

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> , ¹)	
)	Case No. 24-90377 (MI)
Debtors.)	
)	(Jointly Administered)

**GOLDEN PASS LNG TERMINAL LLC’S WITNESS AND EXHIBIT LIST
FOR HEARINGS SCHEDULED ON JUNE 17, 2024**

Main Case No: 24-90377 (MI)	Name of Debtors: Zachry Holdings, Inc., <i>et al.</i> ,
Witnesses:	
1. Mohsin Y. Meghji, Chief Restructuring Officer of Zachry Holdings, Inc. (may call);	Judge: Marvin Isgur
2. All persons listed on the witness list of any party; and	Courtroom Deputy: Sierra Thomas-Anderson
3. Any rebuttal and/or impeachment witnesses.	Hearing Date: June 17, 2024
	Hearing Time: 2:00 p.m.
	Party’s Name: Golden Pass LNG Terminal LLC
	Attorneys’ Names: Jason L. Boland (NRF) Robert B. Bruner (NRF) Maria Mokrzycka (NRF) Lou Strubeck (OMM)
	Attorneys’ Phone: (713) 651-5151
	Nature of Proceeding: Continued Hearings on Debtors’ (1) <i>Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) Critical Vendors, (B) Lien Claimants, (C) Foreign Claimants, and (D) 503(B)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders and Authorizing the Debtors to Satisfy Such Obligations, and (III) Granting Related Relief</i> [Dkt. No. 8]; (2) <i>Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to</i>

¹ The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/zhi. The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.



	<p><i>(A) Continue Operating Their Cash Management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions, (C) Maintain Existing Business Forms and Books and Records, and (D) Continue Utilizing Corporate Credit Card Programs, and (II) Granting Related Relief [Dkt. No. 13]; (3) Emergency Motion for Interim and Final Orders (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief [Dkt. No. 24]</i></p>
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EXHIBITS

<u>Ex.</u> <u>#</u>	<u>Description</u>	<u>Offered</u>	<u>Objection</u>	<u>Admitted /</u> <u>Not Admitted</u>	<u>Disposition</u>
1.	Declaration of Mohsin Y. Meghji in Support of Debtors' Petitions and Requests for First Day Relief [Dkt. No. 7]				
2.	Cash Collateral Budget, attached to Interim Order (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief [Dkt. No. 59]				
3.	Any document or pleading filed in the above-captioned case, including any exhibits and attachments thereto				
4.	Any exhibit designated by any other party				
5.	Any exhibit necessary to rebut the evidence or testimony of any witness offered or designated by any other party				

Golden Pass LNG Terminal LLC (“GP”) reserves (i) the right to amend and/or supplement this Witness and Exhibit List at any time prior to the hearing; and (ii) the right to use additional exhibits for purposes of rebuttal or impeachment and to further supplement the foregoing Witness and Exhibit List as appropriate. GP also reserves the right to rely upon and use as evidence (i) exhibits included on the exhibit lists of any other parties in interest; and (ii) any pleading, hearing transcript, or other document filed with the Court in the above-captioned matter.

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Dated: June 13, 2024

Respectfully submitted,

/s/ Bob Bruner

Jason L. Boland (SBT 24040542)

Robert B. Bruner (SBT 24062637)

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Counsel for Golden Pass LNG Terminal LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 13, 2024, a true and correct copy of the foregoing document was filed and served via the Court's electronic case filing and noticing system to all parties registered to receive electronic notices in this matter.

/s/ Bob Bruner

Bob Bruner

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: ZACHRY HOLDINGS, INC., <i>et al.</i> ¹ <div style="text-align: right;">Debtors.</div>)))))))	Chapter 11 Case No. 24-90377 (MI) (Joint Administration Requested) (Emergency Hearing Requested)
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**DECLARATION OF MOHSIN Y. MEGHJI IN SUPPORT OF
DEBTORS' PETITIONS AND REQUESTS FOR FIRST DAY RELIEF**

I, Mohsin Y. Meghji, the Chief Restructuring Officer of Zachry Holdings, Inc. ("**ZHI**," and together with its debtor affiliates "**Zachry Industrial**"), declare pursuant to 28 U.S.C. § 1746 as follows:

I. INTRODUCTION

1. Zachry Industrial is the engineering, construction, maintenance, turnaround and fabrication services offshoot of the storied family-owned business that began as H.B. Zachry Company one hundred years ago. The other offshoot, Zachry Construction, has operated separately from Zachry Industrial since the two businesses branched off from their common roots in 2008. None of the entities affiliated with Zachry Construction are Debtors in these chapter 11 cases.

2. Zachry Industrial provides turnkey engineering, construction, maintenance, turnaround, and fabrication services to customers in the energy, chemicals, power, manufacturing, and industrial sectors across North America. It is headquartered in San Antonio, Texas. Customers

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have learned to trust the Zachry Industrial name for reliably delivering on their most high-profile commitments. Zachry Industrial's reputation for excellence and care has made it a go-to choice in the industries it serves. The company's approximately 20,000 employees are central to making Zachry Industrial's ambitious goals a reality.

3. The Debtors enter these chapter 11 cases as a result of financial distress caused by one of their major projects, the liquified natural gas ("**LNG**") project (the "**GPX Project**") awarded to Debtor Zachry Industrial, Inc. ("**ZII**"), along with its joint venture partners, by Golden Pass LNG Terminal LLC *f/k/a* Golden Pass Products LLC ("**Golden Pass**"), an entity 100% owned by affiliates of Exxon Mobil Corporation ("**Exxon**") and Qatar Energy ("**QE**"). ZII is the lead general contractor on the GPX Project. Its joint venture partners are: (i) CB&I LLC ("**CB&I**"), a wholly owned subsidiary of McDermott International Inc., and (ii) Chiyoda International Corporation ("**Chiyoda**"). Pursuant to the Hybrid Joint Venture Agreement (the "**HJVA**") dated January 30, 2019, entered into by ZII, CB&I, and Chiyoda, the joint venture partners formed an unincorporated joint venture (the "**CCZJV**") and agreed to split the direct work on the GPX Project 52% to ZII, 22% to CB&I, and 20% to Chiyoda, with the balance of the work to be performed through a shared pool. The CCZJV, as the "Contractor," entered into an engineering, procurement and construction contract (the "**EPC Contract**") with Golden Pass, effective January 30, 2019, to provide detailed EPC services for construction of the GPX Project that would, upon completion, treat, process, and liquefy domestic natural gas.

4. The GPX Project is currently under construction near Sabine Pass, Texas. ZII's work on the GPX Project, as lead contractor, includes engineering, procurement, construction, and commissioning for the contemplated LNG liquefaction and export facilities, which are slated to have a production capacity of approximately 15.6 million tons of LNG per year. The project

consists of three “trains” (the liquification units that produce LNG), each with approximately 5.2 million tons in capacity per year. The first train was initially set to become operational in 2024. The Golden Pass LNG export facility is expected to generate billions of dollars in revenue every year once complete.

5. ZII’s engineering, construction, and procurement of the GPX Project is a massive undertaking. The total contract price, as amended, is just over \$10 billion. ZII’s share of that contract amount totals approximately \$5.8 billion. That contract price is fixed, but subject to modification via change orders, with ZII and its joint venture partners to receive only set progress payments absent Golden Pass’s approval of change orders. The GPX Project also demands a vast contribution in labor—as many as 6,000 workers have reported to the site at one time on the busiest construction days. The LNG facilities being built are so large that GPX Project updates have a direct impact on the overall U.S. market for natural gas. For example, after Exxon recently announced a delay of the start-up of the Golden Pass facility, there was a 5% drop in the 2024 U.S. natural gas benchmark pricing, which some analysts attributed to the announcement.²

6. ZII’s work on the GPX Project began in mid-2019. ZII soon faced unexpected obstacles, including (i) inaccurate geological studies provided by Golden Pass and relied on (by necessity) by GPX Project engineers to develop an understanding of the soil conditions at the project site, (ii) the COVID-19 pandemic’s dramatic impacts on labor and equipment availability and the global supply chain, and (iii) additional logistical issues and supply chain disruptions stemming from the Russia-Ukraine war. Other challenges arose when construction on additional LNG facilities broke ground, including one just two miles from this site. These problems required

² *Golden Pass LNC Start-Up Delay Already Spooking US Markets*, NATURAL GAS WEEK (December 8, 2023), <https://www.energyintel.com/0000018c-45df-d61c-a7cc-7dff44000000> (reporting that “[s]oon after [Exxon’s comments], futures began sliding and then sharply dropped as participants contrasted the news with previous expectations of the facility’s timeline.”).

a fair change order and billings schedule since the original contract price did not address the cost challenges for the Contractor. In an attempt to right-size the contract while faithfully keeping the project on track, over the last two years ZII and its joint venture partners³ have engaged in negotiations with Golden Pass and its owners to address this need for additional funding for the GPX Project, with little to no success.

7. Over the course of these negotiations, ZII has repeatedly been asked to continue to do what is best for the project with the assurance that it would be compensated fairly for its additional costs. For example, the GPX Project owner assured ZII that payments from the project to ZII would be modified to allow ZII the opportunity to reduce costs, pay vendors, and adjust cash flows and contract value if the shareholder's costs to complete were inaccurate. Although the project owners did concede to a series of amendments or side letters to the EPC Contract that provided limited additional support for ZII, in each instance all parties to the negotiations recognized that these short-term patches were insufficient to right-size the project entirely.

8. Prior to April 2024, ZII was incurring approximately \$30 million to \$40 million in expenses per week to support the project (including payroll, vendor payments, equipment, and support costs), but was only being compensated approximately \$70 million *per month* in progress payments for that work. In March of this year, Golden Pass began direct-paying vendors, and clawed back much of those funds from advance progress payments due to ZII—further constraining ZII's cash flows. In April, Golden Pass stopped the progress payments altogether.

³ The "joint venture" is not a true joint venture. It is a hybrid joint venture between ZII, CB&I, and Chiyoda. Each member of the hybrid joint venture maintains its own scope of work, budgeting, and schedule, and there is also a pooled scope of work with shared responsibility between the members, but even that work is heavily weighted to ZII's responsibility. Originally, Chiyoda was to have 60% of the GPX Project risk, with CB&I and ZII sharing the remaining risk. But at the last minute, Chiyoda withdrew from construction risk, forcing a re-alignment of the risk resulting in ZII taking on approximately 52% of the construction risk.

9. On May 8, 2024, ZII received a notice of default and breach under the EPC Contract from Golden Pass (the “**Golden Pass Default Notice**”), citing, among other things, ZII’s alleged (i) inability to promptly pay subcontractors and vendors for labor, equipment, and/or materials in accordance with the EPC Contract and (ii) failure to resolve liens asserted on the GPX Project in excess of \$23.5 million and progress the rework of a levee in connection with the GPX Project. Golden Pass further reserved the right, absent immediate confirmation that ZII was able to remedy all asserted defaults and resume performance under the EPC Contract, to exercise the protections afforded to it under the parent company guarantees and the letters of credit executed pursuant to the EPC Contract. That same day, ZII received a notice of default and breach under the HJVA from CCZJV (the “**CCZJV Default Notice**”), which stated that ZII’s failure to cure the events of default specified in the Golden Pass Default Notice within ten days in compliance with the HJVA would constitute a default of the HJVA. The CCZJV Default Notice also stated that Chiyoda and CB&I were considering additional actions they may take in respect of the events of default, and Chiyoda and CB&I reserved the right to pursue any and all rights and remedies available to it under the HJVA and applicable law. ZII responded to these default notices denying the allegations set forth therein. ZII received a subsequent notice of default from Golden Pass on May 16, 2024 and responded that same day. Golden Pass agreed to a standstill with respect to the Golden Pass Notice of Default to Tuesday, May 21, 2024. Although ZII made further efforts to bridge the gap and negotiate a feasible resolution with Golden Pass and the project owners, these efforts proved futile.

10. With Golden Pass unwilling to extend the standstill period, all other options exhausted, and unable to continue juggling the liquidity pressures caused by the GPX Project, Zachry Industrial was forced to commence these chapter 11 cases. Also on the Petition Date, ZII

filed the adversary proceeding captioned asserting various claims against Golden Pass (the “**Golden Pass Adversary Proceeding**”). Additional factual background on ZII’s experiences with the GPX Project and the failed negotiations between ZII, its joint venture partners and the project’s owners are detailed at length in the complaint filed in the Golden Pass Adversary Proceeding.

11. The Debtors’ hope the breathing spell afforded by chapter 11 will allow them to reach a resolution with respect to the GPX Project, address their liquidity needs, and emerge in a timely manner to continue doing what they do best: delivering high quality engineering, construction, maintenance, turnaround, and fabrication services to their customers safely and with the degree of quality that makes Zachry Industrial’s business a trusted name in the industries it serves.

II. BACKGROUND OF DECLARANT

12. I am the Chief Restructuring Officer (“**CRO**”) of ZHI. I also am the Managing Partner of M3 Advisory Partners, LP, which is the Debtors’ proposed restructuring advisor in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”).

