequate Assurance Deposit to be made on behalf of such Utility Provider.

4. To the extent not previously funded, the Debtors shall fund within three business days of the entry of this Final Order the Adequate Assurance Deposit of \$29,271.00 by depositing such amount in the Utility Deposit Account. The foregoing amount may be adjusted by the Debtors as follows: (i) reducing the amount held in the Utility Deposit Account to account for termination of Utility Services by the Debtors for any given location or account after payment of the Utility Provider's final invoice with respect to such location or account; (ii) modifying the amount held in the Utility Deposit Account on the basis of agreements reached with Utility Providers regarding Additional Assurance Requests, including, to the extent any Utility Provider receives any other value from the Debtors as adequate assurance of payment, reducing the Adequate Assurance Deposit maintained in the Utility Deposit Account on account of such Utility Provider by the amount of such other value; and (iii) adding additional amounts in the event that the Debtors amend the Utility Providers List to add one or more additional Utility Providers.

5. The obligation to maintain the Adequate Assurance Deposit shall terminate upon the earlier of: (i) the closing of a sale of all or substantially all of the Debtors' assets; (ii) the effective date of a chapter 11 plan; or (iii) the date these cases are dismissed or converted to chapter 7 of the Bankruptcy Code.

6. The following Additional Assurance Procedures are hereby approved in their entirety on a final basis:

- (a) Absent compliance with the Additional Assurance Procedures, no Utility Provider may alter, refuse or discontinue service to or otherwise discriminate against the Debtors on account of the commencement of these chapter 11 cases or any unpaid prepetition charges, or request payment of a deposit or receipt of other security in connection with any unpaid prepetition charges.
- (b) In the event that any Utility Provider has been omitted from the Utility Providers List, the Debtors will supplement the Utility

Providers List and promptly serve copies of the Motion and this Final Order on such Utility Provider upon learning of such omission.

- (c) The Debtors will deposit the Adequate Assurance Deposit into the Utility Deposit Account within 20 days of the Petition Date. In the event of a postpetition default and payment, each Utility Provider shall be entitled to the funds in the Utility Deposit Account in the amount set forth for such Utility Provider in the column labeled “Adequate Assurance Deposit” on the Utility Providers List; provided that to the extent any Utility Provider receives any other value from the Debtors as adequate assurance of payment, the Debtors may reduce the Adequate Assurance Deposit maintained in the Utility Deposit Account on account of such Utility Provider by the amount of such other value absent agreement with the affected Utility Provider to the contrary.
- (d) Any Utility Provider desiring Additional Assurance must either (i) serve a written request (an “Additional Assurance Request”) on: (i) the Debtors, (ii) proposed counsel to the Debtors, Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, CA 90067, Attn: Mark Shinderman (mshinderman@milbank.com) and Daniel Denny (ddenny@milbank.com) and Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, Delaware, 19899-1347, Attn: Robert J. Dehney (rdehney@mnat.com), Matthew B. Harvey (mharvey@mnat.com) and Matthew O. Talmo (mtalmo@mnat.com), and (iii) proposed counsel to the Official Committee of Unsecured Creditors (the “Committee”), Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attn: Michael S. Etkin (metkin@lowenstein.com), Bruce Buechler (bbuechler@lowenstein.com), Wojciech F. Jung (wjung@lowenstein.com), Colleen M. Maker (cmaker@lowenstein.com), and Erica G. Mannix (emannix@lowenstein.com) and Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, Delaware 19801, Attn: Christopher M. Samis (csamis@potteranderson.com), L. Katherine Good (kgood@potteranderson.com), D. Ryan Slaugh (rslaugh@potteranderson.com), Joseph D. Farris, III (jfarris@potteranderson.com) (the “Notice Parties”); or (ii) move to modify the Adequate Assurance Deposit pursuant to 11 U.S.C. § 366(c)(3).
- (e) Any Additional Assurance Request must: (i) be made in writing; (ii) set forth the type of Utility Service(s) provided as well as the Debtors’ location(s) to which such Utility Service(s) is provided and the applicable account number(s); (iii) include a summary of the

Debtors' payment history relevant to each affected account, including any security deposits; and (iv) include a proposal for what the Utility Provider believes would constitute adequate assurance from the Debtors, along with an explanation as to why the Utility Provider believes the Proposed Adequate Assurance is not sufficient adequate assurance of postpetition payment in light of the circumstances.

- (f) Upon the Debtors' receipt of an Additional Assurance Request at the addresses set forth above, the Debtors shall have until (i) the greater of 14 days from receipt of the request or 30 days from the Petition Date or (ii) such other date as the parties mutually agree (the "Resolution Period") to negotiate with such Utility Provider to resolve such Utility Provider's request for additional assurance of payment.
- (g) The Debtors may, in their discretion, resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of the Court, and may, in connection with any such agreement, in their discretion, provide a Utility Provider with Additional Assurance in the form of, but not limited to, cash deposits, prepayments and/or other forms of security, without further order of this Court if the Debtors believe such Additional Assurance is reasonable, provided, however, that the Debtors shall provide the Committee with notice of the resolution of each Additional Assurance Request and the Committee shall have three days to object. To the extent any Utility Provider receives any other value from the Debtors as adequate assurance of payment, the Debtors may reduce the Adequate Assurance Deposit maintained in the Utility Deposit Account on account of such Utility Provider by the amount of such other value absent agreement with the affected Utility Provider.
- (h) If the Debtors determine that an Additional Assurance Request is not reasonable and/or they are not able to reach an alternative resolution with the Utility Provider during the Resolution Period, the Debtors will schedule a hearing (the "Determination Hearing") before this Court on the next scheduled omnibus hearing date to determine the adequacy of assurances of payment with respect to that Utility Provider pursuant to section 366(c)(3) of the Bankruptcy Code.
- (i) During any Resolution Period, and, if applicable, pending the outcome by final order of any Determination Hearing, the relevant Utility Provider shall be restrained from discontinuing, altering or refusing service to the Debtors on account of: (i) unpaid charges for

prepetition services; (ii) a pending Additional Assurance Request; (iii) any objections filed in response to the Proposed Adequate Assurance or to the Additional Assurance Procedures; or (iv) the commencement of these chapter 11 cases.

- (a) Unless and until an order of the Court is entered requiring further assurance of payment, each Utility Provider shall be deemed to have adequate assurance of payment based on the establishment of the Proposed Adequate Assurance.

7. The Debtors are authorized, in their sole discretion, to amend the Utility Providers List to add or delete any Utility Provider, and this Final Order shall apply to any Utility Provider that is subsequently added to the Utility Service List. Any such amended Utility Service List shall be filed with the Court and served with this Final Order.

8. The inclusion of any entity in, or the omission of any entity from, the Utility Providers List shall not be deemed an admission by the Debtors that such entity is or is not a “utility” within the meaning of section 366 of the Bankruptcy Code, and the Debtors’ rights and defenses with respect thereto are reserved and preserved.

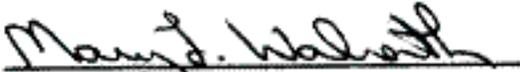
9. Nothing in the Motion, the Interim Order or in this Final Order is intended or should be construed as (a) an admission as to the validity or priority of any claim against the Debtors, (b) a waiver of the Debtors’ rights to dispute any claim, including the validity or priority thereof or (c) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors’ rights to subsequently dispute such claim.

10. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Final Order.

11. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

12. This Court shall retain jurisdiction to hear and determine all matters related to the interpretation or implementation of this Final Order.

