IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Yardbird Group LLC, *et al.*,[1]	Case No. 26-11479 (BLS)
Debtors.	(Jointly Administered)
	Re: Docket Nos. 14 & 66

DEBTORS' REPLY IN SUPPORT OF DEBTORS' MOTION FOR ENTRY OF ORDERS (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (B) DESIGNATING THE STALKING HORSE BIDDER, (C) SCHEDULING AN AUCTION AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, (E) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (F) GRANTING RELATED RELIEF; AND (II)(A) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (B) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully submit this reply (the "Reply") to the *Limited Objection* [Docket No. 66] (the "Objection") filed by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") to the *Debtors' Motion for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (B) Designating the Stalking Horse Bidder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Yardbird Group LLC (7139); Southern Operations, LLC (5384); Yardbird Beverly Hills, LLC (9735); Yardbird DFW, LLC (2545); Yardbird DC, LLC (2651); Yardbird Chicago, LLC (6273); Yardbird Denver LLC (8819), YB Las Vegas, LLC (4071), Yardbird DFW Management LLC (8949), Yardbird DFW Concession LLC (1952), and The Bird Singapore LLC (8264). The location of the Debtors' service address in these chapter 11 cases is 3355 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

and Manner of Notice Thereof, and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 14] (the "Motion").[2]

In support of the Motion, the Debtors rely upon (i) the *Declaration of Vineet ("Vin") Batra in Support of Debtors' Motion for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (B) Designating the Stalking Horse Bidder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 15] (the "First Batra Declaration") and (ii) the *Declaration of Vineet ("Vin") Batra in Support of Expense Reimbursement*, attached hereto as **Exhibit A** (the "Second Batra Declaration"), and respectfully state as follows:

PRELIMINARY STATEMENT

1. Through the Motion, the Debtors seek approval of Bidding Procedures designed to maximize the value of the Debtors' Assets and minimize claims against the Debtors' estates. Central to these value-maximizing Bidding Procedures is the Stalking Horse Bid, which provides a floor for the value of the Assets and will enable the Debtors to preserve their go-forward business. The Stalking Horse Bid, of which the Expense Reimbursement is integral, was the product of protracted, arms'-length negotiations between the Debtors and the Stalking Horse Bidder; through

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

concessions received from, and the DIP Facility provided by, the Stalking Horse Bidder and its affiliates, and through the competitive process provided for by the Stalking Horse Bidder's baseline bid, the Expense Reimbursement provides an actual and necessary benefit to the Debtors' estates.

2. Through its Objection, the U.S. Trustee seeks to deny the Stalking Horse Bidder its bargained-for Expense Reimbursement. Such Objection is based on a false premise: because the Stalking Horse Bidder's affiliate was the Debtors' prepetition lender, the Stalking Horse Bidder does not require the inducement provided by the Expense Reimbursement. This argument ignores the circumstances of these Chapter 11 Cases and seeks to transform the administrative expense jurisprudence developed in *In re O'Brien Env't Energy, Inc.* into a *per se* prohibition on providing bid protections to prepetition lenders acting as stalking horse bidders by changing the "actual and necessary" standard into an actual cause standard (*i.e.*, expense reimbursement is only appropriate where, "but for" the expense reimbursement, the stalking horse bidder would not have bid).

3. As more fully discussed below, the Expense Reimbursement was necessary to induce the Stalking Horse Bidder to complete diligence different in kind from its prior diligence as a lender, to provide a floor for the Debtors' sale process, and to maintain its bid in the face of competitive bidding. Further, the amount of the Expense Reimbursement is both reasonable in amount and comports with expense reimbursements approved in comparable chapter 11 cases. The benefits to the Debtors' estates received by provision of the Expense Reimbursement are embodied in the binding Stalking Horse APA which assumes virtually all ordinary course of business claims necessary for the Debtors' go-forward business.