13. On May 21, 2024 (the “**Petition Date**”), ZHI and certain of its affiliates (collectively, the “**Debtors**”) each filed with this Court a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), commencing the Chapter 11 Cases. A chart depicting the Debtors’ organization structure as of the Petition Date is attached to this declaration as **Exhibit A**.

14. To ease their transition into operating as debtors-in-possession, the Debtors filed motions seeking various types of “first day” relief (the “**First Day Motions**”). I submit this declaration to (i) offer the Court and parties in interest a background of the Debtors and the

circumstances leading to the commencement of the Chapter 11 Cases; and (ii) provide an evidentiary basis for the relief requested in the First Day Motions.

15. As CRO, I am generally familiar with the Debtors' business, financial condition, policies and procedures, day-to-day operations, and books and records. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge; my discussions with members of the Debtors' management team and external advisors; my review of relevant documents and information concerning the Debtors' operations and financial affairs; and my opinion based upon my experience and knowledge of the Debtors' industry, operations, and financial condition.

16. In making this declaration, I have relied in part on information and materials that the Debtors, my colleagues at M3 Advisory Partners, LP, and the Debtors' other external advisors have, as applicable, gathered, prepared, verified, and provided to me, in each case under my ultimate supervision, at my direction, and for my benefit in preparing this declaration. Unless otherwise indicated, any financial information contained in this declaration is unaudited and subject to change but is accurate to the best of my knowledge. Such information is presented on a consolidated basis for the Debtors, except where specifically noted. If called as a witness, I could and would testify competently to the facts set forth in this declaration. I am authorized to submit this declaration on behalf of the Debtors.

III. DISCUSSION

A. Zachry Industrial's History

17. Zachry Industrial traces its history back 100 years, to 1924, when Henry Bartell "Pat" Zachry founded H.B. Zachry Company and the company took on its first construction project: a series of four highway concrete-reinforced bridges in Laredo, Texas. For the

construction, Pat Zachry and his crew used mule-drawn wagons. For the first bridge, Bridge No. 2 on Highway 12A, H.B. Zachry Company's total working capital was \$2,400. Other than the crew's mule-drawn wagons, the only equipment was a 7S concrete mixer powered with a one-cylinder motor.



H.B. Zachry Company's first job—Bridge No. 2 on Highway 12A in Laredo, Texas.

18. Over the next several years, the company continued to perform on a series of small construction contracts and, in 1930, it officially incorporated. The company continued to win contracts throughout the 1930's and 40's, including its first federal contract (a concrete paving job at Randolph Field, now known as Randolph Air Force Base, in San Antonio, Texas) and its first project outside of Texas (the Texas-New Mexico pipeline in Lea County, New Mexico). In 1952, the Company moved its headquarters from Laredo to San Antonio, then a budding metropolitan area with a population of less than 500,000.

19. In the 1950's and 60's, the company continued to expand its reach, including to outside of the United States with projects including the Nike Zeus military complex in the Marshall Islands and a highway to connect the towns of Pucallpa and Aguaytia in Peru.

20. In 1965, Pat Zachry stepped down and his son, Henry "Bartell" Zachry Jr., became the company's new president. The company continued to grow. That same year, the company

began work on Spain's first nuclear power plant, the Jose Cabrera Power Plant, near Zorita. The next year, in 1966, Zachry was one of five contractors awarded the largest single contract in U.S. history, to develop the Yuba River in California in connection with a multipurpose flood control, water and power project. Also in 1966, the company began work on the Lake Brazos Dam in Waco, Texas—another of the company's largest projects at the time. It was completed in 1969.



Construction of the Lake Brazos Dam in Waco, Texas.

21. In 1968, the company constructed San Antonio's Hilton Palacio del Rio. The construction started in advance of the HemisFair 1968 World's Fair so that visitors would have a place to stay. Because traditional construction methods would have been too time-consuming to allow the hotel to be completed on the timeline needed to meet the expected influx of visitors for the World's Fair, the company employed an innovative modular construction method and prefabricated the hotel rooms. With these methods, the company completed the 21 story, 496 room hotel in only 202 days (just over seven months), with employees working around the clock to accomplish the job. The prefabricated rooms were assembled 7 miles off-site. They were each fitted at ground level with furniture, drapes, carpeting, lamps, radios, television sets, pictures on

the walls, towels on the towel rails, and even soap in the soap dishes. Then, the rooms were loaded onto the back of flatbed trucks and driven into the construction site in San Antonio, where a specially-built crane lifted each room to its assigned floor.



Zachry crews lift a prefabricated room to stack it onto the Hilton Palacio del Rio on the River Walk in 1967.

The feat is now remembered as a local legend. The success of the World's Fair, and the hotel that the company constructed for it, is credited as the spark that set San Antonio's now-bustling tourist industry aflame. The American Society of Civil Engineers named Bartell Zachry its Engineer of the Year for the project. Now, every day tourists floating along the San Antonio River on tour barges learn the story of the hotel's construction as they pass by where it stands as a testament to the company's engineering prowess and ingenuity.

22. In 1969, the company was commissioned by the Puerto Rican government to build two oil-fired power plants in the town of Guayanilla.



Zachry constructed powerplants in Guayanilla, Puerto Rico.

23. In 1996, Zachry began construction on the West Dam in Hemet, California, along with its joint venture partners on the project. The West Dam is an approximately 1.7-mile long, 300-foot high dam that required the excavation of 5.5 million cubic yards of earth. It was part of one of the largest civil engineering projects in the United States at the time of its construction. The West Dam was completed in 1998.



Construction of the West Dam in Southern California.

24. In 1998, John Zachry and his brother David Zachry assumed top executive roles at the company, the third generation of Zachry family members to take the helm of the business, after 33 successful years under the leadership of Bartell Zachry.

25. In 1999, the company completed construction of the U.S. Embassy in Moscow in the wake of the Cold War. The company's involvement in the project came after the revelation that the prior construction was laden with sophisticated Soviet-era surveillance devices. That construction had been abandoned, until Congress determined to knock down the top two preexisting floors and build four new floors that would serve as bug-free offices for U.S. diplomats. The project, aptly named "Operation Top Hat," was highly confidential at the time. Members of

the 300-member construction team had to obtain top security clearances and worked behind a carefully-guarded barbed-wire perimeter.

26. In 2008, the company reorganized to split into two independent and separately run businesses bearing the Zachry name. John Zachry became the head of Zachry Industrial, which includes the Debtors in these chapter 11 cases, focusing on industrial projects. David Zachry took over the company's heavy civil and building construction work under the name Zachry Construction. No entities related to Zachry Construction's business are included in these chapter 11 cases.

B. Zachry Industrial's Current Business

27. Today, the Zachry Industrial's business segments include industrial, engineering, nuclear engineering, maintenance, and turnaround services. The Debtors' operating revenue for the twelve-month period that ended 2023 was approximately \$5.4 billion. As of the Petition Date, the Debtors have over \$281 million in aggregate original principal amount of prepetition funded debt obligations. The Debtors have approximately \$163.3 million in cash on hand, which, along with cash generated from operations, the Debtors believe will provide sufficient liquidity to meet ongoing business obligations during these cases. The Debtors' business segments are each described below.

28. Industrial Projects. Debtor ZII manages capital projects of the Debtors' customers, including new facilities, improvements, and expansions. ZII is the Debtor entity that is the counterparty on the Debtors' major industrial EPC project commitments, including the Debtors' five current major projects summarized in more detail in Section III.C, below. The Debtors typically perform all EPC-related services on a turnkey basis but can also provide these services on a stand-alone basis. ZII's industrial services include: (i) project and construction management,

(ii) EPC project delivery, (iii) direct-hire construction, (iv) plant startup and commissioning, and (v) logistics and supply chain management. As of May 18, 2024, ZII had 12,993 employees.

29. Engineering. Zachry Industrial’s engineering services are performed by Debtor Zachry Engineering Corporation (“ZEC”). ZEC is a full-service engineering firm, with an integrated high-value engineering center (“HVEC”) in Manila, Philippines. With a growing emphasis on HVEC support for its customers, ZEC has integrated teams of engineers across its U.S. and Manila offices. ZEC’s customers can choose the engineering services that meet their needs, or conveniently streamline industrial projects with a single provider of engineering, procurement, fabrication, and construction services. As of May 18, 2024, ZEC had 457 employees.

30. Nuclear Engineering. Zachry Industrial’s nuclear engineering services are provided by Zachry Nuclear Engineering, Inc. (“ZNE”). ZNE is a full-service engineering firm providing analysis, engineering, design, and project management services to the operating nuclear fleet, as well as analysis and design services for the next generation of advanced reactors including non-light water reactors. ZNE offers skilled mechanical, electrical, controls, civil, structural, and nuclear engineering professionals and designers who are knowledgeable and experienced in power plant systems, engineering analysis, software and design development. ZNE has performed all phases of nuclear power plant projects from conceptual and detailed design to construction and startup testing. As of May 18, 2024, ZNE had 103 employees.

31. Maintenance. Zachry Industrial’s maintenance services are provided by Zachry Maintenance Services, LLC (“ZMS”), a direct subsidiary of debtor Zachry Plant Services Holdings, Inc. (“Zachry Plant Services”). ZMS has a presence in over 60 customer locations and is one of America’s largest “merit shop” employers. Maintenance services include a range of work

on its customer's sites, including nested presence, continuous presence small capital projects and facilities maintenance, and full service or supplemental support to customer's staff. ZMS provides small to large crew sizes, has a large geographic footprint, and has numerous multi-site alliance relationships. As of May 18, 2024, ZMS had 2,965 employees.

32. JVIC Turnaround & Specialty Services. J.V. Industrial Companies Inc. ("**JVIC**") which has been a part of Zachry Industrial since 2012, provides turnaround and specialty services to industrial customers across North America. JVIC offers a comprehensive suite of capabilities required to perform the work to the highest standards of quality, safety, and timeliness. JVIC's services include (i) planning and scheduling (JVIC offers a dedicated team of experts who provide turnkey management of turnaround planning and execution), (ii) piping and specialty welding (JVIC maintains a long-tenured team of specialty craftspeople with state-of-the-art skills across all alloys), (iii) tower services (JVIC has knowledgeable tower superintendents who are experienced in the modification, maintenance and replacement of towers and tower internals, as well as all associated process enhancements and reconfigurations); (iv) mechanical and heat exchanger services (JVIC's expertise in this area includes bolted connections and process equipment assembly covering bundle extraction and repair and heat exchangers), and (v) bolt torquing and machining (JVIC has extensive experience across all types of heavy equipment to deliver the torquing, extraction, beveling, machining and monitoring of critical bolted components). In addition, JVIC provides project turnaround scope development strategy, management, and coordination; turnaround readiness assessments; and heavy rigging and lifting as well as engineered critical lift planning. As of May 18, 2024, JVIC had 2,732 employees.

33. Fabrication. Debtor JVIC Fabrication, LLC ("**JVIC Fabrication**"), a direct subsidiary of Zachry Plant Services, is one of the largest pipe fabricators on the Gulf Coast. JVIC

Fabrication has multiple state-of-the-art facilities in the Gulf Coast capable of supporting all project requirements, including American Society of Mechanical Engineers (or ASME) code pipe, vessel, and modular fabrication. JVIC Fabrication's turnkey industrial pipe and vessel fabrication capabilities span over 200,000 square feet of indoor fabrication and machining space, with over 5,000 pipe spools per month production capacity, and 46 acres of laydown yardage available for material storage. As of May 18, 2024, JVIC Fabrication had 214 employees.

34. Madison Turnaround Services. Debtor Madison Industrial Services Team, LLC ("**Madison**") was established in 2005 to offer union labor to better serve customer needs. Madison is the only Debtor entity with union employees. Today, Madison provides turnaround/outage and specialty services to America's process, pulp and paper, and power industries. Madison is a single source company with industrial, mechanical, and specialty welding services to meet all unique technical and safety challenges that this field of work involves. As of May 18, 2024, Madison had 37 employees.

C. Zachry Industrial's Current Projects

35. Zachry Industrial, through Debtor ZII, is currently engaged in five major industrial engineering, construction, and engineering ("**EPC**") projects, each of which have a contract value of at least \$400 million, with an aggregate contract value of approximately \$25.1 billion. Each is summarized below. In addition to its major projects, Zachry Industrial has over 700 additional ongoing projects, including ones for maintenance, fabrication, and turnaround services.

36. GPX Project. The GPX Project is described in Section I, above, and in more detail in the complaint filed in the Golden Pass Adversary Proceeding.



Construction of the GPX Project near Sabine Pass, Texas.

37. OPPD Project. This is an EPC contract for a project for Omaha Public Power District (“**OPPD**”) related to its Power with Purpose project. Zachry is responsible for the design and construction of both of OPPD’s new natural gas generation facilities, Standing Bear Lake Station, a 150 MW facility in Douglas County, Nebraska, and Turtle Creek Station, a 450 MW facility in Sarpy County, Nebraska, and associated substations. Major construction on the OPPD Project began in the first quarter of 2022 and is scheduled to be completed in the third quarter of 2024. The total contract value of the OPPD Project is approximately \$429 million.