Dated: February 25th, 2021
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

This is Exhibit "N" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

KNOTEL, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

Re: D.I. 10, 63

FINAL ORDER (I) AUTHORIZING CONTINUED USE OF CASH MANAGEMENT SYSTEM, (II) AUTHORIZING USE OF PREPETITION BANK ACCOUNTS, ACCOUNT CONTROL AGREEMENTS, AND PAYMENT METHODS, (III) AUTHORIZING USE OF EXISTING BUSINESS FORMS, (IV) AUTHORIZING CONTINUATION OF ORDINARY COURSE INTERCOMPANY TRANSACTIONS, (V) GRANTING ADMINISTRATIVE PRIORITY TO POSTPETITION INTERCOMPANY CLAIMS, AND (VI) EXTENDING TIME TO COMPLY WITH THE REQUIREMENTS OF 11 U.S.C. § 345(b)

Upon the motion (the “Motion”)² of the above captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 345(b) and 363(c)(1) of the Bankruptcy Code, Bankruptcy Rules 2015, 6003 and 6004(h) and Local Rules 2015-2 and 9013-1(m): (i) authorizing the Debtors to continue to utilize their prepetition cash management system, including by authorizing the Debtors’ bank to honor certain transfers and charge certain fees and other amounts; (ii) authorizing use of prepetition bank accounts, account control agreements, and payment methods; (iii) authorizing the Debtors to maintain and continue to use their existing business forms; (iv) authorizing the Debtors to continue ordinary course intercompany

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms not defined herein are used as defined in the Motion.

transactions; (v) granting administrative priority to postpetition intercompany claims; and (vi) extending the Debtors' time to comply with the requirements of section 345(b) of the Bankruptcy Code, all as more fully described in the Motion; and the Court having previously entered the Interim Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized but not directed to continue to use the Cash Management System, including the Bank Accounts included on **Exhibit 1**, in the ordinary course of business.
3. The Debtors are further authorized but not directed to: (i) continue to use, with the same account numbers, the Bank Accounts in existence on the Petition Date, and need not comply with certain guidelines relating to bank accounts set forth in the U.S. Trustee Operating Guidelines, including, without limitation, the requirement to establish separate accounts for cash collateral and/or tax payments; (ii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iii) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including, without limitation, by check, wire transfer and other methods; (iv) pay the Bank Fees, including, without limitation, any undisputed Bank Fees regardless of whether such Bank Fees arose before, on or after the Petition Date; and (v) otherwise perform their obligations under the documents governing the Bank Accounts.

4. The Debtors are authorized, but not directed, to honor and pay all undisputed prepetition Service Charges in the ordinary course of business, and the Banks are hereby authorized to debit, charge or deduct, as applicable, such undisputed amounts in the ordinary course of business.

5. The Debtors are authorized to use, in their present form, all Business Forms and other documents related to the Bank Accounts, without reference to their status as debtors in possession, provided, however, that if the Debtors exhaust their existing check stock during the pendency of these chapter 11 cases, the Debtors will order checks with a notation indicating the designation “debtor in possession” and the lead case number of these cases.

6. The Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware and any statutory committees appointed in these chapter 11 cases; provided further, however, that the Debtors shall open any such new Bank Accounts at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

7. Except as otherwise expressly provided in this Final Order, the Banks are authorized to: (i) continue to maintain, service and administer the Bank Accounts as accounts of the Debtors as debtors in possession and provide related treasury, account and cash management services, all without interruption and in the ordinary course of business; (ii) receive, process, honor and pay, to the extent of available funds, any and all checks, drafts, EFT (including wires or ACH transfers), credit card payments and other items presented, issued or drawn on the Bank Accounts;

provided, however, that any check, draft or other notification that the Debtors advise a Bank to have been drawn, issued or otherwise presented before the Petition Date may be honored by the Banks only to the extent authorized by order of the Court; (iii) accept and honor all representations from the Debtors as to which checks, drafts, EFT (including wires or ACH transfers), credit card payments and other items presented, issued or drawn should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, EFT (including wires or ACH transfers), credit card payments and other items are dated before or after the Petition Date; and (iv) debit or charge the Bank Accounts for all undisputed Bank Fees, whether arising before, on or after the Petition Date.

8. Subject to the terms of this Final Order, the Banks may rely upon the representations of the Debtors with respect to whether any disbursement should be honored pursuant to any order of this Court, whether or not such disbursements are dated before, on or after the Petition Date, and no Bank that honors a prepetition disbursement that is the subject of this Order at the direction of the Debtors shall or shall be deemed to have any liability to the Debtors or their estates on account of such disbursement being honored postpetition, or otherwise be deemed to be in violation of this Final Order.

9. The Debtors are authorized but not directed to continue performing Intercompany Transactions in the ordinary course of business on a postpetition basis. All Intercompany Claims arising after the Petition Date shall be identified as such and accorded administrative expense priority in accordance with sections 364(b), 503(b) and 507(a)(2) of the Bankruptcy Code. Nothing in this Order shall waive or impair the right of the Official Committee of Unsecured Creditors (the "Committee") to seek to challenge the characterization of any Intercompany Transactions as equity.

10. The Debtors shall provide the Committee with the same reporting they are required to provide Digiotech, LLC and its counsel pursuant to paragraph 7 of the *Interim Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing, (B) Grant Senior Secured Liens and Superpriority Administrative Expense Claims, and (C) Utilize Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Lender; (III) Modifying the Automatic Stay; (IV) Scheduling Final hearing; and (V) Granting Related Relief* (D.I. 72).

11. In connection with the ongoing utilization of the Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash in the ordinary course so that all transactions (including Intercompany Transactions) may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and shall make such records available to the U.S. Trustee upon request.

12. The Debtors shall comply with, to the extent applicable, *inter alia*, the requirements of Delaware Local Rule 4001-3, unless otherwise ordered by this Court.

13. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

14. As soon as practicable after entry of this Final Order, the Debtors shall serve a copy of this Final Order on the Banks.

15. The Debtors are authorized to take, or cause to be taken, all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

16. The requirements set forth in Bankruptcy Rule 6003 are satisfied by the contents of the Motion.

17. The requirement of Bankruptcy Rule 6004(a) is waived.

18. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Final Order shall be immediately effective and enforceable upon its entry.

19. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Final Order.

Dated: February 25th, 2021
Wilmington, Delaware

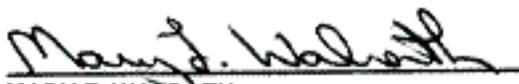

MARY F. WALRATH
6 UNITED STATES BANKRUPTCY JUDGE

Exhibit 1**Debtors' Bank Accounts**

	Account Holder	Bank Name	Last Four Digits of Account #	Account Type/Purpose
1.	Knotel, Inc.	Bridge Bank, a division of Western Alliance Bank	0738	Operating Account
2.	Knotel, Inc.	JPMorgan Chase	8695	Operating Account
3.	Knotel Geometry LLC	JPMorgan Chase	6876	Operating Account
4.	42 Floors LLC	City National Bank	6451	Operating Account
5.	Knotel, Inc.	JPMorgan Chase	1620	Dormant Account
6.	Kkoin, LLC	JPMorgan Chase	2559	Dormant Account
7.	Knotel, Inc.	HSBC	5655	Dormant Account
8.	Knotel, Inc.	JPMorgan Chase	3778	Segregated Account
9.	Knotel, Inc.	Bridge Bank, a division of Western Alliance Bank	7269	Segregated Account
10.	Knotel, Inc.	Bridge Bank, a division of Western Alliance Bank	6390	Segregated / Savings Account
11.	Knotel, Inc.	JPMorgan Chase	7525	Segregated Customer Funds Account
12.	Knotel, Inc.	Wells Fargo	9100	Segregated Account