4. Accordingly, the Debtors submit that the Court should overrule the U.S. Trustee's Objection and approve the Expense Reimbursement in connection with the Motion and the Bidding Procedures Order.

REPLY

A. The Proposed Expense Reimbursement Is Appropriate Under the *O'Brien* Factors.

5. "[T]he determination whether [expense reimbursement is] allowable under § 503(b) must be made in reference to general administrative expense jurisprudence. In other words, the allowability of [expense reimbursement], like that of other administrative expenses, depends upon the requesting party's ability to show that the fees were actually necessary to preserve the value of the estate." *Calpine Corp. v. O'Brien Env't Energy, Inc. (In re O'Brien Env't Energy, Inc.)*, 181 F.3d 527, 535 (3d Cir. 1999); *see also In re Reliant Energy Channelview LP*, 594 F.3d 200, 206 (3d Cir. 2010) (holding that in determining whether to approve bid protections, a court "must decide whether an aware of [such protections] was necessary to preserve the value of the Debtors' estate").

6. Section 503(b)(1)(A) of the Bankruptcy Code provides that "[a]fter notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including—(1)(A) the actual, necessary costs and expenses of preserving the estate. . . ." 11 U.S.C. § 503(b)(1)(A).

7. The Third Circuit, expanding on *O'Brien* and *Reliant Energy*, stated that bidding protections can provide an actual and necessary benefit to a debtor's estate: *first*, bidding protections can benefit the debtor's estate where such protections "promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited"; *second*, bidding protections can provide an actual and necessary benefit where such protections "induce a bidder to research the value of the debtor and convert the

value to a dollar figure on which other bidders can rely," in turn "increasing the likelihood that the price at which the debtor is sold will reflect its true worth"; and *third*, bidding protections can provide an actual and necessary benefit to the debtor's estate by ensuring that "a bidder adhered to its bid rather than abandoning its attempt to purchase" in the face of competitive bidding. *In re Energy Future Holdings Corp.*, 904 F.3d 298, 313–14 (3d Cir. 2018) (internal quotations omitted). Ultimately, the Court should review the totality of the circumstances and determine, as the Debtors argue, that the bid protections' benefit to the Debtors' estates outweigh the costs of such protections. *See Id.* at 314. Accordingly, the proposed bid protections are "actually necessary to preserve the value of the estate" and are entitled to administrative expense priority. *Id.*

8. The Expense Reimbursement provides an actual, necessary benefit to the Debtors' estates and therefore satisfies the standard of approval established by the Third Circuit in *O'Brien* and its progeny. Specifically, the Expense Reimbursement was necessary to induce the Stalking Horse Bidder to enter into the Stalking Horse APA, was necessary to induce the Stalking Horse Bidder to provide the incremental liquidity—through the DIP Facility—needed to fund these Chapter 11 Cases, and is necessary to induce the Stalking Horse Bidder to adhere to its bid and to hold its bid outstanding in the face of other bids.

9. *First*, the Debtors recognized from the outset of discussions with the Stalking Horse Bidder that significant expenditures of time, energy, and resources would be required from the Stalking Horse Bidder to prepare and negotiate the Stalking Horse Bid, the Stalking Horse APA, the Bidding Procedures, and the Bidding Procedures Order, including fees incurred by the Stalking Horse Bidder's counsel. Batra Decl. ¶ 5. Following extensive, arms'-length negotiations with the Stalking Horse Bidder, the Debtors, in the exercise of their business judgment, agreed to provide the Expense Reimbursement to the Stalking Horse Bidder to induce the Stalking Horse Bidder's

expenditure of time and money performing the necessary due diligence to make its Stalking Horse Bid. Batra Decl. ¶¶ 4–5.