38. GTPP ISBL Project. This is an EPC contract related to an integrated polymers facility in Orange, Texas for Golden Triangle Polymers Company LLC (“**GTPP**”), a joint venture between Chevron Phillips Chemical Company LLC (“**CP Chem**”) and QE. ZII’s inside battery limits (“**ISBL**”) work on the project is performed through ZDJV, a joint venture between Debtor ZII and DL USA, Inc. (the U.S. subsidiary of the South Korean chemical and construction conglomerate DL Group). ZDJV is responsible for the engineering, procurement and construction of the polyethylene units. The total contract value of the GTPP ISBL Project is approximately \$1.25 billion, with ZII’s estimated share totaling approximately \$750 million.

39. GTPP OSBL Project. This is an EPC contract for the integrated polymers facility being constructed for the CP Chem and QE joint venture, GTPP. The outside battery limits (“OSBL”) GTPP project relates to portions of the facility’s “ethane cracker,” a plant that performs the first step in the process of transforming ethane from natural gas into plastics products. The work includes the utilities and infrastructure scope of the GTPP ethane cracker. The GTPP OSBL work is being executed by BMZ Third Coast Partners, a joint venture between ZII and Burns & McDonnell Engineering Company, Inc. The total contract value of the GTPP OSBL Project is approximately \$2.25 billion, with ZII’s estimated share totaling approximately \$1.13 billion.

40. PLNG Project. This is an EPC contract related to an LNG export plant in Plaquemines Parish, Louisiana for Venture Global LNG. The work is being performed in two phases by KZJV, a joint venture between ZII and KBR Inc. The total contract value for both phases of the PLNG Project is approximately \$10.7 billion, with ZII’s share totaling approximately \$5.7 billion.

D. Summary of the Debtors’ Secured Indebtedness

41. The Debtors’ prepetition capital structure consists of (i) a revolving credit facility, which includes a swing line facility (the “**Revolving Credit Facility**”), and (ii) a term loan facility (the “**Term Loan Facility**”), each pursuant to that certain Third Amendment to Second Amended and Restated Credit Agreement, dated as of May 2, 2023 (as amended, restated, supplemented, or otherwise modified from time to time, the “**Credit Agreement**,” and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including, without limitation, the Loan Documents (as defined therein), collectively, the “**Loan Documents**”), by and among ZHI, Zachry EPC Holdings, LLC, and Zachry Plant Services Holdings, Inc. (collectively, the “**Borrowers**”), the guarantors party thereto, Bank of America,

N.A., as administrative agent, swing line lender, and an issuer of letters of credit under the Credit Agreement (in such capacities, the “**Agent**”), the Revolving Lenders (as defined in the Credit Agreement) party thereto (the “**Revolving Lenders**”), and the Term Lenders (as defined in the Prepetition Credit Agreement) party thereto (the “**Term Lenders**,” and together with the Revolving Lenders, collectively, the “**Lenders**”).

42. Pursuant to the Prepetition Loan Documents, the Debtors granted the Secured Parties a first priority security interest in, and lien on, Collateral (as defined in the Prepetition Credit Agreement), consisting of substantially all assets of the Debtors (the “**Collateral**,” and the liens and security interests granted on the Collateral under the Loan Documents, the “**Liens**”), to secure all obligations under the Prepetition Loan Documents (collectively, the “**Secured Obligations**”).

43. Pursuant to that certain Third Amended and Restated Continuing Guaranty, dated as of May 2, 2023 (as amended, restated, supplemented, or otherwise modified from time to time), the Debtors party thereto, as guarantors (the “**Guarantors**,” and together with the Borrowers, collectively, the “**Loan Parties**”) guaranteed, on a joint and several basis, all of the Secured Obligations. The Guarantors are identified in the organizational chart attached as **Exhibit A**.

44. The Credit Agreement provides for borrowings and letters of credit in the aggregate principal amount of \$956.25 million. As of the Petition Date, the aggregate amount of revolving loans outstanding under the Revolving Credit Facility is approximately \$125 million, and the aggregate amount of term loans outstanding under the Term Loan Facility is approximately

\$156.25 million. As of the Petition Date, there is approximately \$618.9 million in outstanding undrawn letters of credit issued under the Credit Agreement.⁴

E. Circumstances Leading to the Chapter 11 Cases

45. The circumstances leading to the commencement of the Chapter 11 Cases include the Debtors' difficulties with respect to the GPX Project, as detailed above and in greater length in ZII's complaint filed in the Golden Pass Adversary Proceeding.

46. The Debtors enter these chapter 11 cases to provide them with time and flexibility to resolve issues related to the GPX Project, strengthen their overall financial position, and better enable Zachry Industrial to serve its customers across the energy, chemicals, power, manufacturing and industrial sectors. The Debtors also seek to pursue their claims against Golden Pass through the Golden Pass Adversary Proceeding.

47. The Debtors aim to continue serving their customers, with the same level of commitment to quality and safety that the Zachry name has carried for the last century, and emerge from chapter 11 in a timely manner, stronger than before.

IV. THE FIRST DAY MOTIONS

48. The Debtors filed the First Day Motions seeking relief related to the administration of the cases; the Debtors' vendors, employees, and customers; their operations; and their cash management. A list of the First Day Motions is set forth below.

A. Administrative Motions

- *Debtors' Emergency Motion for Entry of an Order (I) Directing Joint Administration of Cases and (II) Waiving Requirements of Bankruptcy Code Section 345(c)(1) and Bankruptcy Rules 1005 and 2002(n)*

⁴ In addition, ZHI is the obligor on a \$5 million letter of credit issued by IBC outside of the Credit Agreement in connection with the Debtors' legacy workers compensation program. That letter of credit is fully cash collateralized.

- *Debtors' Emergency Ex Parte Application for Entry of an Order Authorizing the Retention and Employment of Kurtzman Carson Consultants LLC as Claims, Noticing, and Solicitation Agent*
- *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Redact Certain Personally Identifiable Information, (II) Approving the Form and Manner of the Notice of Commencement, and (III) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of an Order (I) Extending Time to File (A) Schedules of Assets and Liabilities, (B) Schedules of Current Income and Expenditures, (C) Schedules of Executory Contracts and Unexpired Leases, (D) Statements of Financial Affairs, and (E) Rule 2015.3 Financial Reports, and (II) Granting Related Relief*

B. Operational Motions

- *Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Existing Cash Management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions, (C) Maintain Existing Business Forms and Books and Records, and (D) Continue Utilizing Corporate Credit Card Programs, and (II) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) Critical Vendors, (B) Lien Claimants (C) Foreign Claimants, and (D) 503(b)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders and Authorizing the Debtors to Satisfy Such Obligations, and (III) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Insurance Program and Surety Bond Program and (B) Pay All Obligations with Respect Thereto, (II) Granting Relief from Automatic Stay with Respect to Workers' Compensation Claims, and (III) Granting Related Relief*
- *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Taxes and Fees and (II) Granting Related Relief*

- *Debtors' Emergency Motion for Entry of an Order (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utilities from Discontinuing Service, (III) Establishing Procedures for Determining Adequate Assurance of Payment, and (IV) Granting Related Relief*

49. The Debtors have narrowly tailored the relief requested in the First Day Motions to meet their goals of: (a) continuing their current operations in chapter 11 with as little disruption as possible, (b) maintaining the confidence and support of their vendor, customer, employee, and other key constituencies, (c) providing the framework for, and ability to pursue, a sale process to sell substantially all of their assets, and (d) establishing procedures for the efficient administration and wind-down of these Chapter 11 Cases.

50. I have reviewed each of the First Day Motions (including their exhibits) and the facts stated in them are true and correct to the best of my knowledge. I incorporate by reference the factual statements in each of the First Day Motions as though set forth here.

51. The relief sought in each of the First Day Motions is necessary to the successful implementation of the Debtors' efforts to maximize the value of their estates. With respect to those First Day Motions that request the authority to pay specific prepetition claims or continue selected prepetition programs, the request is essential to the maintenance of the Debtors' operations and necessary to avoid immediate and irreparable harm to the Debtors' estates and creditors.

52. The success of these Chapter 11 Cases depends on the Debtors' ability to preserve their operations while they evaluate their strategic options with respect to the GPX Project and other contracts. The relief requested in the First Day Motions is a critical component of maintaining the confidence of key constituencies necessary to implement this strategy.

53. I respectfully request that all of the relief requested in the First Day Motions, and such other and further relief as may be just and proper, be granted.

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

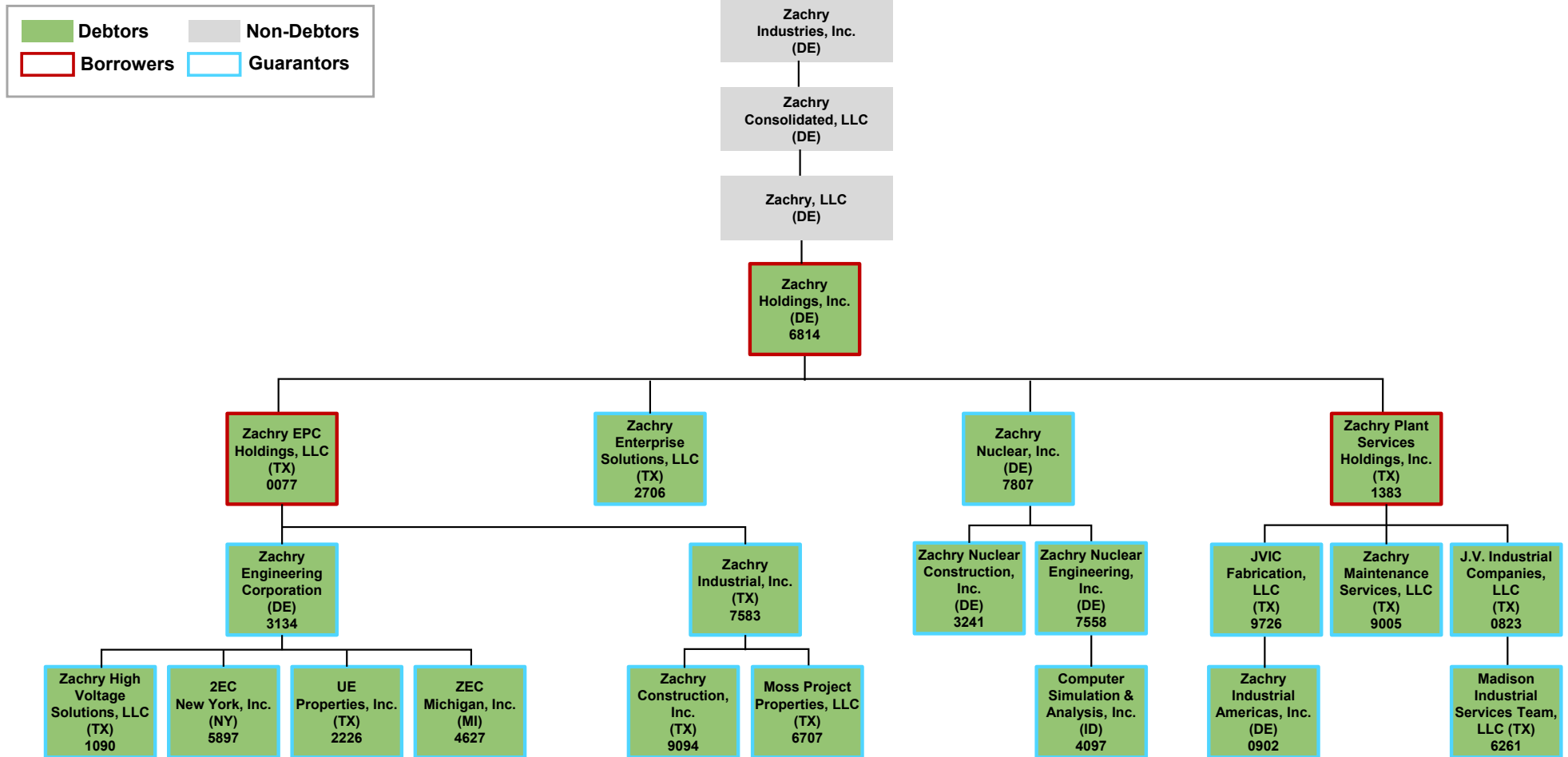
Executed on: May 21, 2024
New York, New York

Mohsin Y. Meghji
Mohsin Y. Meghji
Chief Restructuring Officer of Zachry Holdings, Inc.

EXHIBIT A

Organizational Structure

Zachry Industrial Organizational Chart



* Non-Debtor subsidiaries have been excluded from this organizational chart.

ENTERED

May 22, 2024

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

ZACHRY HOLDINGS, INC., *et al.*¹

Debtors.

)
) Chapter 11
)
) Case No. 24-90377 (MI)
)
) (Jointly Administered)
) **Re: Docket Nos. 24 & 34**

**INTERIM ORDER (I) AUTHORIZING
POSTPETITION USE OF CASH COLLATERAL,
(II) GRANTING ADEQUATE PROTECTION TO THE
PREPETITION SECURED PARTIES, (III) MODIFYING THE AUTOMATIC STAY,
(IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of Zachry Holdings, Inc. (“**ZHI**”), and each of its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a), 361, 362, 363, 503, 506, and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rules 1075-1, 4002-1, and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”) and the *Procedures for Complex Chapter 11 Cases in the Southern District of Texas* (the “**Complex Case Procedures**”) promulgated by the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”), seeking entry of an interim order (this “**Interim Order**”) and a Final Order (as defined below), among other things:

¹ The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/zhi>. The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

² Each capitalized term that is not defined herein shall have the meaning ascribed to such terms in the Motion or the First Day Declaration (as defined below).

