

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment](#)

Horizontal lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See attachment](#)

Horizontal lines for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment](#)

Horizontal lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 8/15/2024

Print your name ▶ Frank Dunsford Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

American Queen Holdco, LLC
FEIN:
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's or note holder's specific circumstances. Shareholders and note holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

American Queen Holdco, LLC

FEIN:

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Lines 9 and 10:

<u>Debt Instrument Exchanged</u>	<u>CUSIP</u>
UBS Term B Loan	
Journey Beyond Intercompany Note	
Existing Equity Interests	

Form 8937, Part II, Line 14:

On February 21, 2024, American Queen Holdco, LLC and its subsidiaries (the “Debtors” or collectively, “AQV”) filed voluntary petitions for relief (the “Bankruptcy Filing” under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). On June 7th, 2024 (the “Confirmation Date”), the Bankruptcy Court entered an order approving and confirming the *Joint Chapter 11 Plan of Reorganization of Hornblower Holdings LLC. And Its Debtor Affiliates*, dated March 18, 2024 (the “Plan”). On July 3rd, 2024 (the “Effective Date”), Hornblower satisfied the conditions of the Plan and the Plan became effective. Unless otherwise defined herein, capitalized terms used herein are defined as used in the Plan or the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Hornblower Holdings LLC. And its Debtor Affiliates*, filed with the Bankruptcy Court on March 18, 2024 (the “Disclosure Statement”).

On February 28, 2024, the Bankruptcy Court entered an order approving procedures to solicit bids and conduct an auction, if necessary, for the proposed sale of the AQV Assets in order to effectuate the AQV Sale Transaction (the “Bidding Procedures Order”). During April 2024, certain unrelated third-party buyers placed a bid to acquire the AVQ Assets and on April 4, 2024 the Bankruptcy Court approved of the AQV Sale Transaction.

On the Plan Effective Date, following the Consummation of the AQV Sale Transaction, if any, the AQV Remaining Assets shall vest in the AQV Wind Down Co. On and after the Plan Effective Date, except as otherwise provided in the Plan, the AQV Wind Down Co., at the direction of the AQV Wind Down Co. Administrator, shall effectuate the AQV Remaining Assets Wind Down and compromise or settle the Claims, Interests, or Causes of Action remaining against the AQV Wind Down Co., if any, without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code, Bankruptcy Rules, or Bankruptcy Local Rules.

After the Plan Effective Date, pursuant to the Plan, and on behalf of the AQV Wind Down Co., the AQV Wind Down Co. Administrator, in its sole discretion, as part of the AQV Remaining Assets Wind Down, shall sell, liquidate, use or dispose of any asset, property, right, liability, debt, or obligation of the AQV Debtors on terms consistent with the terms of the Plan without approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code, Bankruptcy Rules, or Bankruptcy Local Rules.

On the Effective Date, the Existing Equity Interests in AQV will be sold to process a distribution of net proceeds from the AQV Sale Transaction to the holders of Allowed HB First Lien Claims and the wind

down of the AQV Debtors. The AQV Sale Transaction, in connection with the AQV Wind Down, will be a sale, or multiple sales, of the assets of the AQV Debtors to a purchaser or purchasers to be consummated pursuant to the AQV Sale Order pursuant to Section 363 of the Bankruptcy Code. The events that occurred on the Effective Date pursuant to the Plan are cumulatively referred to herein as the "Transaction." The following describes the exchange of consideration between AQV and the following holders of Allowed Claims of AQV in the Transaction:

- Holders of First Lien Claims;
- Holders of Revolver Claims;
- Holders of Journey Beyond Intercompany Note Claims; and
- Holders of Interests in American Queen Holdco, LLC (Existing Equity Interests)

Treatment of Holders of AQV Debtors

Pursuant to the Plan, as soon as reasonably practicable and in accordance with the applicable Milestones, the Company Parties shall cease operations of American Queen Holdco, LLC and its direct and indirect subsidiaries (collectively, the "AQV Debtors") and implement the going concern sale and/or wind down of the AQV Debtors (the "AQV Wind Down"). In furtherance of the AQV Wind Down, the Company Parties shall: (a) with the consent of the Required Consenting HB First Lien Lenders, take steps to reject, pursuant to Section 365 of the Bankruptcy Code, as soon as reasonably practicable, but in no event later than the Plan Effective Date, all executory contracts and unexpired leases related to the operations of the AQV Debtors, unless otherwise assumed by a buyer; and (b) file the AQV Sale Motion with the Bankruptcy Court seeking entry of the AQV Bidding Procedures Order and the AQV Sale Order, pursuant to which the AQV Debtors shall consummate the AQV Sale Transaction.