10. The Stalking Horse Bidder's diligence requirements were not met by virtue of the Stalking Horse Bidder's prepetition relationship with the Debtors. To prepare to own, rather then lend against, the Debtors' Assets, the Stalking Horse Bidder performed extensive additional diligence related to the Debtors' Assets, the operation of the Debtors' business, the risks associated with ownership of such Assets and business, and the risks and uncertainties inherent in these Chapter 11 Cases. Batra Decl. ¶ 6. Specifically, regarding ownership of the Debtors' Assets, the Stalking Horse Bidder was required to conduct diligence into insurance, permitting, food and safety regulations, liquor licenses, international and casino related operations, employer liability, and vendor contracts and relationships. Such diligence required the retention of specialized bankruptcy and transaction counsel.

11. Moreover, the time, money, and effort expended by the Stalking Horse Bidder in preparing its Stalking Horse Bid meant that other potential transactions were required to be put aside or missed. Accordingly, the Stalking Horse Bidder was unwilling to serve as the Debtors' stalking horse without the Expense Reimbursement designed to compensate the Stalking Horse Bidder for both its hard costs in submitting its bid and the opportunity costs incurred thereby.

12. *Second*, the Debtors recognized from the outset of their interactions with the Stalking Horse Bidder that the Expense Reimbursement was necessary to induce the Stalking Horse Bidder's affiliates to provide incremental liquidity through the DIP Facility, including new money in the amount of $1.8 million. Batra Decl. ¶¶ 4, 8. The DIP Facility is necessary to fund these Chapter 11 Cases and the Debtors' sale and marketing process. Without access to the DIP Facility, the Debtors would be unable to canvas the market for a topping bid or otherwise maximize

the value of the Debtors' Assets. Batra Decl. ¶ 8. Additionally, the Stalking Horse Bid provides operational stability by indicating to the Debtors' counterparties and constituencies that the Debtors' business will continue on a go-forward basis. *Id.*

13. The Stalking Horse Bidder viewed the Expense Reimbursement as central, not only to its Stalking Horse Bid, but also to its agreement to extend, through its affiliates, the DIP Facility, which the Stalking Horse Bidder viewed as part and parcel with the Stalking Horse Bid. Because the Stalking Horse Bidder viewed the Stalking Horse Bid and the DIP Facility as a "package deal," the Debtors were able to negotiate various concessions from the Stalking Horse Bidder and its affiliates in exchange for the Expense Reimbursement. These concessions included, *inter alia*, less onerous financial covenants, no break-up fee in the Stalking Horse APA, waiver of the DIP Facility's exit fee if the Stalking Horse Bidder is the Successful Bidder, and greater variances allowable under the DIP Facility. Such concessions have already conferred an actual benefit to the Debtors' estates.

14. The Expense Reimbursement was actually necessary to preserve and enhance the value of the Debtors' estates and benefitted the Debtors' estates by incentivizing the Stalking Horse Bidder to perform due diligence on the Debtors' Assets, convert such diligence into a baseline bid price against which other bidders can rely, and commit to maintain its Stalking Horse Bid throughout the auction and sale process. *See O'Brien*, 181 F.3d at 537 ("As we have recognized, such a benefit could be found if assurance of [bid protections] promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited.").

15. *Third*, the Stalking Horse Bidder has committed to maintain its Stalking Horse Bid through a competitive bidding and auction process which will subject its bid to higher or otherwise

better offers. Without a binding bid for the Debtors' Assets and the concomitant DIP Facility, the Debtors would have lost the opportunity to solicit higher or otherwise better offers for the Debtors' Assets. Batra Decl. ¶¶ 4, 7. Additionally, the Debtors would have lost the downside protection afforded by the Stalking Horse Bid and the Stalking Horse Bidder's commitment to serve as a back-up bidder in the event of a topping bid. *See* Batra Decl. ¶¶ 8–9. Accordingly, the Expense Reimbursement was "necessary to induce [the Stalking Horse Bidder] to adhere to its bid" and provides a benefit to the Debtors' estates by ensuring the Stalking Horse Bidder "remains committed to its purchase." *Reliant Energy*, 594 F.3d at 206, 208.