This is Exhibit "O" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

KNOTEL, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Joint Administration Requested

Re: Docket No. 19, 52

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN
PREPETITION WAGES, BENEFITS AND OTHER COMPENSATION
OBLIGATIONS, (II) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR ALL
OBLIGATIONS RELATED THERETO, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363, 507 and 541 of the Bankruptcy Code, Bankruptcy Rules 6003(b) and 6004 and Local Rule 9013-1(m): (i) authorizing the Debtors to pay and honor certain prepetition wages, benefits and other compensation obligations; (ii) authorizing and directing banks and financial institutions to receive, process, honor and pay checks presented for payment and electronic payment requests relating to prepetition employee wages and benefits; and (iii) granting related relief, all as more fully described in the Motion; and the Court having previously entered the Interim Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/kotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms not defined herein are used as defined in the Motion.

is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, in a reasonable exercise of their business judgment, to: (i) pay or otherwise honor the Employee Obligations, including the Uncashed Independent Contractor Paychecks, Expense reimbursements, Severance Benefits, and Unpaid Wages; (ii) honor and continue the Employee Programs that were in effect as of the Petition Date in the ordinary course of business; and (iii) make all Withholding Obligation payments relating to the Employee Obligations as required by law; provided, however, that the aggregate of cash payments of prepetition Employee Obligations made to, or on behalf of, an individual Employee shall not exceed \$13,650 per Employee as provided in section 507(a)(4) - (5) of the Bankruptcy Code; and provided, further, that payments on account of Severance Benefits to any insider (as such term is defined in section 101(31) of the Bankruptcy Code) shall not exceed the maximum provided by section 503(c)(2) of the Bankruptcy Code. For the avoidance of doubt, this authority is inclusive of any prepetition amounts that may become payable under this Final Order to third-party service providers that administer, insure or otherwise facilitate the Employee Obligations.
3. The Debtors shall not make payments to Employees in connection with any Bonus Programs absent further order of the Court.
4. The Debtors are authorized, but not directed, to pay Severance Benefits to non-insiders and insiders (as such term is defined in section 101(31) of the Bankruptcy Code) in accordance with the Debtors' severance program laid out in the Severance Table in the Motion,

and subject to the restrictions set forth in 11 U.S.C. § 503(c). To the extent that the estates incur an obligation for Severance Benefits in excess of the sums estimated in the Budget (as defined in Docket No. 72) and the amount of total administrative expense claims exceeds the amount of the DIP Loans (as defined in Docket No. 72), the buyer of the Debtors' assets shall assume such excess administrative costs consistent with the Stalking Horse Agreement (as such term is defined in the bid procedures order (Docket No. 227) (the "Bid Procedures Order")) and as confirmed in the Bid Procedures Order.

5. The Debtors are authorized, but not directed, to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed to their Employees.

6. All banks and other financial institutions are hereby directed to receive, process, honor, and pay any and all checks presented for payment and electronic transfer requests made by the Debtors related to the payment of the obligations described in the Motion and approved herein, whether such checks were presented or such electronic transfer requests were submitted before, or are presented or submitted after, the Petition Date. All such banks and financial institutions are further directed to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to this Final Order.

7. Subject to the requirements of this Final Order, the Debtors are authorized, but not directed, to modify, change and/or discontinue any of the Employee Obligations to implement new Employee Obligations in the ordinary course of business during the pendency of these chapter 11 cases in their discretion without the need for further Court approval. Subject to Paragraph 2 of this Order, nothing in this Final Order authorizes or approves any payments or

transfers subject to section 503(c) of the Bankruptcy Code. Further, nothing in this Final Order shall be deemed to violate or permit a violation of section 503(c) of the Bankruptcy Code.

8. Nothing in the Motion or in this Final Order is intended or should be construed as (a) an admission as to the validity or priority of any claim against the Debtors, (b) a waiver of the Debtors' rights to dispute any claim, including the validity or priority thereof or (c) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

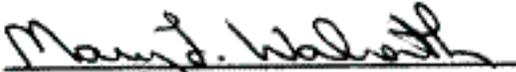
9. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Final Order.

10. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm.

11. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

12. This Court shall retain jurisdiction to hear and determine all matters related to the interpretation or implementation of this Final Order.

Dated: February 25th, 2021
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

This is Exhibit "P" referred to in the Affidavit of John M. Jureller sworn March 8, 2021.



Commissioner for Taking Affidavits (or as may be)

Kieran May
LSO# 79672P

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

In re

Knotel, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10146 (MFW)

Jointly Administered

Re: D.I. 9, 62

**FINAL ORDER AUTHORIZING DEBTORS TO (A) CONTINUE
INSURANCE POLICIES AND AGREEMENTS RELATING THERETO,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF,
(C) RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO NEW
INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT AND (D)
CONTINUE TO HONOR INSURANCE PREMIUM FINANCE OBLIGATIONS**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 362(d), 363(b), 363(c), 364 and 1107(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rules 6003 and 6004(h) authorizing the Debtors to (a) continue insurance policies and agreements relating thereto, (b) honor certain prepetition obligations in respect thereof, (c) renew, revise, extend, supplement, change or enter into new insurance coverage or premium financing agreements as needed in their business judgment, and (d) continue to honor insurance premium finance obligations; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.omniagentsolutions.com/knotel> or, alternatively, via the Bankruptcy Court at <https://ecf.deb.uscourts.gov/cgi-bin/login.pl> with a Public Access to Court Electronic Records (“PACER”) account, which may be obtained at <https://pacer.uscourts.gov>. The location of Debtor Knotel, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 5-9 Union Square West, New York, NY 10003.

² Capitalized terms not defined in this Order are used as defined in the Motion.

provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to maintain their Insurance Policies and Premium Finance Agreement and to pay the Insurance Obligations and Premium Finance Obligations arising post-petition under or in connection with the Insurance Policies or Premium Finance Agreement as such obligations become due.
3. The Debtors are authorized, but not directed, to enter into new insurance policies or programs and premium financing agreements in the ordinary course of business through the renewal, supplement, revision, extension of the Insurance Policies and Premium Finance Agreement or the purchase of new insurance policies or entry into new premium financing agreements to the extent that the Debtors determine that such action is necessary or appropriate in their business judgment, provided, however, that the Debtors will provide the Official Committee of Unsecured Creditors (the "Committee") with notice prior to their entry into new insurance policies or programs and premium financing agreements and the Committee shall have three days to object.
4. This order shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay any of the obligations discussed herein or in the Motion, and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay such obligations, and nothing in this order shall be deemed to increase,

reclassify, elevate to an administrative expense status or otherwise affect such obligations to the extent they are not paid.

5. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order.

6. To the extent that the Insurance Policies, Premium Finance Agreement, or any related contracts or agreements, including any agreements between the Debtors and any broker or agent, are executory contracts under section 365 of the Bankruptcy Code, neither the relief granted hereby nor any actions or payments made by the Debtors pursuant to this order shall be constitute assumption or rejection of any such contract pursuant to section 365 of the Bankruptcy Code.

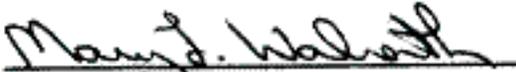
7. The automatic stay is hereby modified, pursuant to section 362(d) of the Bankruptcy Code, solely to the extent necessary to (i) permit the Debtors' employees to proceed against Travelers with any Workers' Compensation Claims and (ii) allow Travelers to pay valid Workers' Compensation Claims and related costs.

8. The relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors, and timely entry of this Final Order is not prohibited by Bankruptcy Rule 6003(b).

9. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

10. The Court shall retain jurisdiction over any matters arising from or related to implementing or interpreting this Order.

Dated: February 25th, 2021
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: ●

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF JOHN M. JURELLER
(sworn March 8, 2021)**

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Lawyers for the Canadian Filing Entities

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) TUESDAY, THE 9TH
JUSTICE CAVANAGH) DAY OF MARCH, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA,
INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

Applicant

**INTERIM ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Knotel Canada, Inc. in its capacity as the proposed foreign representative (the "**Foreign Representative**") of Knotel, Inc. and Knotel Canada, Inc. (the "**Canadian Filing Entities**") in respect of the proceedings commenced on January 31, 2021 and March 5, 2021, respectively, in the United States Bankruptcy Court for the District of Delaware (the "**Foreign Proceedings**") for an Order substantially in the form enclosed in the Application Record, was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Notice of Application, and the affidavit of John M. Jureller sworn March 8, 2021, filed,

AND UPON HEARING the submissions of counsel for the Foreign Representative, and counsel for Alvarez & Marsal Canada Inc. in its capacity as the proposed information officer (the

“**Proposed Information Officer**”), and counsel for ●, and no one else appearing although duly served as appears from the affidavit of service of ●, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. THIS COURT ORDERS that from the date hereof until and unless otherwise ordered by the Court (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**" and, collectively, "**Proceedings**") including, without limitation, a Proceeding taken or that might be taken against the Debtors under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, or the *Winding-up and Restructuring Act*, R.S.C., 1985, c. W-11, as amended, shall be commenced or continued against or in respect of the Canadian Filing Entities or affecting their business in Canada (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate in Canada, including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Canadian Filing Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, agency, governmental or quasi-governmental body, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against, in

respect of, or affecting the Canadian Filing Entities, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceedings, (ii) empower any of the Canadian Filing Entities to carry on any business in Canada which that Canadian Filing Entity is not lawfully entitled to carry on, or (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**").

NO INTERFERENCE WITH RIGHTS

4. THIS COURT ORDERS that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by any of the Canadian Filing Entities in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

5. THIS COURT ORDERS that, during the Stay Period, all Persons having oral or written agreements with the Canadian Filing Entities or statutory or regulatory mandates for the supply of goods and/or services in Canada, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services provided in respect of the Property or Business of the Canadian Filing Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Canadian Filing Entities, and that the Canadian Filing Entities shall be entitled to the continued use in Canada of their, among other things, current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order

are paid by the Canadian Filing Entities in accordance with normal payment practices of the Canadian Filing Entities or such other practices as may be agreed upon by the supplier or service provider and the relevant Canadian Filing Entity(ies), or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

6. THIS COURT ORDERS that, during the Stay Period, and except as permitted by section 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Canadian Filing Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Canadian Filing Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a plan of reorganization in respect of the Canadian Filing Entities, if one is filed in the Foreign Proceeding, is recognized by this Court and becomes effective in accordance with its terms, or unless otherwise ordered by this Court.

NO SALE OF PROPERTY

7. THIS COURT ORDERS that each of the Canadian Filing Entities is prohibited from selling or otherwise disposing of, outside the ordinary course of its business, any of its Property in Canada that relates to the Business and from selling or otherwise disposing of any of their other Property in Canada, provided, however, that nothing herein shall prevent the Canadian Filing Entities from seeking approval in the Foreign Proceeding or from this Court to sell or otherwise dispose of the Property.

SERVICE OF COURT MATERIALS

8. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List Website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<●>'.

9. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Canadian Filing Entities, the Foreign Representative, and the Proposed Information Officer are at liberty to serve or distribute this Order, any other materials, and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the Canadian Filing Entities' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Canadian Filing Entities and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

10. THIS COURT ORDERS that any party may, from time to time, apply to this Court for such further or other relief as it may advise from time to time, including for directions in respect of the proper execution of this Order.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Canadian Filing Entities and the Foreign Representative and respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Canadian Filing Entities and the Foreign Representative as may be necessary or desirable to give effect to this Order or to assist the Canadian Filing Entities and the Foreign Representative, and their respective agents, in carrying out the terms of this Order.

12. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Canadian Filing Entities, the Foreign Representative, the Proposed Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order

13. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of 12:01 a.m. on the date of this Order and is not required to be entered.

The Honourable Justice Cavanagh

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**INTERIM ORDER
(FOREIGN MAIN PROCEEDING)**

CASSELS BROCK & BLACKWELL LLP

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Lawyers for the Canadian Filing Entities

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) ●DAY, THE ●th
JUSTICE ●) DAY OF MARCH, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA,
INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Knotel Canada, Inc. in its capacity as the foreign representative (the "**Foreign Representative**") of Knotel, Inc. and Knotel Canada, Inc. (the "**Canadian Filing Entities**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Notice of Application, the affidavit of John M. Jureller sworn March 8, 2021, filed, and upon being provided with copies of the documents required by s. 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order (Foreign Main Proceeding), a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for Alvarez & Marsal Canada Inc. in its capacity as the proposed information officer (the

“**Proposed Information Officer**”); counsel for ●; no one else appearing although duly served as appears from the affidavit of service of ● sworn March ●, 2021, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. THIS COURT ORDERS AND DECLARES that the Foreign Representative is the “foreign representative” as defined in section 45 of the CCAA of the Canadian Filing Entities in respect of the cases commenced in the United States Bankruptcy Court for the District of Delaware by the Debtors pursuant to Chapter 11 of the *United States Bankruptcy Code* (the “**Foreign Proceeding**”).

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. THIS COURT DECLARES that the centre of its main interests for each of the Canadian Filing Entities is the United States of America, and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. THIS COURT ORDERS that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against any Canadian Filing Entity under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit, or proceeding against any Canadian Filing Entity are restrained; and
- (c) the commencement of any action, suit, or proceeding against any Canadian Filing Entity is prohibited.

NO SALE OF PROPERTY

5. THIS COURT ORDERS that, except with leave of this Court, each of the Canadian Filing Entities is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

GENERAL

6. THIS COURT ORDERS that the Foreign Representative shall not be required to publish notice in any newspaper in Canada pursuant to section 53(b) of the CCAA.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Canadian Filing Entities and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND DECLARES that the Interim Order made on March ●, 2021 shall be of no further force and effect once this Order becomes effective, and that this Order shall be effective as of 12:01 a.m. Eastern Time on the date of this Order, provided that nothing herein shall invalidate any action taken in compliance with such Interim Order prior to the effective time of this Order.

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Canadian Filing Entities and the Foreign Representative and their counsel, the Proposed Information Officer and its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

The Honourable Justice ●

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-21-00658434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

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Lawyers for the Canadian Filing Entities

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE _____) WEEKDAY, THE #
JUSTICE _____) DAY OF MONTH, 20YR

THE HONOURABLE _____) ●DAY, THE ●th
JUSTICE ● _____) DAY OF MARCH, 2021

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ~~THE [LIST DEBTOR NAMES]~~(the
"~~Debtors~~") KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
KNOTEL CANADA, INC. UNDER SECTION 46 OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

INITIAL RECOGNITION ORDER
(FOREIGN MAIN¹ PROCEEDING)

THIS APPLICATION,² made by ~~[NAME OF FOREIGN REPRESENTATIVE]~~ Knotel
Canada, Inc. in its capacity as the foreign representative (the "~~Foreign Representative~~") of
~~the Debtors;~~ of Knotel, Inc. and Knotel Canada, Inc. (the "Canadian Filing Entities") pursuant
to the Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36, as amended (the
"CCAA") for an Order substantially in the form enclosed in the Application Record, was heard

¹ Under section 47 the Canadian Court must be satisfied that the application for the recognition of a foreign proceeding relates to a foreign proceeding and that the applicant is a foreign representative in respect of that foreign proceeding, and then determine if the foreign proceeding is a foreign "main" or a foreign "non-main" proceeding. If the Canadian Court recognizes a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of this model Order are minimal, and based on the mandatory relief set out in section 48 of the CCAA with respect to a foreign main proceeding. As noted below, supplemental and other relief is set out in the model Supplemental Order (Foreign Main Proceeding).