If the AQV Debtors continue to maintain any assets after the closing of the AQV Sale Transaction, the AQV Debtors or any administrator of the AQV Debtors or their remaining assets (as applicable) shall take the necessary steps to liquidate and monetize any such remaining assets and seek any related relief from the Bankruptcy Court. The net proceeds of the AQV Sale Transaction and the net proceeds from the monetization of the assets of the AQV Debtors not sold pursuant to the AQV Sale Transaction (collectively, the "AQV Cash Proceeds") shall be distributed to the creditors of the AQV Debtors.

Treatment of Holders of First Lien Claims

Pursuant to the Plan, the First Lien Claims included claims as amended, modified, or otherwise supplemented from time to time between AQV and Holders. On the Effective Date, each holder of an Allowed First Lien Claim was entitled to receive a pro rata share of 96% of the AQV Net Cash Proceeds.

Treatment of Holders of Revolver Claims

Pursuant to the Plan, the Revolver Claims included claims as amended, modified, or otherwise supplemented from time to time between AQV and Holders. On the Effective Date, each holder of an Allowed First Lien Claim shall receive its pro rata share of 4% of the AQV Net Cash Proceeds.

Treatment of Holders of Journey Beyond Intercompany Note Claims

Pursuant to the Plan, the Journey Beyond Intercompany Note was cancelled, released, and extinguished. Holders of the Journey Beyond Intercompany Note did not receive or retain any property.

Treatment of Existing Equity Interests

On the Effective Date, the Existing Equity Interests were cancelled, released, and extinguished. Holders of Existing Equity Interests shall not receive or retain any distribution, property, or other value on account of their interests in AQV.

Form 8937, Part II, Line 15

Effect on Basis of U.S. Holders

As a result of the Transaction, each holder of a First Lien Claim, Revolver Claim, or Existing Equity Interest (together or separately, a "Claim") exchanged its Claim for the right to receive consideration discussed on Line 14 of this Form 8937. Subject to the Disclosure Plan, each Holder of an Allowed Claim or Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Holder's Allowed Claim or Interest, except to the extent less favorable treatment is agreed to by the Debtors, the Reorganized Debtors, or the AQV Wind Down Co., as applicable, and the Holder of such Allowed Claim or Interest. Unless otherwise indicated, the Holder of an Allowed Claim or Interest shall receive such treatment on the later of the Plan Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Interest or as soon as reasonably practicable thereafter.

- *For purposes of this section, a "U.S. Holder" means a beneficial owner of an First Lien Claim, Revolver Claim, or Existing Equity Interests, that is: (a) an individual citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United State, any State thereof, or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (d) a trust (i) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person.*

The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your individual circumstances. All holders of Claims and Interests are urged to consult their tax advisor for the U.S. federal, state, local and other tax consequences applicable under the Plan. For more information regarding the Transaction, please visit Hornblower's website for links to Hornblower's Plan of Reorganization and Disclosure Statement filed with the Bankruptcy Court, available at [Newsroom – Hornblower Corp.](#)

Consequences to U.S. Holders of First Lien Claims

A U.S. Holder of an Allowed First Lien Claim should be treated as exchanging the portion of such Claim treated as debt of Debtor American Queen Holdco, LLC (as determined for U.S. federal income tax

purposes) for cash in a fully taxable exchange under section 1001 of the Tax Code and should recognize gain or loss equal to the difference between (a) the cash, if any, received in exchange for such portion of its Claim (subject to the discussion of “Accrued Interest” below) the (b) the U.S. Holder’s adjusted tax basis in such portion of its Claim. The U.S. federal income tax consequences to such U.S. Holder will be substantially similar to the consequences, described above, that such U.S. Holder would have experienced in a Taxable Transaction.