16. Accordingly, the Debtors submit that the Expense Reimbursement has provided and will provide an actual and necessary benefit to the Debtors' estates under section 503(b)(1)(A) of the Bankruptcy Code and the reasoning of the Third Circuit in *O'Brien*, *Reliant Energy*, and *Energy Future Holdings*, and this Court should approve the Expense Reimbursement.

B. The Proposed Expense Reimbursement Is Reasonable and Appropriate.

17. The Stalking Horse Bid is comprised primarily of a credit bid of "the outstanding DIP Obligations and obligations under the Prepetition Facilities (or such lesser amount of DIP Obligations and obligations under the Prepetition Facilities then outstanding, excluding indemnities, expenses and agency fees)" in the amount of approximately $15 million. Stalking Horse APA § 3.1. The Expense Reimbursement of $275,000—less than two percent (2%) of the Stalking Horse Bid—is fair and reasonable in relation to the significant diligence performed by the Stalking Horse Bidder and the risk entertained by the Bidding Procedures' competitive process.

18. Courts in this District have repeatedly and routinely approved similar Expense Reimbursement provisions in comparable chapter 11 cases. *See, e.g.*, *In re Clearside Biomedical, Inc.*, No. 25-12109 (TMH) (Bankr. D. Del. Dec. 19, 2025) [Docket No. 92] (approving expense reimbursement of approximately 2.5% of the cash purchase price); *In re Charter School Capital,*

Inc., No. 25-11016 (CTG) (Bankr. D. Del. July 14, 2025) [Docket No. 108] (approving expense reimbursement approximately equal to 2% of the cash purchase price); *In re Danimer Scientific, Inc.*, No. 25-10518 (MFW) (Bankr. D. Del. May 7, 2025) [Docket No. 292] (approving expense reimbursement of approximately 2.5% of the cash purchase price); *In re Zurvita Holdings, Inc.*, No. 24-12823 (MFW) (Bankr. D. Del. Jan. 14, 2025) [Docket No. 69] (approving expense reimbursement approximately equal to 10% of stalking horse credit bid); *In re Biolase, Inc.*, No. 24-12245 (KBO) (Bankr. D. Del. Oct. 17, 2024) [Docket No. 115] (approving expense reimbursement equal to 3% of the cash consideration).

19. Moreover, the diligence required of the Stalking Horse Bidder was different in both scope and kind from the diligence it completed as a prepetition lender. In such circumstances, Courts in this District have permitted provision of Expense Reimbursement and other bid protections to prepetition lenders acting as a stalking horse in comparable chapter 11 cases. *See, e.g.*, *In re Ideanomics, Inc.*, No. 24-12728 (CTG) (Bankr. D. Del. Jan. 8, 2025) [Docket No. 119] (approving, over the objection of the U.S. Trustee, expense reimbursement where stalking horse bidder was both the prepetition and DIP lender); *In re Solar Biotech, Inc.*, No. 24-11402 (LSS) (Bankr. D. Del. Jul. 23, 2024) [Docket No. 123] (approving expense reimbursement, following objection of U.S. Trustee, where stalking horse bidder was also a prepetition noteholder); *In re Vesta Holdings, LLC*, No. 22-11019 (LSS) (Bankr. D. Del. Dec. 7, 2022) [Docket No. 158] (approving expense reimbursement where stalking horse bidder was an affiliate of prepetition lenders); *In re EYP Group Holdings, Inc.*, No. 22-10367 (MFW) (Bankr. D. Del. May 11, 2022) [Docket No. 81] (approving expense reimbursement and break-up fee for stalking horse bidder that also served as prepetition term lender and DIP lender).

20. In light of the foregoing, the Debtors believe that the amount of the Expense

Reimbursement is reasonable and consistent with reimbursement approved in comparable chapter 11 cases, and should be approved by the Court.