² Part IV of the CCAA governs cross-border insolvencies.

~~this day at 330 University Avenue, by judicial videoconference via Zoom at~~ Toronto, Ontario. due to the COVID-19 crisis.

ON READING the Notice of Application, the affidavit of ~~[NAME] sworn [DATE], [the preliminary report of [NAME], in its capacity as proposed information officer (the "Proposed Information Officer") dated [DATE], each~~ John M. Jureller sworn March 8, 2021, filed, and upon being provided with copies of the documents required by s. 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order (Foreign Main Proceeding), a Supplemental Order (Foreign Main Proceeding) ~~{will be/is being}~~ sought,³

AND UPON HEARING the submissions of counsel for the Foreign Representative, ~~{counsel for the Alvarez & Marsal Canada Inc. in its capacity as the proposed information officer (the "Proposed Information Officer,");~~ counsel for ~~{OTHER PARTIES}, and upon being advised that no other persons were~~ no one else appearing although duly served with the Notice of Application;⁴ as appears from the affidavit of service of ~~sworn March~~ sworn March ~~2021, filed;~~

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁵ so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. THIS COURT ORDERS AND DECLARES that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the ~~Debtors in respect of [DESCRIBE FOREIGN PROCEEDING] (the~~ "Canadian Filing Entities in respect of the cases commenced in the United States Bankruptcy Court for the District of Delaware by the Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (the "Foreign Proceeding")").

³ In addition to the mandatory relief contained in this Order pursuant to section 48 of the CCAA, certain discretionary relief may be granted by the Court pursuant to section 49 of the CCAA. Examples of such discretionary relief are contained in a model Supplemental Order (Foreign Main Proceeding), also available on the Commercial List website.

⁴ Revise to be consistent with the service recital in the Supplemental Order, if it is being sought concurrently.

⁵ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in the appropriate circumstances.

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. THIS COURT DECLARES that the centre of its main interests for each of the ~~Debtors is~~ Canadian Filing Entities is the United States of America,⁶ and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding"⁷ as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS⁸

4. THIS COURT ORDERS that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against any ~~Debtor~~ Canadian Filing Entity under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit, or proceeding against any ~~Debtor~~ Canadian Filing Entity are restrained; and
- (c) the commencement of any action, suit, or proceeding against any ~~Debtor~~ Canadian Filing Entity is prohibited.

NO SALE OF PROPERTY⁹

5. THIS COURT ORDERS that, except with leave of this Court, each of the ~~Debtors~~ Canadian Filing Entities is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

⁶ A "foreign main proceeding" as defined in section 45 of the CCAA is "a foreign proceeding in a jurisdiction where the debtor company has the centre of its main interests". Accordingly, the Court must make this determination in concluding that the proceeding being recognized is a foreign main proceeding. This determination should be made for each individual Debtor.

⁷ A separate model order is being developed with respect to foreign non-main proceedings.

⁸ The provisions of this paragraph 4 are based on section 48 of the CCAA. More comprehensive stay provisions are found in the model Supplemental Order (Foreign Main Proceeding).

⁹ Based on section 48(d) of the CCAA.

GENERAL

6. THIS COURT ORDERS that ~~[without delay][within [NUMBER] days from the date of this Order, or as soon as practicable thereafter]~~¹⁰; the Foreign Representative shall ~~cause to be published a notice substantially in the form attached to this Order as Schedule [*],¹¹ once a week for two consecutive weeks, in [NAME OF NEWSPAPER(S)]~~not be required to publish notice in any newspaper in Canada pursuant to section 53(b) of the CCAA.¹²

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the ~~Debtors~~Canadian Filing Entities and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND DECLARES that ~~[the Interim-Initial Order made on [DATE] March ●, 2021 shall be of no further force and effect once this Order becomes effective, and that]~~ this Order shall be effective as of ~~[TIME]~~¹³ 12:01 a.m. Eastern Time on the date of this Order~~],~~ provided that nothing herein shall invalidate any action taken in compliance with such Interim ~~Initial~~ Order prior to the effective time of this Order.¹⁴

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the ~~Debtors~~Canadian Filing Entities and the Foreign Representative and their ~~respective counsel,~~ the Proposed Information Officer and its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

The
Honourable
Justice ●

¹⁰ Section 53 of the CCAA requires publication "without delay after the order is made". The alternative language, above, may provide more certainty as to when that publication must take place.

¹¹ The notice must contain information prescribed under the CCAA (section 53(b)).

¹² Section 53(b) of the CCAA requires that the Foreign Representative publish, unless otherwise directed by the Court, notice of the Recognition Order once a week for two consecutive weeks, in one or more newspapers in Canada specified by the Court. In addition, the Foreign Representative has ongoing reporting obligations pursuant to section 53(a) of the CCAA.

¹³ This time should be after the effective time that the Foreign Representative was appointed in the Foreign Proceeding.

¹⁴ If an Interim Initial Order was not made, references to an Interim Initial Order should be removed from this paragraph.

{ATTACH APPROPRIATE SCHEDULE(S)}

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: ●

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

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Lawyers for the Canadian Filing Entities

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) ●DAY, THE ●th
JUSTICE ●) DAY OF MARCH, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA,
INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

**SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Knotel Canada, Inc. in its capacity as the foreign representative (the "**Foreign Representative**") of Knotel, Inc. and Knotel Canada, Inc. (the "**Canadian Filing Entities**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Notice of Application, the affidavit of John M. Jureller sworn March 8, 2021, filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Foreign Representative, counsel for Alvarez & Marsal Canada Inc. in its capacity as the the proposed information officer; counsel for ●; no one appearing for any other parties although duly served as appears from the affidavit of service of ● sworn March ●, 2021, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. THIS COURT ORDERS that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated March ●, 2021 (the "**Recognition Order**").

3. THIS COURT ORDERS that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. THIS COURT ORDERS that the following orders (collectively, the "**Foreign Orders**") of United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) *Order Approving (i) the Debtors' Entry into the Stalking Horse Agreement and Related Expense Reimbursement, (ii) the Bidding Procedures in Connection with the Sale of All or Substantially All of the Debtors' Assets, (iii) the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (iv) the Form and Manner of Notice of the Sale Hearing, Assumption Procedures, and Auction Results, (v) Dates for an Auction and Sale Hearing, and (vi) Granting Related Relief (Docket I.D.#227), attached as **Schedule "●"** to this Order;*
- (b) *Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees, (ii) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto, and (iii) Granting Related Relief (Docket I.D.#267), attached as **Schedule "●"** to this Order;*