- (a) authorizing the use of Cash Collateral (as defined below), pursuant to sections 105, 361, 362, 363, 503, and 507 of the Bankruptcy Code on the terms and conditions set forth in this Interim Order;
- (b) granting adequate protection, as and to the extent set forth herein, to the Prepetition Secured Parties (as defined below) to protect against any Diminution in Value (as defined below) of their interests in any Cash Collateral;
- (c) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to permit the Debtors and the Prepetition Agent (as defined below) to implement and effectuate the terms and provisions of this Interim Order;
- (d) approving, subject to paragraph 20 hereof, certain stipulations, waivers, and releases by the Debtors with respect to, inter alia, the Prepetition Secured Parties, the Prepetition Loan Documents, the Prepetition Liens, and the Prepetition Secured Obligations (each as defined below);
- (e) subject to entry of the Final Order, granting adequate protection liens on the proceeds and property recovered on account of the Debtors' Avoidance Actions (as defined below);
- (f) subject to entry of the Final Order, and subject and subordinate to the Carve Out (as defined below), approving the waiver of the right to surcharge the Prepetition Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code or otherwise as to any Prepetition Secured Parties;
- (g) subject to entry of the Final Order and to the extent set forth herein, approving the waiver of the equitable doctrine of "marshaling" and other similar doctrines with respect to the Prepetition Collateral as to the Prepetition Secured Parties;
- (h) subject to entry of the Final Order and to the extent set forth herein, approving the Debtors' waiver of any "equities of the case" exception under section 552(b) of the Bankruptcy Code with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral as to any of the Prepetition Secured Parties;
- (i) scheduling a final hearing (the "**Final Hearing**") to consider entry of a final order granting the relief requested in the Motion on a final basis (the "**Final Order**") and approving the form of notice with respect to the Final Hearing;
- (j) waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order; and
- (k) granting related relief;

all as more fully set forth in the Motion; and an interim hearing with respect to the Motion having been held on May 21, 2024 (the "**Interim Hearing**"); and notice of the Interim Hearing having

been given in accordance with Bankruptcy Rules 4001(b) and 9014 and Bankruptcy Local Rule 9013-1 and it appearing that no other or further notice need be provided; and the Court having considered the *Declaration of Mohsin Y. Meghji in Support of Debtors' Petitions and Requests for First Day Relief* (the “**First Day Declaration**”), the Approved Budget (as defined below) filed and served by the Debtors, the evidence submitted or adduced, and the statements of counsel made at the Interim Hearing; and the Court having considered the interim relief requested in the Motion; and the relief requested being reasonable, appropriate, and in the best interests of the Debtors, their creditors, their estates and all other parties in interest in the Chapter 11 Cases; and the Court having determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates; and that the legal and factual bases set forth in the Motion and at the Interim Hearing establish just cause for the relief granted herein; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. ***Petition Date.*** On May 21, 2024 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing these Chapter 11 Cases.

³ 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 following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. ***Debtors in Possession.*** The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Chapter 11 Cases.

C. ***Committee Formation.*** As of the date hereof, the United States Trustee for the Southern District of Texas (the “**U.S. Trustee**”) has not appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (the “**Official Committee**”).

D. ***Jurisdiction and Venue.*** This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for the Chapter 11 Cases and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief set forth herein are sections 105(a), 361, 362, 363, 503, 506, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, and Bankruptcy Local Rules 1075-1, 2002-1, 4002-1, and 9013-1.

E. ***Notice.*** Notice of the Motion and the Interim Hearing constitutes due, sufficient, and appropriate notice and complies with Bankruptcy Rules 4001(b) and 9014, the Bankruptcy Local Rules, and the Complex Case Procedures, and no other or further notice of the Motion with respect to the relief requested at the Interim Hearing or the entry of this Interim Order shall be required.

F. ***Debtors’ Stipulations.*** In requesting the use of Cash Collateral, and in exchange for, and as a material inducement to, the consent of the Prepetition Secured Parties to the use of their Cash Collateral, the Debtors, for themselves, their estates and all representatives of such estates, admit, stipulate, acknowledge and agree as follows, in each case, without limitation to the

rights of an Official Committee (if one is appointed) or any other party in interest to the extent set forth in paragraph 20 of this Interim Order (subject to the limitations set forth therein):

(a) *Prepetition Credit Agreement.* Pursuant to that certain Third Amendment to Second Amended and Restated Credit Agreement, dated as of May 2, 2023 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “**Prepetition Credit Agreement**,” and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, including, without limitation, the Loan Documents (as defined in the Prepetition Credit Agreement), collectively, the “**Prepetition Loan Documents**”), by and among ZHI, Zachry EPC Holdings, LLC, and Zachry Plant Services Holdings, Inc. (collectively, the “**Prepetition Borrowers**”) and the guarantors party thereto, Bank of America, N.A., as administrative agent (in such capacity, the “**Prepetition Agent**”), swing line lender, and an issuer of letters of credit under the Prepetition Credit Agreement, the Revolving Credit Lenders (as defined in the Prepetition Credit Agreement) party thereto (the “**Prepetition Revolving Lenders**”), and the Term Lenders (as defined in the Prepetition Credit Agreement) party thereto (the “**Prepetition Term Lenders**,” and together with the Prepetition Revolving Lenders, collectively, the “**Prepetition Lenders**”), (i) the Prepetition Revolving Lenders provided Revolving Loans (as defined in the Prepetition Credit Agreement) and Revolving Credit Commitments (as defined in the Prepetition Credit Agreement) to the Prepetition Borrowers, (ii) the Prepetition Term Lenders provided Term Loans (as defined in the Prepetition Credit Agreement) to the Prepetition Borrowers, and (iii) the Prepetition Agent (together with the Prepetition Lenders, the “**Prepetition Secured Parties**”) issued Letters of Credit (as defined in the Prepetition Credit Agreement) supporting the operations of the Prepetition Loan Parties (as defined below).

(b) *Prepetition Guaranty.* Pursuant to that certain Third Amended and Restated Continuing Guaranty, dated as of May 2, 2023 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), the guarantors party thereto (the “**Prepetition Guarantors**,” and together with the Prepetition Borrowers, collectively, the “**Prepetition Loan Parties**”) guaranteed, on a joint and several basis, all of the Prepetition Secured Obligations (as defined below).

(c) *Prepetition Loan Obligations.* As of the Petition Date, the Prepetition Loan Parties were justly and lawfully indebted and liable to the Prepetition Secured Parties, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than (x) \$281,250,000 in funded debt, including (i) \$125,000,000 in outstanding principal amount of Revolving Loans, (ii) \$156,250,000 of outstanding principal amount of Term Loans, and (y) \$618,900,000 of outstanding but undrawn Letters of Credit,⁴ *plus* certain reimbursement obligations, fees, costs, expenses (including, without limitation, certain attorneys’ fees and related fees, charges and disbursements), indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be

⁴ For the avoidance of doubt, no Adequate Protection Obligations shall be due to the Prepetition Secured Parties in regard to such Letters of Credit until and unless any such Letter of Credit has been drawn by the applicable beneficiary.

due, owing or chargeable in respect thereof, in each case, to the extent provided in the Prepetition Loan Documents (collectively, the “**Prepetition Secured Obligations**”).

(d) *Prepetition Liens.* Pursuant to that certain Third Amended and Restated Pledge, Assignment and Security Agreement (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “**Prepetition Collateral Agreement**”) by and among ZHI, the other Debtors party thereto and the Prepetition Agent and certain other Prepetition Loan Documents, each of the Prepetition Loan Parties granted to the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, valid and properly perfected continuing liens on and security interests (the “**Prepetition Liens**”) in all “Collateral” (as defined in the Prepetition Credit Agreement) (collectively, the “**Prepetition Collateral**”) (it being understood that the term “Prepetition Collateral” does not include any property or assets that have been expressly excluded from such definition in the Prepetition Loan Documents (including any Excluded Property (as defined in the Prepetition Collateral Agreement))).

(e) *Validity and Enforceability of Prepetition Secured Obligations.* As of the Petition Date, the Prepetition Secured Obligations constitute the legal, valid, non-avoidable and binding obligations of each of the Debtors, enforceable in accordance with the terms of the Prepetition Loan Documents (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code), and (i) no portion of the Prepetition Secured Obligations and no amounts paid or payments made at any time by the Debtors to the Prepetition Secured Parties in respect of or applied to, as applicable, the Prepetition Secured Obligations, the Prepetition Loan Documents, and the transactions contemplated thereby is subject to contest, attack, objection, recoupment, defense, setoff, counterclaim, avoidance, recharacterization, reclassification, disgorgement, reduction, disallowance, recovery or subordination, challenge or any other Claim or Cause of Action⁵ of any kind or nature whatsoever, whether pursuant to the Bankruptcy Code, applicable non-bankruptcy law or otherwise, (ii) the Debtors do not have any claims, counterclaims, Causes of Action, defenses or setoff rights related to the Prepetition Secured Obligations or the Prepetition Loan Documents, whether arising on or prior to the date hereof, under the Bankruptcy Code or applicable non-bankruptcy law against the Prepetition Secured Parties, and each of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees (in their respective capacities as such), and (iii) the Prepetition Secured Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(f) *Validity and Enforceability of Prepetition Liens.* As of the Petition Date, the Prepetition Liens (i) have been properly recorded and are valid, binding, enforceable, non-avoidable and fully perfected liens and security interests in the Prepetition Collateral,

⁵ As used in this Interim Order, “**Causes of Action**” means any action, claim, cause of action, controversy, demand, right, action, lien, indemnity, interest, guaranty, suit, obligation, liability, damage, judgment, account, defense, or offset of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the entry of this Interim Order, in contract or in tort, in law (whether local, state, or federal U.S. or non-U.S. law) or in equity, or pursuant to any other theory of local, state, or federal U.S. or non-U.S. law.

(ii) are not subject to any offset, contest, objection, recovery, recoupment, reduction, defense, counterclaim, subordination, recharacterization, disgorgement, disallowance, avoidance, challenge or any other claim or Cause of Action of any kind or nature whatsoever, whether under the Bankruptcy Code, applicable non-bankruptcy law or other applicable law, (iii) were granted to or for the benefit of the Prepetition Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as inducement for, the making of the loans and/or the commitments and other financial accommodations or consideration secured or obtained thereby, and (iv) without giving effect to this Interim Order, are senior with priority over any and all other liens on or security interests in the Prepetition Collateral, subject only to liens or security interests expressly permitted under the applicable Prepetition Loan Documents, in each case, solely to the extent any such permitted liens and security interests were valid, non-avoidable, properly perfected as of the Petition Date (or were in existence immediately prior to the Petition Date and are properly perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code) and are senior in priority to the Prepetition Liens (the “**Permitted Prior Liens**”).⁶

(g) *No Control.* None of the Prepetition Secured Parties control the Debtors or their properties or operations, have authority to determine the manner in which any of the Debtors’ operations are conducted, or are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the Prepetition Loan Documents, or the transactions contemplated hereby or thereby.

(h) *No Claims, Defenses, or Causes of Action.* As of the date hereof, no claims, cross-claims, counterclaims, defenses or Causes of Action exist, including claims and Causes of Action arising under chapter 5 of the Bankruptcy Code or applicable state law equivalents (the “**Avoidance Actions**”) or actions for recovery, recoupment, offset, setoff, disallowance, recharacterization, subordination (whether equitable, contractual, or otherwise), or disgorgement, against any of the Prepetition Secured Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees (in their respective capacities as such) with respect to, in connection with, related to, or arising from the Prepetition Secured Obligations or any of the Prepetition Loan Documents, any action or conduct of any Prepetition Secured Party in respect thereof, or any of the transactions contemplated thereunder, that may be asserted by the Debtors, their respective estates, or any other person or entity.

(i) *Cash Collateral.* The Debtors admit, stipulate, acknowledge and agree that any and all of the Debtors’ cash, whether existing as of the Petition Date or thereafter,

⁶ Nothing contained herein shall constitute a finding or ruling by this Court that any alleged Permitted Prior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing contained herein shall prejudice the rights of any party-in-interest, including, but not limited to the Debtors, the Prepetition Secured Parties, and the Official Committee (if any), in each case to the extent such party has standing to challenge the validity, priority, enforceability, seniority, avoidability, perfection or extent of any alleged Permitted Prior Lien (subject to the terms of this Interim Order). For the purposes hereof, any alleged claim arising or asserted as a right of reclamation or return (whether asserted under section 546(c) of the Bankruptcy Code or otherwise) is not a Permitted Prior Lien.

wherever located (including, without limitation, all cash or cash equivalents in the control of or on deposit or maintained by the Debtors in any account or accounts, any amounts generated by the sale or other disposition of Prepetition Collateral, and all income, proceeds, products, rents or profits of any Prepetition Collateral), constitutes “cash collateral” of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (such cash and cash equivalents the “**Cash Collateral**”).

