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

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| In re | Chapter 11 |
| VWS Holdco, Inc., *et al.,* | Case No. 25-10979 (JKS) |
| Debtors.[1] | Jointly Administered |
| | **Re: D.I. 194** |

**DECLARATION OF STEVEN F. AGRAN**
**IN SUPPORT OF DEBTORS' MOTION TO CONVERT THESE**
**CHAPTER 11 CASES TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE**

I, Steven F. Agran, hereby declare as follows:

1. I am the chief restructuring officer ("CRO") in the chapter 11 cases ("Chapter 11 Cases") of the above-captioned debtors and debtors in possession (collectively, the "Debtors" or "VWS").

2. I submit this declaration (this "Declaration") in support of the *Debtors' Motion to Convert these Chapter 11 Cases to Cases under Chapter 7 of the Bankruptcy Code* (the "Motion to Convert").[2]

3. Since my retention as CRO, I have been running the day-to-day business operations of the Debtors and have worked diligently to integrate myself into the Debtors' financial affairs.

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are as follows VWS Holdco, Inc. (5412) and Shoosmith Bros., Inc. (6914). The Debtors' mailing address is P.O. Box 2770, Chesterfield, VA 23832.

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

4. As the Debtors' CRO, I am generally familiar with the Debtors' business, day-to-day operations, financial affairs, and books and records. Except as otherwise indicated, the statements set forth in this Declaration are based upon my personal knowledge of the Debtors' operations, information learned from my review of relevant documents, information supplied to me from the Debtors' advisors, or my own opinion based on my knowledge, experience, and information concerning the Debtors' operations and financial condition. I am authorized to submit this Declaration on behalf of the Debtors. If called to testify, I could and would testify competently to the matters set forth in this Declaration.

5. As set forth in the First Day Declaration, effluent leachate is a toxic and contaminated liquid that is generated from landfills. As the owner and operator of a landfill (the "Landfill"), the Debtors undertake the removal of the effluent leachate generated by the Landfill. The increase in costs for the removal and treatment of the effluent leachate without a corresponding increase in revenue left the Debtors in an impossible financial position and necessitated the filing of the Chapter 11 Cases.

6. As additionally set forth in the First Day Declaration, the Debtors have a contract with Swift Creek Renewables, LLC ("SCR") pursuant to which SCR takes the methane gas from the Landfill, treats it accordingly, sells the gas through a network of natural gas pipelines, and pays the Debtors a royalty.

7. The Debtors filed these Chapter 11 Cases with the intention of pursuing a sale process in an effort to maximize the value of the Debtors' assets while providing for the continued operation and closure of the Landfill through a new party to replace the Debtors as the owner and operator of the Landfill. Alternatively, the Debtors attempted to negotiate a business

resolution with SCR and other parties that would allow the Debtors to return to profitability and ultimately reorganize.

8. On the Petition Date, the Debtors filed standard "first day motions" to permit them to operate efficiently during the Chapter 11 Cases including without limitation, *Debtors' Motion for Entry of Interim and Final Orders Pursuant to Sections 105, 361, 362, 363, 364, 503, 506, 507 and 552 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to (A) Use Cash Collateral, (B) Obtain Senior Secured Superpriority Postpetition Financing and Granting Liens and Superpriority Administrative Claims, and (C) Provide Adequate Protection, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* [Docket No. 15] (the "DIP Motion").

9. On June 4, 2025, the Court entered an interim order approving the DIP Motion on an interim basis [Docket No. 42] (the "First Interim DIP Order").

10. On July 2, 2025, the Court entered a second interim order approving the DIP Motion on further interim basis [Docket No. 146] (the "Second Interim DIP Order").

11. On June 11, 2025, the Debtor filed *Debtors' Motion for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of the Debtors' Assets, (B) Approving Certain Bid Protections in Connection with the Debtors' Entry into a Stalking Horse Agreement, (C) Scheduling the Auction and Sale Hearing, (D) Approving the Form and Manner of Notice thereof, and (E) Granting Related Relief; and (II) an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of all Encumbrances; and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases* [Docket No. 67] (the "Bidding Procedures Motion").

12. On July 1, 2025, the Court entered an order approving the Bidding Procedures Motion [Docket No. 139].

13. On June 18, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Rejection of Executory Contract with Swift Creek Renewables, LLC and (II) Granting Related Relief* [Docket No. 85].

14. Since the Debtors filed petitions initiating the Chapter 11 Cases, I have actively worked on parallel paths to stabilize the Debtors' estates to allow for a sale process for the landfill owned by the Debtors while simultaneously attempting to work out a long-term resolution with SCR and other parties.

15. At this juncture, despite the Debtors' extensive marketing efforts, it does not appear that there is a reasonable likelihood of a sale of the Landfill to a new owner and operator.

16. Moreover, I have spent considerable time and energy attempting to negotiate a long-term resolution among various parties that could have led to a plan of reorganization and a path forward for the Debtors. However, those negotiations reached an impasse.

17. Pursuant to the DIP Credit Agreement (as defined in the DIP Motion) and the Second Interim DIP Order, a Milestone (as defined in the DIP Motion) that the Debtors are required to satisfy is to have entered into and delivered a fully executed and binding Acceptable Stalking Horse Purchase Agreement (as defined in the DIP Motion) to Volunteer Enterprises, LLC (the "DIP Lender") by July 31, 2025. The Debtors have no prospects for a stalking horse bidder and the Debtors will be in default of such Milestone as of July 31, 2025.

18. Furthermore, the Debtors have been informed by the DIP Lender that the Debtors will not receive any further funding for the Chapter 11 Cases from the DIP Lender since there is not a reasonable likelihood of a sale in the near term nor does there appear to be a viable path to a resolution that would allow for a return to profitability.

19. Based on the foregoing, unfortunately despite the Debtors' best efforts, the Chapter 11 Cases have not progressed as the Debtors intended, and the Debtors' present financial situation makes it untenable for the Chapter 11 Cases to remain in chapter 11 for the reasons set forth herein. Simply put, the Debtors are running out of money and without further funding the Chapter 11 Cases will quickly become administratively insolvent.

20. Accordingly, it is my business judgment that it is in the best interest of the Debtors' estates, the Debtors' creditors, and all applicable stakeholders that the Chapter 11 Cases be converted to cases under chapter 7 of the Bankruptcy Code.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: July 24, 2025
New York, New York

*/s/ Steven F. Agran*
Steven F. Agran