It is possible that U.S. Holders of Allowed First Lien Claims will receive some amounts of AQV Net Cash Proceeds after the Effective Date. The possibility that a U.S. Holder of an Allowed First Lien Claims will receive additional value following the Effective Date may result in the U.S. Holder being required to defer all or a portion of any tax loss on the portion of such Claim that is treated as debt of Debtor American Queen Holdco, LLC (as determined for U.S. federal income tax purposes) until it is clear that the U.S. Holder will not receive any further distributions with respect to such portion of its Claim or the U.S. Holder disposes of such portion of its Claim. A U.S. Holder of Allowed First Lien Claims should consult their own tax advisor regarding the timing of any gain or loss relating to their Claims, including the potential application of the installment method.

Consequences to U.S. Holders of Revolver Claims

A U.S. Holder of an Allowed Revolver Claim should be treated as exchanging the portion of such Claim treated as debt of Debtor American Queen Holdco, LLC (as determined for U.S. federal income tax purposes) for cash in a fully taxable exchange under section 1001 of the Tax Code and should recognize gain or loss equal to the difference between (a) the cash, if any, received in exchange for such portion of its Claim (subject to the discussion of “Accrued Interest” below) the (b) the U.S. Holder’s adjusted tax basis in such portion of its Claim. The U.S. federal income tax consequences to such U.S. Holder will be substantially similar to the consequences, described above, that such U.S. Holder would have experienced in a Taxable Transaction.

It is possible that U.S. Holders of Allowed Revolver Claims will receive some amounts of AQV Net Cash Proceeds after the Effective Date. The possibility that a U.S. Holder of an Allowed Revolver Claims will receive additional value following the Effective Date may result in the U.S. Holder being required to defer all or a portion of any tax loss on the portion of such Claim that is treated as debt of Debtor American Queen Holdco, LLC (as determined for U.S. federal income tax purposes) until it is clear that the U.S. Holder will not receive any further distributions with respect to such portion of its Claim or the U.S. Holder disposes of such portion of its Claim. A U.S. Holder of Allowed Revolver Claims should consult their own tax advisor regarding the timing of any gain or loss relating to their Claims, including the potential application of the installment method.

Treatment of Accrued Interest for Holders of First Lien and Revolver Claims

A portion of the consideration received by U.S. Holders of Allowed Claims may be attributable to accrued but untaxed interest (or original issue discount (“OID”)) on such Claims. If any amount is attributable to such accrued interest (or OID), then such amount should be taxable to that U.S. Holder as interest income if such accrued interest has not been previously included in the U.S. Holder’s gross income for U.S. federal income tax purposes. Conversely, U.S. Holders of Allowed Claims should be able to recognize a deductible loss to the extent any accrued interest on the Claims was previously included in the U.S. Holder’s gross income for U.S. federal income tax purposes but was not paid in full by the Debtors.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on an Allowed Claim, the extent to which consideration will be attributable to accrued but untaxed interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Allowed Claims in each Class will be allocated first to the principal amount of such Allowed Claims (as determined for United States federal income tax purposes), with any excess allocated to the remaining portion of such Claims, if any. There is no assurance that the IRS will respect such allocation.

U.S. Holders are urged to consult their own tax advisors regarding the allocation of consideration received in satisfaction of their Claims and the U.S. federal income tax treatment of accrued but unpaid interest, as well as the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income for U.S. federal income tax purposes.

Certain U.S. Federal Income Tax Consequences to Certain Non-U.S. Holders of Allowed Claims

The following discussion includes only certain U.S. federal income tax consequences of the Restructuring Transaction to non-U.S. Holders. The discussion does not include any non-U.S. tax consideration. The rules governing the U.S. federal income tax consequences to non-U.S. Holders are complex. Each non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, and local and non-U.S. tax consequences of the consummation of the Plan and the ownership and disposition of the New HB Common equity and Subscription Rights to such non-U.S. Holders.