(j) *Releases.* Subject to entry of the Final Order and the rights and limitations set forth in paragraph 20 of this Interim Order, the Debtors, on behalf of themselves and their respective estates, hereby absolutely, unconditionally and irrevocably releases and forever discharge and acquit the Prepetition Secured Parties and each of their respective former, current, and future officers, directors, employees, shareholders, stockholders, equity holders, owners, members, managers, partners, principals, subsidiaries, affiliates, funds or managed accounts, agents, advisors, attorneys, accountants, investment bankers, consultants, other professionals and representatives, together with the respective successors and assigns thereof, in each case, in their respective capacities as such (collectively, the “**Representatives**”), from any and all claims, offsets, defenses, counterclaims, set off rights, objections, challenges, Causes of Action and/or choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations (including, attorneys’ fees), premiums, fees, costs, expenses, or judgments of every type, whether known or unknown, asserted or unasserted, fixed or contingent, pending or threatened, of any kind or nature whatsoever, whether arising at law or in equity (including, without limitation, any theory of so called “lender liability” or equitable subordination or any claim or defense asserting recharacterization, subordination, or avoidance, any claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or any other provision of the Bankruptcy Code or of applicable state or federal law, or any other claim, Cause of Action, or defense arising under the Bankruptcy Code or applicable non-bankruptcy law), in each case, arising under, in connection with, or related to the Debtors or their estates, the extent, amount, validity, enforceability, priority, security, and perfection of the Prepetition Secured Obligations, the Prepetition Liens, the Prepetition Loan Documents, and/or the transactions contemplated thereunder or hereunder, in each case, arising at any time prior to entry of this Interim Order; *provided, however*, that nothing in this paragraph shall limit or release the commitments and obligations of any of the Prepetition Secured Parties under this Interim Order and the Final Order.

G. ***Need for Use of Cash Collateral.*** The Debtors have an immediate need to use Cash Collateral to permit the orderly continuation of the operation of their businesses, maintain business relationships with customers, vendors, and suppliers, make payroll, pay the costs of administering the Chapter 11 Cases, and satisfy other working capital and operational needs (in each case, in accordance with and subject to this Interim Order) for the benefit of the estates and the Debtors’ creditors and stakeholders, including the Prepetition Secured Parties.

H. ***Use of Cash Collateral.*** As a condition to their consent to the use of Cash Collateral, the Prepetition Secured Parties require, and the Debtors have agreed, that all Cash Collateral shall be used and/or applied solely for the purposes permitted in the Approved Budget (as defined below), including, without limitation, (i) to pay the costs of administration of the Chapter 11 Cases, (ii) for general corporate and working capital purposes, (iii) to pay adequate protection payments to the extent set forth herein, and (iv) to pay professional fees and expenses and fund the Carve Out in accordance with this Interim Order, in the case of each of the foregoing, in accordance with the terms and conditions of this Interim Order.

I. ***Adequate Protection.*** The Prepetition Secured Parties have agreed to permit the Debtors to use the Prepetition Collateral, including the Cash Collateral, subject to the terms and conditions set forth herein. The Prepetition Secured Parties are entitled to adequate protection as set forth herein pursuant to sections 361, 362, and 363 of the Bankruptcy Code for the Debtors' use of the Prepetition Collateral, including Cash Collateral, and the imposition of the automatic stay. Based upon the Motion and the evidence presented to the Court at the Interim Hearing, the terms of the proposed adequate protection arrangements and the use of the Cash Collateral as contemplated herein are fair and reasonable and reflect the Debtors' prudent exercise of business judgment. The Prepetition Secured Parties have expressly consented to the entry of this Interim Order and relief provided herein and pursuant to the terms of the Prepetition Loan Documents. As adequate protection against any aggregate diminution in value of the Prepetition Secured Parties' respective liens and security interests in the Prepetition Collateral (including Cash Collateral) from and after the Petition Date resulting from, among other things, (i) the use, sale, or lease by the Debtors of such collateral, (ii) the use of Cash Collateral by each of the Debtors on a dollar-for-dollar basis, (iii) the imposition of the automatic stay, and (iv) the subordination of their Prepetition

Liens and Prepetition Secured Obligations to the Carve Out upon the terms set forth herein (collectively, and to the fullest extent permitted under the Bankruptcy Code or other applicable law, the “**Diminution in Value**”), the Prepetition Secured Parties are entitled to adequate protection, pursuant to sections 361, 362, and 363 of the Bankruptcy Code, as set forth in this Interim Order; *provided, however*, that nothing in this Interim Order shall (x) be construed as the affirmative consent by any of the Prepetition Secured Parties for the use of Cash Collateral or other Prepetition Collateral other than on the terms expressly set forth in this Interim Order, or (y) prejudice, limit or otherwise impair the rights of any of the Prepetition Secured Parties to seek new, different or additional adequate protection after the date hereof. Based on the Motion, the First Day Declaration, and other evidence filed in support of the Motion, and the record presented to the Court in connection with the Interim Hearing, the terms of the adequate protection arrangements and the use of Prepetition Collateral (including Cash Collateral) are fair and reasonable, reflect the Debtors’ prudent exercise of business judgment, and constitute reasonably equivalent value and fair consideration for the use of Prepetition Collateral (including Cash Collateral).

J. ***Consent.*** The Prepetition Agent, with the requisite authorization from the Prepetition Secured Parties, has consented to the Debtors’ use of Prepetition Collateral (including Cash Collateral) in accordance with and subject to the terms and conditions set forth in this Interim Order and the Approved Budget.

K. ***Limitation on Charging Expenses Against Collateral.*** Except to the extent of the Carve Out, and subject to entry of the Final Order, no costs or expenses of administration of the Chapter 11 Cases, any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or relating to any of the foregoing

and/or upon the dismissal of any of the Chapter 11 Cases or any such successor cases (collectively, the “**Successor Cases**”) shall be charged against or recovered from any Prepetition Collateral (including Cash Collateral) pursuant to sections 105 or 506(c) of the Bankruptcy Code or any similar principle of law, as against the Prepetition Secured Parties, without the prior written consent of the requisite Prepetition Secured Parties (which may be evidenced by electronic mail from counsel to the Prepetition Agent), and no such consent shall be implied from any other action, inaction, or acquiescence by any of the Prepetition Secured Parties.

L. ***No Marshaling; 552(b) Waiver.*** Except to the extent of the Carve Out, and subject to entry of the Final Order, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the Prepetition Collateral or the Prepetition Secured Obligations. Each of the Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to entry of the Final Order, in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties or the Prepetition Collateral.

M. ***Proper Exercise of Business Judgment.*** Based on the Motion, the First Day Declaration, and the record presented to the Court at the Interim Hearing, (i) the terms of adequate protection granted to the Prepetition Secured Parties, (ii) the terms on which the Debtors may continue to use Prepetition Collateral (including Cash Collateral), and (iii) the Cash Collateral arrangements described herein, (a) were negotiated in good faith and at arm’s length among the Prepetition Loan Parties and the Prepetition Secured Parties, (b) are fair, reasonable, and the best available to the Debtors under the circumstances, (c) reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, and (d) are supported by reasonably equivalent value and fair consideration. Absent the ability to continue to use Cash Collateral upon

the terms set forth herein, the Debtors, their estates, their creditors, and other parties-in-interest will be seriously and irreparably harmed.

N. ***Initial Budget.*** The Debtors have prepared a 13-week itemized cash flow forecast set forth on **Exhibit 1** attached hereto (the “**Initial Budget**,” as updated by the Debtors and acceptable to the Prepetition Agent from time to time in accordance with the terms of this Interim Order, the “**Approved Budget**”). The Initial Budget includes on a line-item basis (i) the Debtors’ projected cash receipts, (ii) weekly disbursements (including, without limitation, debt service expenses), and (iii) payables balances. The Initial Budget is an integral part of this Interim Order, and the Prepetition Secured Parties are relying, in part, upon the Debtors’ agreement to comply, subject to Permitted Variances (as defined below), with the Initial Budget, in determining to allow the Debtors’ use of Cash Collateral in accordance with the terms of this Interim Order.

O. ***Good Faith.*** The parties herein have acted in good faith, at arm’s length, and with sound business judgment in connection with this Interim Order.

P. ***Need for Immediate Entry of this Interim Order.*** The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). The permission granted herein to use Cash Collateral (and provide adequate protection therefor) is necessary, essential, and appropriate to avoid immediate and irreparable harm to the Debtors and their estates and creditors.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the First Day Declaration, and the record before the Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. ***Motion Granted.*** The use of Cash Collateral is hereby authorized and approved in accordance with and subject to the terms and conditions of this Interim Order. Any objections or other statements with respect to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservation of rights inconsistent with this Interim Order, are hereby denied and overruled.

2. ***Authorization to Use Cash Collateral.*** The Debtors are authorized to use Cash Collateral during the period from the Petition Date through and including a Termination Date (as defined below) to operate the Debtors' businesses in the ordinary course and pay certain costs, fees, and expenses related to the Chapter 11 Cases, in accordance with the Approved Budget as provided herein, and as approved by any order of this Court.

3. ***Approved Budget.*** The Debtors are authorized to use Cash Collateral in accordance with the Approved Budget (subject to Permitted Variances). Beginning on Friday, June 28, 2024, for the prior four-week period ending on Friday, June 21, 2024, the Debtors shall deliver a reconciliation report (the "**Variance Report**") to the Prepetition Agent, in form reasonably satisfactory to the Prepetition Agent, showing variances of budget amounts to actual amounts on a line-item basis for the prior four-week period ending on the Friday immediately prior (each such period, a "**Test Period**"). The Variance Report will include (i) the variance (as compared to the applicable Approved Budget) of actual cash receipts of the Debtors for the applicable Test Period, (ii) the variance (as compared to the applicable Approved Budget) of the operating disbursements made by the Debtors set forth in the Approved Budget for the applicable Test Period, and (iii) an explanation, in reasonable detail, for any material variances set forth in such Variance Report.

4. The Debtors shall not permit (i) a total receipts variance for any Test Period to have a negative variance in excess of 20% (with negative variance meaning, for the avoidance of doubt, that actual receipts are less than projected receipts) or (ii) a total operating disbursement variance for any Test Period to have a negative variance in excess of 20% (with negative variance meaning, for the avoidance of doubt, that actual operating disbursements are greater than the projected operating disbursements) (the variances otherwise permitted by this covenant, the “**Permitted Variances**”); *provided* that (i) any positive receipts variance may be used to offset any negative disbursements variance for such Test Period or carried over to the immediately subsequent Test Period, and (ii) any positive disbursements variance may be used to offset any negative receipts variance for such Test Period or carried over to the immediately subsequent Test Period; *provided further* that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) restructuring professional fees and (y) restructuring charges arising on account of the Chapter 11 Cases.

5. No later than three (3) business days prior to the end of each Test Period, the Debtors shall deliver to the Prepetition Agent a revised rolling 13-week cash flow forecast substantially in the format of the initial Approved Budget (each, a “**Revised Budget**”), which Revised Budget (including any subsequent revisions to any such Revised Budget) shall become the Approved Budget effective the subsequent Test Period unless the Prepetition Agent notifies the Debtors of any reasonable objection to the Revised Budget within three business days after receipt of the Revised Budget (the “**Approval Deadline**”). For the avoidance of doubt, the Debtors’ use of Cash Collateral shall be governed by the then-existing Approved Budget (x) at all times prior to the earlier of (i) the Prepetition Agent’s approval of the Revised Budget in

accordance with this paragraph 5 and (ii) the Approval Deadline, and (y) during the pendency of any unresolved objection by the Prepetition Agent to the Revised Budget.

6. ***Limitations on Use of Cash Collateral.*** The Debtors shall not be permitted to make any payments on account of any prepetition debt or obligation before the effective date of a confirmed chapter 11 plan or plans with respect to any of the Debtors (the “**Effective Date**”), except: (i) with respect to the Prepetition Obligations set forth in this Interim Order; (ii) as provided in any order in connection with any relief requested by the Debtors at the commencement of these Chapter 11 Cases (the “**First Day Orders**”), each in form and substance reasonably acceptable to the Prepetition Agent; or (iii) any payment made in accordance with the Approved Budget, subject to Permitted Variances. The use of Cash Collateral pursuant to the terms and conditions of this Interim Order and in accordance with the Approved budget shall not be deemed to be consent by the Prepetition Agent to any other or future use of Cash Collateral or to use any Cash Collateral in any amount or for any purpose in excess of the amount set forth in the Approved Budget, subject to the Permitted Variances.