- (c) *Final Order (i) Authorizing Payment of Prepetition Claims of Certain Critical Vendors and (ii) Granting Related Relief* (Docket I.D. #279), attached as **Schedule “●”** to this Order;
- (d) *Final Order (i) Prohibiting Utility Providers From Altering, Refusing or Discontinuing Utility Services, (ii) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance, (iii) Establishing Procedures to Resolve Requests for Additional Assurance and (iv) Granting Related Relief* (Docket I.D. #280), attached as **Schedule “●”** to this Order;
- (e) *Final Order (i) Authorizing Continued Use of Cash Management System, (ii) Authorizing Use of Prepetition Bank Accounts, Account Control Agreements, and Payment Methods, (iii) Authorizing Use of Existing Business Forms, (iv) Authorizing Continuation of Ordinary Course Intercompany Transactions, (v) Granting Administrative Priority to Postpetition Intercompany Claims, and (vi) Extending Time to Comply With the Requirements of 11 U.S.C. § 345(b)* (Docket I.D. #281), attached as **Schedule “●”** to this Order;
- (f) *Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Wages, Benefits and Other Compensation Obligations, (ii) Authorizing Financial Institutions to Honor All Obligations Related Thereto, and (iii) Granting Related Relief* (Docket I.D. #282), attached as **Schedule “●”** to this Order;
- (g) *Final Order Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, (C) Renew, Revise, Extend, Supplement, Change or Enter Into New Insurance Coverage As Needed In Their Business Judgment and (D) Continue to Honor Insurance Premium Finance Obligations* (Docket I.D. #283), attached as **Schedule “●”** to this Order;
- (h) *Order (I) Authorizing Knotel Canada, Inc. to Act as Foreign Representative and (II) Granting Related Relief* (Docket I.D. #●), attached as **Schedule “●”** to this Order; and

- (i) *Order Directing Previously Entered Orders as Supplemented Shall Govern Knotel Canada, Inc. Prospectively* (Docket I.D. #●), attached as **Schedule “●”** to this Order.

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. THIS COURT ORDERS that Alvarez & Marsal Canada Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CANADIAN FILING ENTITIES OR THE PROPERTY

6. THIS COURT ORDERS that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Canadian Filing Entities or affecting their business (the "**Business**") or their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Canadian Filing Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Canadian Filing Entities, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Canadian Filing Entities to carry on any business in Canada which that Canadian Filing Entity is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by any of the Canadian Filing Entities and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Canadian Filing Entities or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services provided in respect of the Property or Business of the Canadian Filing Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Canadian Filing Entities, and that the Canadian Filing Entities shall be entitled to the continued use in Canada of their current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses, and domain names.

10. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Canadian Filing Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Canadian Filing Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court at such times and intervals that the Information Officer considers appropriate with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) shall have full and complete access to the Property, including the premises, books, records, data including data in electronic form, and other financial documents of the Canadian Filing Entities, to the extent that is necessary to perform its duties arising under this Order; and
- (d) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. THIS COURT ORDERS that the Canadian Filing Entities and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Canadian Filing Entities or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and

such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. THIS COURT ORDERS that the Information Officer may provide any creditor of a Canadian Filing Entity with information provided by the Canadian Filing Entities in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Canadian Filing Entities is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative, and the relevant Canadian Filing Entities may agree.

17. THIS COURT ORDERS that counsel to the Canadian Filing Entities, the Information Officer, and counsel to the Information Officer shall be paid by Knotel Canada, Inc. their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. Knotel Canada, Inc. is hereby authorized and directed to pay the accounts of its counsel, the Information Officer, and counsel for the Information Officer on a weekly basis or as otherwise agreed with Knotel Canada Inc.

18. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of counsel to the Canadian Filing Entities, the Information Officer, and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of counsel to the Canadian Filing Entities, the Information Officer, and its counsel shall not be subject to approval in the Foreign Proceeding.

19. THIS COURT ORDERS that counsel to the Canadian Filing Entities, the Information Officer and counsel to the Information Officer shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of CDN\$200,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out paragraph 21 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

20. THIS COURT ORDERS that the filing, registration, or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title, or interest filed, registered, recorded, or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record, or perfect the Administration Charge.

21. THIS COURT ORDERS that the Administration Charge shall constitute a charge on the Property in Canada and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any validly perfected purchased money security interest of a secured creditor.

22. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Canadian Filing Entities shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, unless the Canadian Filing Entities also obtain the prior written consent of the Information Officer.

23. THIS COURT ORDERS that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt, or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively, an "**Agreement**") which binds any Canadian Filing Entity, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by a Canadian Filing Entity of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Canadian Filing Entities to the Chargees pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

24. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Canadian Filing Entity's interest in such real property leases.

SERVICE AND NOTICE

25. THIS COURT ORDERS that that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <●>.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Canadian Filing Entities, the Foreign Representative, and the Information Officer are at liberty to serve or distribute this Order, any other materials, and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the Canadian Filing Entities' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Canadian Filing Entity and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next

business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Canadian Filing Entity, the Business, or the Property.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Canadian Filing Entities, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Canadian Filing Entities, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Canadian Filing Entities, the Foreign Representative, and the Information Officer and its respective agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that each of the Canadian Filing Entities, the Foreign Representative, and the Information Officer be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Canadian Filing Entities, the Foreign Representative, the Information Officer and its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

32. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern Time on the date of this Order.

The Honourable Justice ●

Schedule "A"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-21-00658434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

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Lawyers for the Canadian Filing Entities

TAB 7

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE _____)
JUSTICE _____)
WEEKDAY, THE #
DAY OF MONTH, 20YR

THE HONOURABLE _____)
JUSTICE _____)
DAY, THE ●th
DAY OF MARCH, 2021

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ~~THE [LIST DEBTOR NAMES]~~(the
"Debtors") KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
KNOTEL CANADA, INC. UNDER SECTION 46 OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

**SUPPLEMENTAL ORDER¹
(FOREIGN MAIN² PROCEEDING)**

¹As noted in several footnotes in this model order, practice under Part IV of the CCAA is still developing, and as certain issues are determined by Canadian courts, this model order will be amended to reflect the development of the law in this area.

²If the Canadian Court has recognized a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of the model Initial Recognition Order (Foreign Main Proceeding) fulfill the mandatory requirements of section 48 with respect to a foreign main proceeding. Section 49 of the CCAA also allows the Court to make any order that it considers appropriate for the protection of the debtor company's property or the interests of a creditor or creditors. This Supplemental Order contains discretionary relief that might be granted by the Court in the appropriate circumstances. The Model Order Subcommittee has attempted to make the provisions of this model Order consistent with similar provisions in other model Orders. Supplemental relief (whether contained in this Order or in subsequent Orders) may also include provisions dealing with the sale of assets, the recognition of critical vendors, a claims process, or any number of other matters, or may recognize foreign orders or laws granting such relief.

THIS APPLICATION, made by ~~[NAME OF FOREIGN REPRESENTATIVE]~~Knotel Canada, Inc. in its capacity as the foreign representative (the "Foreign Representative") of ~~the Debtors, Knotel, Inc. and Knotel Canada, Inc. (the "Canadian Filing Entities")~~ pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "CCAA") for an Order substantially in the form enclosed in the Application Record, was heard ~~this day at 330 University Avenue, by judicial videoconference via Zoom at~~ Toronto, Ontario ~~due to the COVID-19 crisis.~~

ON READING the Notice of Application, the affidavit of ~~[NAME] sworn [DATE], [the preliminary report of [NAME], in its capacity as proposed information officer dated [DATE]]~~John M. Jureller sworn March 8, 2021, filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Foreign Representative, ~~[counsel for Alvarez & Marsal Canada Inc. in its capacity as the~~ the proposed information officer,~~];~~ counsel for ~~[OTHER PARTIES],~~; no one appearing for ~~[NAME]~~³any other parties although duly served as appears from the affidavit of service of ~~[NAME] sworn [DATE], and on reading the consent of [NAME OF PROPOSED INFORMATION OFFICER] to act as the information officer~~ sworn March 8, 2021, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁴ so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. THIS COURT ORDERS that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated ~~[DATE]~~March 8, 2021 (the "Recognition Order").

³ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1) and 11.52(1).~~

⁴ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in the appropriate circumstances.~~

3. THIS COURT ORDERS that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS⁵

4. THIS COURT ORDERS that the following orders (collectively, the "Foreign Orders") of ~~[NAME OF FOREIGN COURT]~~United States Bankruptcy Court for the District of Delaware (the "U.S. Court") made in the Foreign Proceeding are hereby recognized and given full force and effect⁶ in all provinces and territories of Canada pursuant to ~~Section~~section 49 of the CCAA:

- (a) ~~[list Foreign Orders, or portions of Foreign Orders, copies of which should be attached as schedules to this Order], attached as Schedule A to this Order,~~Order Approving (i) the Debtors' Entry into the Stalking Horse Agreement and Related Expense Reimbursement, (ii) the Bidding Procedures in Connection with the Sale of All or Substantially All of the Debtors' Assets, (iii) the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (iv) the Form and Manner of Notice of the Sale Hearing, Assumption Procedures, and Auction Results, (v) Dates for an Auction and Sale Hearing, and (vi) Granting Related Relief (Docket I.D.#227), attached as Schedule "●" to this Order;
- (b) Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees, (ii) Authorizing Banks and Financial Institutions to Honor and Process

⁵ This model Order adopts an approach that might be applicable to some foreign proceedings, but not others. For example, U.S. proceedings will typically generate court orders that will be brought to the Canadian Courts for recognition. Other jurisdictions may have statutory or regulatory rights (rather than court orders) that need to be recognized in Canada.

⁶ Section 50 of the CCAA provides that an order made under Part IV of the CCAA may be made on any terms and conditions that the Court considers appropriate in the circumstances. Such terms and conditions would presumably need to be consistent with the orders or laws applicable to the foreign proceeding, subject to (i) the limitations imposed by section 48(2) (an order made under section 48(1) must be consistent with any order made under the CCAA), and (ii) the limitations imposed in section 61 (which provides that the Court may apply legal or equitable rules that are not inconsistent with the CCAA, and further that the Court may refuse to do something that would be contrary to public policy). All of the Foreign Orders should be reviewed by counsel with these issues in mind, and the Court may require confirmation from counsel that there is nothing in the Foreign Orders that is inconsistent with the CCAA or that would raise the public policy exception referenced in section 61 of the CCAA.

Checks and Transfers Related Thereto, and (iii) Granting Related Relief (Docket I.D.#267), attached as **Schedule “●”** to this Order;

- (c) Final Order (i) Authorizing Payment of Prepetition Claims of Certain Critical Vendors and (ii) Granting Related Relief (Docket I.D. #279), attached as **Schedule “●”** to this Order;
- (d) Final Order (i) Prohibiting Utility Providers From Altering, Refusing or Discontinuing Utility Services, (ii) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance, (iii) Establishing Procedures to Resolve Requests for Additional Assurance and (iv) Granting Related Relief (Docket I.D. #280), attached as **Schedule “●”** to this Order;
- (e) Final Order (i) Authorizing Continued Use of Cash Management System, (ii) Authorizing Use of Prepetition Bank Accounts, Account Control Agreements, and Payment Methods, (iii) Authorizing Use of Existing Business Forms, (iv) Authorizing Continuation of Ordinary Course Intercompany Transactions, (v) Granting Administrative Priority to Postpetition Intercompany Claims, and (vi) Extending Time to Comply With the Requirements of 11 U.S.C. § 345(b) (Docket I.D. #281), attached as **Schedule “●”** to this Order;
- (f) Final Order (i) Authorizing the Debtors to Pay Certain Prepetition Wages, Benefits and Other Compensation Obligations, (ii) Authorizing Financial Institutions to Honor All Obligations Related Thereto, and (iii) Granting Related Relief (Docket I.D. #282), attached as **Schedule “●”** to this Order;
- (g) Final Order Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, (C) Renew, Revise, Extend, Supplement, Change or Enter Into New Insurance Coverage As Needed In Their Business Judgment and (D) Continue to Honor Insurance Premium Finance Obligations (Docket I.D. #283), attached as **Schedule “●”** to this Order;

- (h) [Order \(I\) Authorizing Knotel Canada, Inc. to Act as Foreign Representative and \(II\) Granting Related Relief \(Docket I.D. #●\)](#), attached as **Schedule “●”** to this Order; and
- (i) [Order Directing Previously Entered Orders as Supplemented Shall Govern Knotel Canada, Inc. Prospectively \(Docket I.D. #●\)](#), attached as **Schedule “●”** to this Order.

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER⁷

5. THIS COURT ORDERS that ~~[NAME OF INFORMATION OFFICER]~~[Alvarez & Marsal Canada Inc.](#) (the "Information Officer") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE ~~DEBTORS~~CANADIAN FILING ENTITIES OR THE PROPERTY⁸

6. THIS COURT ORDERS that until such date as this Court may order (the "Stay Period") no proceeding or enforcement process in any court or tribunal in Canada (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Debtors~~[Canadian Filing Entities](#) or affecting their business (the "Business") or their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"), except with leave of this Court,⁹ and any and all

⁷~~The appointment of an Information Officer is not required by the CCAA, and is in the discretion of the Court. Information Officers are normally trustees licensed under the *Bankruptcy and Insolvency Act*.~~

⁸~~The Model Order Subcommittee notes that a "Non-Derogation of Rights" section (found, for example, in the Model Initial CCAA Order) has not been included in this model Order. In a 'full' CCAA proceeding, which would typically include a stay of proceedings made under section 11.02 of the CCAA, a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, and 11.1(2). However, in a Part IV proceeding, section 48 of the CCAA (rather than section 11.02 of the CCAA) is being relied upon when a stay of proceedings is being sought, and despite the wording of section 48(2) and section 61, it is not clear if the restrictions applicable to a section 11.02 stay of proceedings are also applicable to a section 48 stay of proceedings, or would restrict the recognition of foreign proceedings or foreign orders that include a stay of proceedings broader than permitted in a section 11.02 stay of proceedings. These issues remain open for determination by Canadian courts.~~

⁹~~Where the Court considers it to be appropriate, it may authorize other Persons, including a Court appointed Information Officer, to provide consent to any Proceeding. This same comment applies in paragraphs 6 through 11 of this Order.~~

Proceedings currently under way against or in respect of any of the ~~Debtors~~[Canadian Filing Entities](#) or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the ~~Debtors [or the Foreign Representative]~~[Canadian Filing Entities](#), or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the ~~Debtors~~[Canadian Filing Entities](#) to carry on any business in Canada which that ~~Debtor~~[Canadian Filing Entity](#) is not lawfully entitled to carry on, (iii) ~~[affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA,]~~ (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by any of the ~~Debtors~~[Canadian Filing Entities](#) and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the ~~Debtors~~[Canadian Filing Entities](#) or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services provided in respect of the Property or Business of the ~~Debtors~~[Canadian Filing Entities](#) are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the ~~Debtors~~[Canadian Filing Entities](#), and that the ~~Debtors~~[Canadian Filing Entities](#) shall be entitled to the continued use in Canada of their current

premises, bank accounts, telephone numbers, facsimile numbers, internet addresses, and domain names.¹⁰

10. [THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the ~~Debtors~~Canadian Filing Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Debtors~~Canadian Filing Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.]¹¹

11. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court at ~~least once every [three] months~~such times and intervals that the Information Officer considers appropriate with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;

¹⁰ ~~Section 11.01 of the CCAA provides that no order made under section 11 or 11.02 has the effect of (a) prohibiting a person from requiring immediate payment for goods, services, etc. provided after the order is made, or (b) requiring the further advance of money or credit. It is unclear whether these provisions also apply to an order made pursuant to section 48 of the CCAA. Please see the discussion in footnote 8 above.~~

¹¹ ~~Counsel should specifically address with the Court whether this provision is appropriate in the context of this Order.~~

~~(e) — in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;~~

(c) ~~(d)~~ shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Debtors~~Canadian Filing Entities, to the extent that is necessary to perform its duties arising under this Order; and

(d) ~~(e)~~ shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. THIS COURT ORDERS that the ~~Debtors~~Canadian Filing Entities and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the ~~Debtors~~Canadian Filing Entities or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. THIS COURT ORDERS that the Information Officer may provide any creditor of a ~~Debtor~~Canadian Filing Entity with information provided by the ~~Debtors~~Canadian Filing Entities in response to reasonable requests for information made in writing by such creditor addressed to

the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the ~~Debtors~~Canadian Filing Entities is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative, and the relevant ~~Debtors~~Canadian Filing Entities may agree.