To the extent that the Restructuring Transactions are treated as a Taxable Transaction or otherwise result in the recognition of taxable gain for U.S. federal income tax purposes, any gain realized by a non-U.S. Holder on the exchange of its Claim under the Plan generally will not be subject to U.S. federal income taxation unless (a) the non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transaction occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such non-U.S. Holder in the United States).

If the first exemption applies, to the extent that any gain is taxable, the non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. In addition, if such a non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Payments to a non-U.S. Holder that are attributable to amounts received pursuant to the Plan in respect of accrued but untaxed interest generally will not be subject to U.S. federal income tax or withholding, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN, or W-8BEN-E) establishing that the non-U.S. Holder is not a U.S. person unless:

- The non-U.S. Holder actually or constructively owns, directly or indirectly through entities that are treated as a partnership for U.S. federal income tax purposes, 10% or more of the equity of Debtor Hornblower Holdings LP (in case of interest payments received pursuant to the Plan);
- The non-U.S. Holder is a “controlled foreign corporation” that is a “related person” (each, within the meaning of the Tax Code) with respect to Debtor American Queen Holdco, LLC or Debtor Hornblower Group Holdco, LLC (in the case of interest payments received pursuant to the Plan);
- The non-U.S. Holder is a bank receive interest described in section 881(c)(3)(A) of the Tax Code; or
- Such interest is effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States.

A non-U.S. Holder described in the first three bullets above generally will be subject to withholding of U.S. federal income tax at a 30% tax rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on amounts received pursuant to the Plan in respect of accrued but untaxed interest.

A non-U.S. Holder described in the fourth bullet above generally will not be subject to withholding tax if it provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, but will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such non-U.S. Holder’s effectively connected earnings and profits that are attributable to the interest at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

For purposes of providing a properly executed IRS Form W-8BEN, or W-8BEN-E, special procedure is provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers’ securities in the ordinary course of their trade or business. As described above, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class will be allocated first to the principal amount of such Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any.

Form 8937, Part II, Line 16:

To the extent that a Claim constituted a security for U.S. federal income tax purposes and the exchange for consideration in the Transaction constituted a reorganization pursuant to IRC Section 368(a), a U.S. Holder’s aggregate tax basis in the boot received in respect of its Claims will generally equal such U.S. Holder’s aggregate tax basis in its respective Claim surrendered in the Transaction, increased by any gain recognized and decreased by any boot received (e.g., cash and the fair market value of other property).

The tax basis of the boot received by U.S. Holders (e.g., cash) would equal the fair market value of the boot received.

To the extent a Claim did not constitute a security, the tax basis of any consideration received by a U.S. Holder of such Claim under the Plan would equal its fair market value.

Form 8937, Part II, Line 17:

Internal Revenue Code Sections 1001, 1012, and 1223(1).

Form 8937, Part II, Line 18

To the extent the exchanges are taxable, loss is recognized in an amount generally equal to the excess of the holder's adjusted tax basis in the Claim relinquished over the aggregate fair market value of the boot received in respect of such claim.

Journey Beyond Intercompany Note Holders

A U.S. Holder of Journey Beyond Intercompany Notes may be eligible for a bad debt deduction pursuant to section 166 of the Internal Revenue Code. The rules governing the character, timing, and amount of bad debt place considerable emphasis on the facts and circumstances of the U.S. Holder, the obligor, and the instrument to which a deduction is claimed. U.S. Holders of Journey Beyond Intercompany Notes, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

Existing AQV Equity Interest Holders

A U.S. Holder of Existing AQV Equity stock may be eligible for a worthless stock deduction pursuant to Section 165 of the Internal Revenue Code. The rules governing the character, timing, and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the U.S. Holder, the obligor, and the instrument with respect to which a deduction is claimed. U.S. Holders of Existing AQV Equity, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

Form 8937, Part II, Line 19:

The adjustments to basis would be taken into account in the tax year of the holder during which the effective date occurred (i.e., July 3, 2024).