7. ***Adequate Protection for the Prepetition Secured Parties.*** Subject only to the Carve Out and the terms of this Interim Order, pursuant to sections 361, 363, 363, and 507 of the Bankruptcy Code as adequate protection of the interests of the Prepetition Secured Parties in the Prepetition Collateral (including Cash Collateral), in each case, solely for and equal in amount to the Diminution in Value of the Prepetition Collateral (including Cash Collateral), the Prepetition Agent, for the benefit of itself and the other Prepetition Secured Parties, is hereby granted the following (the liens, security interests, payments, and other obligations set forth in this paragraph 7, collectively, the “**Adequate Protection Obligations**”):

(a) ***Adequate Protection Liens.*** As security for and to the extent of any Diminution in Value of the Prepetition Secured Parties’ interests in the Prepetition

Collateral, the Prepetition Agent, for the benefit of itself and the other Prepetition Secured Parties, is hereby granted (effective and perfected as of the entry of this Interim Order and without the necessity of the execution by the Debtors of any security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the Prepetition Agent of any Collateral (as defined below)) valid, binding, continuing, enforceable, fully-perfected, nonavoidable, first-priority senior replacement liens on and security interests (all such liens and security interests, the “**Adequate Protection Liens**”) in all Collateral (as defined below), which Adequate Protection Liens shall be subject only to the Carve Out and any Permitted Prior Liens, but shall be senior to any and all other liens and security interests in the Collateral.

(b) *Collateral.* The term “**Collateral**” means all assets and properties of each of the Debtors of any kind or nature whatsoever, whether tangible or intangible, real, personal or mixed, including, without limitation, any and all cash and cash equivalents of the Debtors, deposit, securities and other accounts (together with all cash and cash equivalents, instruments and other property deposited therein or credited thereto), accounts receivables and other receivables (including those generated by intercompany transactions), rights to payment, contracts and contract rights, goods, inventory, plants, fixtures, machinery, equipment, vehicles, real property and leasehold interests, general intangibles, documents, instruments, securities, capital stock of subsidiaries, investment property, chattel paper, franchise rights, patents, tradenames, trademarks, copyrights, licenses and all other intellectual property, tax and other refunds, insurance proceeds, books and records, commercial tort claims, in the case of each of the foregoing, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, any of the Debtors, whether prior to or after the Petition Date, whether owned or consigned by or to, or leased from or to, the Debtors, and wherever located, including, without limitation, each of the Debtors’ rights, title and interests in (i) all Prepetition Collateral and (ii) all “Collateral” (as defined in the Prepetition Loan Documents), and all proceeds, products, offspring, and profits of each of the foregoing and all accessions to, substitutions, and replacements for, each of the foregoing, excluding Avoidance Actions but including, subject to entry of the Final Order, any proceeds or property recovered, whether by judgment, settlement or otherwise, of the Debtors’ Avoidance Actions (collectively, the “**Avoidance Action Proceeds**”).

(c) *Adequate Protection Superpriority Claims.* As further adequate protection, and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, including subject to the priorities set forth therein, the Prepetition Agent, for the benefit of itself and the other Prepetition Secured Parties, is hereby granted an allowed superpriority administrative expense claims ahead of and senior to any and all other administrative expense claims to the extent of, and in an aggregate amount equal to, any Diminution in Value (the “**Adequate Protection Superpriority Claims**”), but junior to the Carve Out. Subject to the Carve Out, the Adequate Protection Superpriority Claims will not be junior to any claims and shall have priority over all administrative expense claims and other claims against each of the Debtors, now existing or hereinafter arising, of any kind or nature whatsoever, including, without limitation, administrative expense claims of the kinds specified in or ordered pursuant to any provision of the Bankruptcy Code to the extent of, and in an aggregate amount equal to, any Diminution in Value.

(d) *Status of Adequate Protection Liens.* Except as otherwise expressly permitted hereunder, the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code and shall not be subordinated to or made *pari passu* with any lien, security interest, or administrative claim under section 364 of the Bankruptcy Code or otherwise.

(e) *Interest.* From and after entry of this Interim Order, the Prepetition Agent, on behalf of the Prepetition Secured Parties, shall receive (i) upon the entry of this Interim Order, all accrued and unpaid interest due under the Prepetition Loan Documents in respect of unpaid principal outstanding thereunder (whether accrued prior to or after the Petition Date) in respect of the Prepetition Loan Documents, and (ii) thereafter, as and when due under the Prepetition Loan Documents, all interest due under the Prepetition Credit Agreement, in respect of unpaid principal outstanding thereunder. All interest due hereunder to the Prepetition Secured Parties shall be calculated at the non-default rates under the Prepetition Loan Documents and shall be payable in cash upon the same dates as currently required by the Prepetition Loan Agreement.

(f) *Fees and Expenses.* The Debtors are authorized and directed to pay the out-of-pocket fees, costs, and expenses of the Prepetition Agent, including the reasonable and documented fees and expenses of (i) McGuireWoods LLP, counsel to the Prepetition Agent, and (ii) any financial advisor or other accountants, consultants, advisors, or other professionals that may be retained by the Prepetition Agent upon the consent of the Debtors (which consent shall not be unreasonably withheld or delayed), whether arising prior to or after the Petition Date, without the necessity of filing formal fee applications or compliance with the U.S. Trustee's fee guidelines, subject to paragraph 8 of this Interim Order. The Debtors are authorized and directed to pay the amounts provided in this paragraph 7 whether or not contained in the Approved Budget and without being limited by the dollar estimates contained in the Approved Budget.

(g) *Right to Seek Additional Adequate Protection.* This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of any of the Prepetition Secured Parties to request further or alternative forms of adequate protection at any time or the rights of the Debtors or any other party to contest such request.

(h) *Cash Management Covenant.* The Debtors shall maintain their cash management arrangements in a manner consistent with those described in the applicable "first day" order.

(i) *Reporting.* Upon reasonable advance written notice, the Debtors shall provide the Prepetition Agent with reasonable access during business hours to the Debtors' facilities, management, books, and records required under the Prepetition Loan Documents. The Debtors shall also provide the Prepetition Agent with such other and further financial and operational reporting as the parties have agreed or may agree in writing (for which writing email shall suffice), including, without limitation, on a weekly basis at a time mutually agreed upon, a conference call with the Prepetition Agent to discuss such financial and operational reporting.

(j) *Prohibition on Disposition of Collateral.* The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the Prepetition Collateral or Cash Collateral outside the ordinary course of business, other than the use of Cash Collateral pursuant to the terms of the Approved Budget (subject to the Permitted Variances) and the terms of this Interim Order, without (i) the prior written consent of the Prepetition Secured Parties (and no such consent shall be implied, from any other action, inaction or acquiescence by the Prepetition Secured Parties), or (ii) an order of this Court.

8. *Adequate Protection Fees and Expenses.* The payment of all reasonable and documented fees and expenses provided for herein as adequate protection shall not be required to comply with the U.S. Trustee guidelines, nor shall the applicable professionals be required to file fee applications with the Court with respect to any fees or expenses payable herein, and all invoices therefor may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine), and shall be provided to counsel to the Debtors, counsel to any Official Committee (if any), and the U.S. Trustee (the “**Fee Notice Parties**”); *provided, however*, that the U.S. Trustee and the Official Committee (if appointed) reserve their rights to request additional detail regarding the services rendered and expenses incurred by such professionals; *provided further, however*, that if no formal objection to payment of the requested fees and expenses is made in writing by any of the Fee Notice Parties within ten calendar days after delivery of such invoices (the “**Fee Objection Period**”), then, upon the expiration of the Fee Objection Period, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors and, in any event, within five business days after expiration of the Fee Objection Period. If a formal objection is made by any of the Fee Notice Parties within the Fee

Objection Period to payment of the requested Postpetition Fees and Expenses, then only the disputed portion of such fees and expenses shall not be paid until such objection is resolved by the applicable parties in good faith or by order of the Court, and the undisputed portion shall be promptly paid by the Debtors. Subject to this paragraph 8, none of the adequate protection payments required to be made pursuant to this Interim Order shall be subject to counterclaim, setoff, subordination, recharacterization, defense, avoidance or disgorgement in the Chapter 11 Cases or any Successor Cases.

9. ***Carve Out.***

(a) ***Carve Out.*** As used in this Interim Order, the “**Carve Out**” means the sum of (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$75,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the “**Allowed Professional Fees**”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the “**Debtor Professionals**”) and the Official Committee (if any) pursuant to section 328 or section 1103 of the Bankruptcy Code (the “**Committee Professionals**” and, together with the Debtor Professionals, the “**Professional Persons**”) at any time before the date of delivery by the Prepetition Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$2,500,000 incurred on or after the date of delivery by the Prepetition Agent of a Carve Out Trigger Notice, to the extent allowed at any

time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “**Post-Carve Out Trigger Notice Cap**”); *provided, however*, that nothing herein shall be construed to impair the ability of any party in interest to object to the fees, expenses, reimbursement, or compensation described in clauses (i) through (iv) of this paragraph 9 on any grounds. For purposes of the foregoing, “**Carve Out Trigger Notice**” shall mean a written notice delivered by email (or other electronic means) by the Prepetition Agent to counsel to the Debtors, the U.S. Trustee, and counsel to the Official Committee (if appointed), which notice may be delivered following the occurrence and during the continuation of a Termination Event (as defined below) and upon termination of the Debtors’ right to use Cash Collateral by the Prepetition Secured Parties, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) *Carve Out Reserves.* On the day on which a Carve Out Trigger Notice is delivered in accordance with paragraph 9(a) of this Interim Order (the “**Termination Declaration Date**”), the Carve Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash (including Cash Collateral) on hand as of such date (net of any amounts held on retainer by any Professional Persons) and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the fees and expenses of Professional Persons accrued prior to the Termination Declaration Date. Upon the occurrence of a Termination Declaration Date, each Professional Person shall have two business days to deliver fee statements to the Debtors that cover such Professional Person’s reasonable good faith estimate of unpaid fees and expenses incurred by such Professional Persons through the Termination Declaration Date. The Debtors shall deposit and hold such amounts in a segregated account in trust to pay Allowed Professional Fees through the Termination Declaration Date (the “**Pre-Carve Out Trigger Notice Reserve**”) prior to any and all other claims. The Carve Out Trigger Notice shall also constitute a

demand to the Debtors as of such date to utilize all cash (including Cash Collateral) on hand as of such date (net of any amounts held on retainer by any Professional Persons) and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (the “**Post-Carve Out Trigger Notice Reserve**” and, together with the Pre-Carve Out Trigger Notice Reserve, the “**Carve Out Reserves**”) prior to any and all other claims. The Carve Out Reserves shall be available only to satisfy such Allowed Professional Fees benefitting from the Carve Out in accordance with the terms hereof until such Professional Fees are paid in full. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the “**Pre-Carve Out Amounts**”), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition Agent for the benefit of the Prepetition Secured Parties, unless the Prepetition Secured Obligations are paid in full, in which case, any remaining excess shall be paid to the Debtors’ creditors in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the “**Post-Carve Out Amounts**”), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition Agent for the benefit of the Prepetition Secured Parties, unless the Prepetition Secured Obligations are paid in full, in which case any remaining excess shall be paid to the Debtors’ creditors in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the Prepetition Loan Documents, or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph 9,

then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph 9, prior to making any payments to the Prepetition Agent or any of the Debtors' creditors, as applicable. Notwithstanding anything to the contrary in the Prepetition Loan Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the Prepetition Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the Prepetition Agent for application in accordance with the Prepetition Loan Documents. Notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute loans or indebtedness under the Prepetition Loan Documents or increase or reduce the Prepetition Secured Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Initial Budget, Approved Budget, Revised Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors.

(c) *Priority of Carve Out.* For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order, the Carve Out shall be senior to all liens, security interests, and superpriority claims granted herein and/or under the Prepetition Loan Documents, including the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Obligations, the Prepetition Liens, and the Prepetition Secured Obligations.

(d) *Payment of Allowed Professional Fees Prior to the Termination Declaration Date.* Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(e) *No Direct Obligation to Pay Allowed Professional Fees.* Except for permitting the funding of the Carve Out Reserves as provided herein, none of the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person or any fees or expenses of the U.S. Trustee or Clerk of the Court incurred in connection with these Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(f) *Payment of Carve Out On or After the Termination Declaration Date.* Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

10. ***Access and Information.*** Without limitation of the requirements contained in the Prepetition Loan Documents, upon reasonable prior written notice (including via acknowledged electronic mail) during normal business hours, the Debtors shall permit the Prepetition Agent and its Representatives (each of which is bound by obligations of confidentiality pursuant to a separate confidentiality agreement entered into with the Debtors) to have reasonable access to such information regarding the operations, business affairs and financial condition of the Debtors or

any of their subsidiaries, or compliance with the terms of the Prepetition Credit Agreement as the Prepetition Agent (acting on behalf of itself or any applicable Prepetition Secured Party) may reasonably request, and it being understood that nothing in this paragraph 9 shall require the Debtors (or any of their advisors) to take any action that would conflict with any applicable requirements of law or any binding agreement, or that would waive any attorney-client or similar privilege.