17. THIS COURT ORDERS that counsel to the Canadian Filing Entities, the Information Officer, and counsel to the Information Officer shall be paid by ~~the Debtors~~Knotel Canada, Inc. their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. ~~The Debtors are~~Knotel Canada, Inc. is hereby authorized and directed to pay the accounts of its counsel, the Information Officer, and counsel for the Information Officer on a ~~[TIME INTERVAL]~~ basis and, in addition, ~~the Debtors are hereby authorized to pay to the Information Officer and counsel to the Information Officer, retainers in the amount[s] of \$[AMOUNT OR AMOUNTS] [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~weekly basis or as otherwise agreed with Knotel Canada Inc.

18. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of counsel to the Canadian Filing Entities, the Information Officer, and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of counsel to the Canadian Filing Entities, the Information Officer, and its counsel shall not be subject to approval in the Foreign Proceeding.

19. THIS COURT ORDERS that counsel to the Canadian Filing Entities, the Information Officer and counsel to the Information Officer, ~~if any~~, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of ~~\$[AMOUNT]~~, CDN\$200,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out ~~in~~ paragraphs [21] and [23] paragraph 21 hereof.

~~INTERIM FINANCING~~¹²

~~20.~~— THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property in Canada, which DIP Lender's Charge shall be consistent with the liens and charges created by the [DESCRIBE DIP LOAN ORDER MADE IN THE FOREIGN PROCEEDING], provided however that the DIP Lender's Charge (i) shall not secure an obligation that exists before this Order is made,¹³ and (ii) with respect to the Property in Canada, shall have the priority set out in paragraphs ~~[21]~~ and ~~[23]~~ hereof, and further provided that the DIP Lender's Charge shall not be enforced except with leave of this Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

~~21.~~— THIS COURT ORDERS that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:¹⁴

~~First—Administration Charge (to the maximum amount of \$[AMOUNT]); and~~

~~Second—DIP Lender's Charge.~~

~~20.~~ 22.— THIS COURT ORDERS that the filing, registration, or perfection of the Administration Charge ~~or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the ~~Charges~~Administration Charge shall be valid and enforceable for all purposes, including as against any right, title, or interest filed, registered, recorded, or perfected subsequent to the ~~Charges~~Administration Charge coming into existence, notwithstanding any such failure to file, register, record, or perfect the ~~Charges~~Administration Charge.

~~21.~~ 23.— THIS COURT ORDERS that ~~each of~~ the Administration Charge ~~and the DIP Lender's Charge (all as constituted and defined herein)~~ shall constitute a charge on the Property in

¹² Optional— if there is a DIP Lender which takes security over assets in Canada or in respect of Canadian Debtors.— If more comprehensive interim financing provisions are required, please refer to the model CCAA Initial Order for sample provisions.

¹³ This restriction appears in the interim financing provisions found in section 11.2(1) of the CCAA. It is unclear if this prohibits the recognition of a foreign order that creates a DIP Lender's Charge securing pre-filing obligations.

¹⁴ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

Canada and ~~such Charges~~ shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for any validly perfected purchased money security interest of a secured creditor.

22. ~~24.~~ THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Debtors~~ Canadian Filing Entities shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration ~~Charge or the DIP Lender's~~ Charge, unless the ~~Debtors~~ Canadian Filing Entities also obtain the prior written consent of the Information Officer ~~and the DIP Lender.~~

23. ~~25.~~ THIS COURT ORDERS that the Administration Charge ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the ~~Charges~~ Administration Charge (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3 (the "BIA"), or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt, or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively, an "**Agreement**") which binds any ~~Debtor~~ Canadian Filing Entity, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the ~~Charges~~ Administration Charge shall not create or be deemed to constitute a breach by a ~~Debtor~~ Canadian Filing Entity of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the ~~Charges~~ Administration Charge; and

- (c) the payments made by the ~~Debtors~~Canadian Filing Entities to the Chargees pursuant to this Order, and the granting of the ~~Charges~~Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

24. ~~26.~~ THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable ~~Debtor~~Canadian Filing Entity's interest in such real property leases.

SERVICE AND NOTICE

25. ~~27.~~ THIS COURT ORDERS that that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol>/<https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial>) shall be valid and effective service. Subject to Rule ~~17.05~~17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL info@ontariocourts.ca.

26. ~~28.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Debtors~~Canadian Filing Entities, the Foreign Representative, and the Information Officer are at liberty to serve or distribute this Order, any other materials, and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the ~~Debtors'~~Canadian Filing Entities' creditors or other interested parties at their respective addresses as last shown on the records of the applicable ~~Debtor~~Canadian Filing Entity and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. ~~29.~~ THIS COURT ORDERS that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. ~~30.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any ~~Debtor~~ [Canadian Filing Entity](#), the Business, or the Property.

29. ~~31.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the ~~[JURISDICTION OF THE FOREIGN PROCEEDING]~~ [United States of America](#), to give effect to this Order and to assist the ~~Debtors~~ [Canadian Filing Entities](#), the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Debtors~~ [Canadian Filing Entities](#), the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the ~~Debtors~~ [Canadian Filing Entities](#), the Foreign Representative, and the Information Officer and ~~their~~ [its](#) respective agents in carrying out the terms of this Order.

30. ~~32.~~ THIS COURT ORDERS that each of the ~~Debtors~~ [Canadian Filing Entities](#), the Foreign Representative, and the Information Officer be at liberty and ~~is~~ [are](#) hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

~~33. — THIS COURT ORDERS that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule [*] hereto is adopted by this Court for the purposes of these recognition proceedings.~~

31. ~~34.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the ~~Debtors~~ [Canadian Filing Entities](#), the Foreign Representative, the Information Officer and ~~their~~

~~respective~~its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

32. ~~35.~~ THIS COURT ORDERS that this Order shall be effective as of ~~[TIME]~~12:01 a.m.
Eastern Time on the date of this Order.¹⁵

The Honourable Justice ●

¹⁵~~The time referenced in this Order should be the same time as the time referenced in the Recognition Order, if the two Orders are made on the same date. In the absence of such a provision, Rule 59.01 of the Ontario Rules of Civil Procedure appears to indicate that an Order is effective as of 12:01 a.m. on the date of the Order (Rule 59.01 provides that "An order is effective from the date on which it is made, unless it provides otherwise").~~

Schedule "A"

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: ●

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

SUPPLEMENTAL ORDER

(FOREIGN MAIN PROCEEDING)

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{ATTACH APPROPRIATE SCHEDULES}

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF KNOTEL, INC. and KNOTEL CANADA, INC.

APPLICATION OF KNOTEL CANADA, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36,
AS AMENDED

Court File No. CV-21-00658434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

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