11. ***Termination Events.*** Subject to the Remedies Notice Period (as defined herein) and paragraphs 9 and 12 of this Interim Order, the Debtors' right to use the Cash Collateral pursuant to this Interim Order shall cease on the Termination Date (as defined herein). As used herein "**Termination Events**" means any of the events set forth in clauses (a) through (u) below (each such event a "**Termination Event**," and the date upon which such Termination Event occurs, the "**Termination Date**");

(a) the Prepetition Agent has not consented in writing (email being sufficient) to a further extension of the use of Cash Collateral by the date that is fourteen days after the Petition Date;

(b) a Final Order acceptable to the Debtors and the Prepetition Agent is not entered by the Court by 11:59 p.m. on the date that is forty days after the Petition Date;

(c) the effective date of a chapter 11 plan of one or more of the Debtors;

(d) the violation of any term of this Interim Order by the Debtors that is not cured within five business days of receipt by the Debtors, counsel for the Official Committee (if appointed), and the U.S. Trustee of notice of such default, violation, or breach (which may be provided to the Debtors, counsel for the Official Committee, and the U.S. Trustee by email);

(e) the entry of any order modifying, reversing, revoking, staying for a period in excess of five business days, rescinding, vacating, or amending this Interim Order without the express written consent of the Prepetition Agent;

(f) the filing by the Debtors of motion to dismiss any of the Chapter 11 Cases, or the entry of any order dismissing any of these Chapter 11 Cases (other than following the effective date of a chapter 11 plan) without the express written consent of the

Prepetition Agent, or a trustee under chapter 11 of the Bankruptcy Code or an examiner is appointed in any of the Chapter 11 Cases

(g) the filing by the Debtors of a motion to convert any of these Chapter 11 Cases to a case under chapter 7 or the entry of order converting any of these Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, without the express written consent of the Prepetition Agent;

(h) the entry of an order appointing a chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of any Debtor (powers beyond those set forth in sections 1106(a)(3) and (a)(4) of the Bankruptcy Code) unless consented to by the Prepetition Agent in writing;

(i) the filing by the Debtors of any application, motion, or borrowing request seeking to use Cash Collateral on a non-consensual basis;

(j) the entry of an order granting another claim or lien (except for the Permitted Prior Liens) *pari passu* with or senior to (except as provided under this Interim Order) the Prepetition Liens, Adequate Protection Liens, or the Adequate Protection Superpriority Claims granted to the Prepetition Secured Parties under this Interim Order;

(k) any motion, pleading, or proceeding is filed or is commenced by any Debtor seeking, or otherwise consenting to or supporting, (i) the invalidation, subordination, or other challenge to the Prepetition Secured Obligations, the Prepetition Liens, the Adequate Protection Liens, or the Adequate Protection Superpriority Claims or (ii) any relief under section 506(c) of the Bankruptcy Code with respect to any Prepetition Collateral or any Collateral, including the Cash Collateral, or against any of the Prepetition Secured Parties; *provided* that if the Debtors provide any response to any third-party discovery request or may make a witness available for deposition, such action shall not be a violation of this clause (j);

(l) any Debtor files a motion, pleading, or proceeding that would, if the relief sought therein were granted, result in a Termination Event (other than a Termination Event under this paragraph 11(i)), and such motion, pleading, or proceeding is not dismissed or withdrawn (as applicable) within five business days after receipt by the Debtors, counsel to the Official Committee (if appointed), and the U.S. Trustee of notice (which may be by email) that the Prepetition Agent has determined that such motion, pleading, or proceeding, if the relief sought therein were granted, would give rise to such a Termination Event; *provided* that if the Debtors receive the written consent of the Prepetition Agent to file such motion, pleading, or proceeding than such action shall not be a violation of this clause (l);

(m) the entry by this Court of an order granting relief from or modifying the automatic stay imposed by section 362 of the Bankruptcy Code to any entities other than the Prepetition Secured Parties with respect to the Prepetition Collateral or the Collateral with a value in excess of \$1,000,000 or without which the Debtors' ability to operate their business in the ordinary course would be materially and adversely affected, in either case without the written consent of the Prepetition Agent;

(n) the failure by the Debtors to make any payment required pursuant to this Interim Order when due; *provided* that such failure remains uncured for at least five business days following a written notice from the Prepetition Agent (which may be by email);

(o) the failure by the Debtors to deliver to any of the Notice Parties any of the documents or other information reasonably required to be delivered to such applicable party pursuant to this Interim Order within five business days following a request therefor from any of the Notice Parties pursuant to the terms of this Interim Order; or any such documents or other information shall contain a material misrepresentation; *provided* that such misrepresentation remains uncured for at least five business days following written notice thereof from any of the Prepetition Agent;

(p) the Debtors' failure to comply with an Approved Budget except with respect to Permitted Variances;

(q) the failure of the Debtors to observe or perform any of the material terms or material provisions contained herein, *provided* that such failure remains uncured for at least five business days following written notice thereof from any of the Prepetition Agent;

(r) the filing by the Debtors of a plan of liquidation or a plan of reorganization that is not conditioned upon the payment of the Adequate Protection Superpriority Claims granted hereunder, in full in cash, no later than the effective date of such chapter 11 plan (unless a chapter 11 plan is filed that provides for alternative treatment with the written consent of the Prepetition Secured Parties);

(s) the Debtors sell, transfer, lease, encumber, or otherwise dispose of any portion of the Prepetition Collateral or Cash Collateral outside the ordinary course of business, other than the use of Cash Collateral pursuant to the terms of the Approved Budget (subject to the Permitted Variances) and the terms of this Interim Order, without (i) the prior written consent of the Prepetition Secured Parties (and no such consent shall be implied, from any other action, inaction or acquiescence by the Prepetition Secured Parties), or (ii) an order of this Court;

(t) the entry of an order pursuant to which the Prepetition Secured Parties cease to have a valid and perfected first priority security interest in and lien on any Prepetition Collateral, junior only to the Carve Out and any Permitted Prior Liens; or

(u) this Interim Order has been reversed, vacated, stayed, appealed or is subject to a request for re-argument, or rehearing in a way that, if granted, would be adverse to the Prepetition Secured Parties, without the express written consent (which consent may be documented by e-mail) of the Prepetition Secured Parties.

12. ***Remedies Upon Termination Event.*** Upon the occurrence or during the continuation of a Termination Event, the Prepetition Agent may send written notice (the "**Remedies Notice**"), email being sufficient, to counsel to the Debtors, counsel to any Official

Committee (if appointed), and the U.S. Trustee (the “**Remedies Notice Parties**”) that a Termination Event has occurred, and, prior to taking any enforcement action, the Prepetition Agent shall file with the Court and seek an emergency hearing (the “**Stay Relief Hearing**”) upon no less than five business days’ notice (unless the Debtors and the Prepetition Agent agree to request that the Court conduct the Stay Relief Hearing on shorter notice) to the Remedies Notice Parties (the “**Remedies Notice Period**”) to determine whether a Termination Event has occurred. The Debtors shall not object to the Stay Relief Hearing being held on such shortened notice. During the Remedies Notice Period, the Debtors may object to the termination of the consensual use of Cash Collateral on any basis and may seek the non-consensual use of Cash Collateral, subject to the Prepetition Secured Parties’ rights to object to, or otherwise oppose, any such non-consensual use and to seek adequate protection in connection therewith. Notwithstanding anything to the contrary in the foregoing or otherwise in this Interim Order, during the Remedies Notice Period, the Debtors may use Cash Collateral to pay only such amounts that the Debtors have determined in good faith are in the ordinary course, critical to the preservation of the Debtors and their estates, and otherwise approved in advance in writing by the Prepetition Agent. Following the Stay Relief Hearing, and upon the Court’s determination that a Termination Event has occurred, the Court may fashion an appropriate remedy. Prior to entry of the relevant order, the Prepetition Secured Parties shall not (i) terminate, restrict and/or revoke the Debtors’ right under this Interim Order to use any Cash Collateral, (ii) freeze monies or balances in the Debtors’ accounts, (iii) otherwise enforce any and all rights against the Prepetition Collateral, including, without limitation, disposition of the Prepetition Collateral for application towards the Carve Out and the Prepetition Secured Obligations in accordance with their respective priorities, and (iv) take

any other actions or exercise any other rights or remedies permitted under this Interim Order or applicable law.

13. ***Payments Free and Clear.*** Pursuant to the provisions of this Interim Order (including the Carve Out), any and all payments or proceeds remitted to the Prepetition Agent for the benefit of itself and the other Prepetition Secured Parties, pursuant to the provisions of this Interim Order or any subsequent order of this Court shall be irrevocable (subject to paragraphs 6(d) and 20 of this Interim Order), received free and clear of any claim, charge, assessment or other liability, including without limitation, subject to entry of the Final Order, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code (whether asserted or assessed by, through or on behalf of the Debtor) or section 552(b) of the Bankruptcy Code; *provided that*, to the extent that any cash payment of interest, fees and expenses as adequate protection to the Prepetition Secured Parties is determined to be not allowed under section 506(b) of the Bankruptcy Code or on any other basis pursuant to a successful Challenge in accordance with paragraph 20 of this Order, such payments may be recharacterized and applied as payments of principal owed under the Prepetition Loan Documents.

14. ***Limitation on Charging Expenses Against Collateral.*** Subject to entry of the Final Order, all rights to surcharge the interests of the Prepetition Secured Parties in any Prepetition Collateral or any Collateral under section 506(c) of the Bankruptcy Code or any other applicable principle or equity or law shall be and are hereby finally and irrevocably waived, and such waiver shall be binding upon the Debtors and all parties in interest in the Chapter 11 Cases.

15. ***No Marshalling; 552(b) Waiver.*** Subject to entry of the Final Order, the Prepetition Secured Parties shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the Prepetition Collateral or the Collateral, as the case

may be. Subject to entry of the Final Order, the Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to the entry of the Final Order, the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral or the Collateral.

16. ***Reservation of Rights of the Prepetition Secured Parties.*** Notwithstanding any other provision hereof, the grant of adequate protection to the Prepetition Secured Parties pursuant to this Interim Order shall not be deemed an admission that the interests of such Prepetition Secured Parties are indeed adequately protected, and is without prejudice to the right of the Prepetition Secured Parties to seek additional relief with respect to the use of Prepetition Collateral (including Cash Collateral), or to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the right of the Debtors or any other party in interest to contest any such modification. Nothing herein shall be deemed to waive, modify, or otherwise impair the respective rights of the Prepetition Secured Parties under the Prepetition Loan Documents or under applicable law, and the Prepetition Secured Parties expressly reserve all of their respective rights and remedies whether now existing or hereafter arising under the Prepetition Loan Documents and/or applicable law. Without limiting the foregoing, nothing contained in this Interim Order shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided hereunder is insufficient to compensate the Prepetition Secured Parties for any Diminution in Value during the Chapter 11 Cases.

17. ***Rights Preserved.*** Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or

implicitly: (a) the rights of the Prepetition Secured Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the Prepetition Secured Parties under the Prepetition Loan Documents, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the Prepetition Secured Parties. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party in interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

18. ***Modification of Automatic Stay.*** The Debtors are authorized to perform all acts and to make, execute, and deliver any and all instruments as may be reasonably necessary to implement the terms and conditions of this Interim Order and the transactions contemplated hereby. The stay of section 362 of the Bankruptcy Code is hereby modified to permit the parties to accomplish the transactions contemplated by this Interim Order.

19. ***Survival.*** The provisions of this Interim Order shall be binding upon any trustee appointed during the Chapter 11 Cases or upon a conversion to cases under chapter 7 of the Bankruptcy Code, and any actions taken pursuant hereto shall survive entry of any order which may be entered converting the Chapter 11 Cases to chapter 7 cases, dismissing the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise. The terms and provisions of and

the priorities in payments, liens, and security interests granted pursuant to, this Interim Order, shall continue notwithstanding any conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or the dismissal of any of the Chapter 11 Cases. Subject to the limitations described in paragraphs 4(d) and 19 of this Interim Order, payments made pursuant to this Interim Order shall not be subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance in any of the Chapter 11 Cases or any Successor Case.

20. ***Effect of Stipulations on Third Parties.*** The Debtors' stipulations, admissions, agreements, and releases contained in section F of this Interim Order (collectively, the "**Stipulations**") shall be binding upon the Debtors and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) in all circumstances and for all purposes. The Debtors' Stipulations shall be binding upon all other creditors, parties in interest and all of their respective successors and assigns (including without limitation, any Official Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the Debtors' estates, in all circumstances and for all purposes, unless: (a) such other party in interest with requisite standing (subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to do so) has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including, *inter alia*, in this paragraph) by no later than (i) the earlier of (x) 75 calendar days after entry of this Interim Order, and (y) solely for any Official Committee, 60 calendar days after the appointment of any Official Committee (if appointed within 30 days after the Petition Date), (ii) any such later date as has been agreed to, in writing, by the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents, and (iii) any such later date as has been ordered by the Court for cause upon a

motion filed and served within the time period set forth in this paragraph (the time period established by the foregoing clauses (i), (ii), and (iii), the “**Challenge Period**”); *provided, however*, that if, prior to the Challenge Period termination date, any of these Chapter 11 Cases convert to chapter 7 or a chapter 7 or chapter 11 trustee is appointed in these Chapter 11 Cases or any Successor Cases, then in such case the Challenge Period termination date shall be extended solely with respect to the trustee until the later of the then Challenge Period termination date and the date that is thirty (30) days following such conversion or appointment, (A) objecting to or challenging the amount, validity, perfection, enforceability, priority or extent of the Prepetition Loan Documents, the Prepetition Secured Obligations, or the Prepetition Liens, or (B) otherwise asserting or prosecuting any claim or Cause of Action, including any action for preferences, fraudulent transfers or conveyances, recharacterization, subordination, disgorgement, offset, objections, contests, defenses, or other challenges (collectively, the “**Challenges**”) against any of the Prepetition Secured Parties or any of their Representatives (in each case, in their respective capacities as such) arising under, in connection with, or related to the Prepetition Loan Documents, the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Collateral, and (b) there is a final non-appealable order in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter; *provided, however*, as to the Debtors, any and all such Challenges are hereby irrevocably waived and relinquished; *provided, further*, that any pleadings filed in connection with any Challenge shall set forth with specificity the basis for such Challenge or claim and any Challenges or claims not so specified prior to the expiration of the Challenge Period shall be deemed forever, waived, released, and barred; *provided, further*, that any motion filed with the Court seeking requisite standing and authority to pursue a Challenge must include a draft complaint attached thereto. If no such

Challenge is timely and properly filed during the Challenge Period or if the Court does not rule in favor of the plaintiff in any such proceeding then: (a) the Debtors' Stipulations contained in this Interim Order shall be binding on all parties in interest, including, without limitation, the Official Committee (if any), any non-statutory committees appointed or formed in the Chapter 11 Cases, or any other party in interest, whether acting or seeking to act on behalf of the Debtors' estates or otherwise, including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases, (b) the Prepetition Secured Obligations shall constitute allowed claims, the Prepetition Loan Documents shall be deemed valid and enforceable, and the Prepetition Liens shall be deemed to be legal, valid, binding, continuing, perfected, and enforceable, in each case, against each of the Debtors in the Chapter 11 Cases and any Successor Cases, and (c) the Prepetition Secured Obligations, the Prepetition Liens, and the Prepetition Loan Documents shall not be subject to any other or further claim, Cause of Action, or Challenge, whether arising under the Bankruptcy Code or otherwise, by the Official Committee (if any), any non-statutory committees appointed or formed in the Chapter 11 Cases, or any other party in interest, whether acting or seeking to act on behalf of the Debtors' estates or otherwise, including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases, against any of the Prepetition Secured Parties or any of their Representatives (in each case, in their respective capacities as such) arising under, in connection with, or relating to the Prepetition Loan Documents, the Prepetition Liens, or the Prepetition Secured Obligations, and each such claim, Cause of Action, or Challenge shall be deemed forever waived, released and barred. If any such Challenge is timely filed during the Challenge Period, the Stipulations shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph)

on any Official Committee (if any), and on any other person or entity, except to the extent that such Stipulations were expressly and successfully challenged in such Challenge as set forth in a final, non-appealable order of court of competent jurisdiction. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including the Official Committee (if any) or any other person or entity, standing or authority to pursue any claim or Cause of Action belonging to the Debtors or their estates and all rights to object to such standing are expressly reserved.

21. *Limitations on Use of Cash Collateral, Carve Out, or Other Funds.*

Notwithstanding anything contained in this Interim Order or any other order of the Court to the contrary, no Prepetition Collateral, Cash Collateral, proceeds of any of the foregoing, any portion of the Carve Out or any other amounts may be used (nor shall any professional fees or expenses be applied, financed, or paid in connection with), directly or indirectly, by any of the Debtors, any Official Committee or any trustee or other estate representative (including a chapter 11 or chapter 7 trustee) appointed or elected in the Chapter 11 Cases or any Successor Cases, or any other person or entity, in connection with: (a) any investigation (including by way of examinations or discovery proceedings, whether formal or informal), initiation, preparation, assertion, initiation, joining or prosecution of any claims, Causes of Action, challenges defenses, suits, counterclaims, contested matters, adversary proceedings or other litigation (whether in law or equity, for monetary, injunctive or other affirmative relief) against any of the Prepetition Secured Parties or their Representatives with respect to any transaction, occurrence, omission, action or other matter arising under, in connection with or related to this Interim Order, the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Obligations, the Prepetition Liens, the Prepetition Secured Obligations, the Prepetition Loan Documents, or the transactions

contemplated herein or therein, including, without limitation, challenging the amount, validity, perfection, priority or enforceability of, or asserting any defense, counterclaim or offset to, or seeking to avoid, marshal, subordinate or recharacterize, in whole or in part, any of the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Obligations, the Prepetition Liens, or the Prepetition Secured Obligations or any of the obligations, liens, security interests, claims, rights granted hereunder or under the Prepetition Loan Documents, including, in each case, without limitation, any claim or Cause of Action seeking or asserting (i) so-called “lender liability”, (ii) Avoidance Actions, or (iii) the modification of any of the rights, remedies, priorities, privileges, protections or benefits granted to the Prepetition Secured Parties under this Interim Order or under any of the Prepetition Loan Documents, (b) objecting to or seeking to prevent, hinder or otherwise delay any of the Prepetition Secured Parties’ assertion, enforcement, exercise of remedies or realization upon any Prepetition Collateral in accordance with this Interim Order or the Prepetition Loan Documents, (c) seeking or applying to the Court for authority to approve superpriority claims or grant liens or security interests in any portion of the Prepetition Collateral that are senior to or *pari passu* with the Adequate Protection Liens, the Adequate Protection Claims, or the Prepetition Liens, unless all Prepetition Secured Obligations have been paid in full or as otherwise agreed in writing by the Prepetition Agent, or (e) seeking to pay any amount on account of any claims arising before the commencement of these Chapter 11 Cases, unless such payments are agreed to in writing by the Prepetition Agent (or are otherwise included in the Approved Budget); *provided, however*, that no more than \$75,000 of the Carve Out in the aggregate may be used for fees and expenses incurred (to the extent allowed by the Court at any time) by the Official Committee (if any) to investigate, but not object to, challenge, prosecute or litigate (including by way of formal discovery), the validity, enforceability, perfection and priority

of the Prepetition Liens, the Prepetition Secured Obligations, and the Prepetition Loan Documents during the Challenge Period.

22. ***No Third-Party Rights.*** Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

23. ***Binding Effect.*** Immediately upon entry of this Interim Order by the Court, subject to paragraph 20 of this Interim Order, the provisions of this Interim Order, including all findings and conclusions of law herein, shall be binding upon all parties in interest in the Chapter 11 Cases and any Successor Cases, including without limitation, the Prepetition Secured Parties, the Official Committee (if appointed), or any other committee appointed in the Chapter 11 Cases and any Successor Cases, and their respective successors and assigns, including any chapter 11 trustee or chapter 7 trustee hereinafter appointed or elected for the estate of any Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtor or with respect to the property of the estate of any of the Debtors, and shall inure to the benefit of the each of the Debtors, the Prepetition Secured Parties, and their respective successors and assigns; *provided that*, except to the extent expressly set forth in this Interim Order, the Prepetition Secured Parties shall have no obligation to permit the use of Prepetition Collateral (including Cash Collateral) by any chapter 11 trustee or chapter 7 trustee or similar responsible person appointed for the estate of any Debtor in the Chapter 11 Cases or any Successor Cases.

24. ***Property of Estate.*** Notwithstanding anything to the contrary herein, nothing in this Interim Order grants liens on or superpriority claims payable from any assets that are not property of the Debtors' estates.

25. ***Proofs of Claim.*** The Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any of the Successors Cases in order to assert claims for payment in respect of the Adequate Protection Obligations or Prepetition Secured Obligations. The Stipulations, acknowledgments, and provisions of this Interim Order are deemed sufficient to and do constitute timely filed proofs of claim in respect of such claims arising under the Adequate Protection Obligations or Prepetition Secured Obligations against each of the applicable Debtors. Any order entered by the Court establishing a bar date in any of the Chapter 11 Cases or any Successor Chapter 11 Cases shall not apply to the Prepetition Secured Parties or the Prepetition Secured Obligations; *provided that*, notwithstanding any order entered by the Court establishing a bar date in any of the Chapter 11 Cases or any Successor Cases to the contrary, the Prepetition Agent (on behalf of itself and the other Prepetition Secured Parties), may (but is not required to) in its discretion file (and amend and/or supplement) a proof of claim and/or aggregate proofs of claim in each of the Chapter 11 Cases or any Successor Cases, and any such proof of claim may (but is not required to be) filed as one consolidated master proof of claim in the Debtors' lead Chapter 11 Case against all of the Debtors, which shall be deemed to have been filed against each and every Debtor. Such consolidated or master proofs of claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable party, which instruments, agreements, or other documents will be provided upon reasonable written request to the Prepetition Agent. Any proof of claim filed by or on behalf of any of the Prepetition Secured Parties shall be deemed to be in addition to (and not in lieu of) any other proof of claim that may be filed by any such persons. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

26. ***Effectiveness.*** This Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order

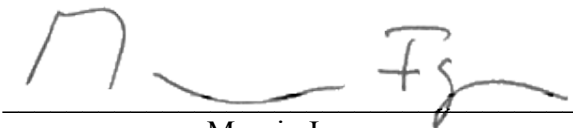
27. ***Headings.*** The headings in this Interim Order are for purposes of reference only and shall not limit or otherwise affect the meaning of this Interim Order.

28. ***Retention of Jurisdiction.*** The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

29. ***Final Hearing.*** The Final Hearing shall be held on June 17, 2024 at 2:00 pm (prevailing Central Time), and any objections to the final relief sought in the Motion shall be filed with the Court no later than June 10, 2024 at 4:00 pm (prevailing Central Time).

30. ***Notice of Entry of Interim Order.*** The Debtors shall promptly serve copies of this Interim Order to the parties have been given notice of the Interim Hearing, to any party that has filed a request for notices with this Court and to any Official Committee (if appointed).

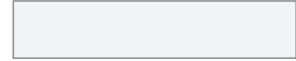
Signed: May 22, 2024



Marvin Isgur
United States Bankruptcy Judge

Exhibit 1

Initial Budget



(\$ in millions)

		Week number: Week starting: Actual / forecast:	1 5/20 Forecast	2 5/27 Forecast	3 6/3 Forecast	4 6/10 Forecast	5 6/17 Forecast	6 6/24 Forecast	7 7/1 Forecast	8 7/8 Forecast	9 7/15 Forecast	10 7/22 Forecast	11 7/29 Forecast	12 8/5 Forecast	13 8/12 Forecast
Disbursements	Total Receipts		13.67	26.48	19.49	173.48	19.74	22.62	14.93	122.63	70.28	18.08	18.19	18.57	159.76
	Payroll		42.66	42.66	38.56	38.94	37.92	37.62	34.80	35.51	34.80	34.80	34.89	35.08	35.79
	Enterprise Vendor Payments		7.23	6.57	5.23	5.50	7.47	16.24	14.79	13.43	13.50	15.92	13.01	12.68	13.21
	SG&A and Other		0.27	0.25	2.73	6.50	1.75	0.25	0.70	1.25	4.92	0.25	0.25	0.70	2.00
	Total Operating Disbursements		50.16	49.48	46.51	50.94	47.13	54.10	50.29	50.19	53.22	50.97	48.15	48.45	51.00
Non-Operating Cashflows	OPERATING CASHFLOW		(36.49)	(22.99)	(27.02)	122.54	(27.39)	(31.48)	(35.36)	72.44	17.07	(32.89)	(29.97)	(29.89)	108.76
	Revolver (Draw)		-	-	-	-	-	-	-	-	-	-	-	-	-
	Financing Fees (Term Loan & Revolver Principal + Interest)		-	1.53	0.54	-	1.48	-	1.97	-	1.50	-	1.50	0.54	-
	Other Fees		-	-	-	-	-	-	2.94	-	-	-	-	-	-
	Total Disbursements		-	1.53	0.54	-	1.48	-	4.91	-	1.50	-	1.50	0.54	-
Net Cash Position	Total Bankruptcy Costs		1.70	1.50	2.00	9.90	1.00	1.00	1.50	3.99	1.00	1.00	1.50	4.45	9.60
	NET CASHFLOW		(38.19)	(26.02)	(29.57)	112.64	(29.87)	(32.48)	(41.77)	68.45	14.57	(33.89)	(32.96)	(34.88)	99.16
	Beginning Cash Balance		163.32	125.13	99.11	69.54	182.18	152.31	119.82	78.05	146.50	161.07	127.18	94.22	59.34
Debt Financing	Net Cashflow		(38.19)	(26.02)	(29.57)	112.64	(29.87)	(32.48)	(41.77)	68.45	14.57	(33.89)	(32.96)	(34.88)	99.16
	ENDING CASH BALANCE		125.13	99.11	69.54	182.18	152.31	119.82	78.05	146.50	161.07	127.18	94.22	59.34	158.50
	Beginning Existing Debt (Revolver + Term Loan)		281.25	281.25	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69
	Draw / (Repayment)		-	213.44	-	-	-	-	-	-	-	-	-	-	-
	Ending Debt Balance		281.25	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69	494.69
			Available Funding		25.00	-	-	-	-	-	-	-	-	-	-
		NET CASH LIQUIDITY	150.13	99.11	69.54	182.18	152.31	119.82	78.05	146.50	161.07	127.18	94.22	59.34	158.50