C. The Remainder of the U.S. Trustee's Objections Lack Merit.

21. In addition to its wholesale objection to the Expense Reimbursement, the U.S. Trustee also (i) seeks imposition of review procedures for such Expense Reimbursement and (ii) objects to the Expense Reimbursement receiving superpriority administrative expense. Each objection is unnecessary.

22. Regarding review procedures for the Expense Reimbursement, the Stalking Horse APA already provides for such review by the Debtors in section 10.2 therein, which limits the Expense Reimbursement to the "reasonable and documented costs and out-of-pocket expenses incurred by Buyer." As an estate fiduciary, the Debtors are well-positioned—and indeed required—to review and, if necessary, object to any unnecessary Expense Reimbursement request. Courts in this District routinely approve expense reimbursement requests without subjecting such reimbursement to U.S. Trustee or committee review. *See, e.g.*, *In re Charter School Capital, Inc.*, No. 25-11016 (CTG) (Bankr. D. Del. July 14, 2025) [Docket No. 108] (approving expense reimbursement for stalking horse bidder without providing review of the U.S. Trustee or committee); *In re Zurvita Holdings, Inc.*, No. 24-12823 (MFW) (Bankr. D. Del. Jan. 14, 2025) [Docket No. 69] (approving expense reimbursement without providing for review of the U.S. Trustee or committee); *In re EYP Group Holdings, Inc.*, No. 22-10367 (MFW) (Bankr. D. Del. May 11, 2022) [Docket No. 81] (approving expense reimbursement without providing for review of the U.S. Trustee or committee).

23. Regarding the U.S. Trustee's objection to the Expense Reimbursement's superpriority administrative expense status, the Bidding Procedures Order contemplates only that the Expense Reimbursement be accorded administrative expense priority. *See* Bidding Procedures

Order ¶ 12. The Debtors are not requesting and do not intend to seek superpriority administrative expense status for the Expense Reimbursement.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) overrule the Objection and (ii) enter the Bidding Procedures Order, substantially in the form attached to the Motion as Exhibit A, and grant further relief as may be just and proper.

Dated: October 7, 2026
Wilmington, Delaware

POTTER ANDERSON & CORROON LLP

/s/ M. Blake Cleary

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Proposed Counsel for Debtors and Debtors in Possession

EXHIBIT A

Batra Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Yardbird Group LLC, *et al.*,[1]	Case No. 26-11479 (BLS)
Debtors.	(Jointly Administered)

DECLARATION OF VINEET ("VIN") BATRA
IN SUPPORT OF EXPENSE REIMBURSEMENT

I, Vineet ("Vin") Batra, hereby declare as follows under penalty of perjury:

1. I am a senior managing director of Soravine Advisors LLC ("Soravine"), a boutique investment bank with deep expertise in restaurant restructurings, M&A and financings. Soravine is the proposed investment banker for the debtors and debtors in possession (collectively, the "Debtors" or the "Company") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). I am authorized to submit this declaration (the "Declaration") on behalf of Soravine.

2. I submit this Declaration in further support of the *Debtors' Motion for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (B) Designating the Stalking Horse Bidder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Approving the Assumption and Assignment of*

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Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 14] (the "Motion")[2] and in response to the *Limited Objection* [Docket No. 66] filed by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee").

3. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge of the Company's operations and finances gleaned during the course of my engagement with the Company, my discussions with the Debtors' senior management and advisors, as well as my review of relevant documents and/or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If called to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, discussions, review of documents, and/or opinion. The Debtors have authorized me to submit this Declaration.

EXPENSE REIMBURSEMENT

4. As set forth in the First Batra Declaration in support of the Motion, I was involved in the negotiations with the Stalking Horse Bidder leading to the execution of the Stalking Horse APA and the related DIP Facility. During these negotiations with the Stalking Horse Bidder and its counsel, the Stalking Horse Bidder made clear that it would not execute the Stalking Horse APA or provide the DIP Facility but for the expense reimbursement provision (the "Expense Reimbursement") contained in section 10.2 of the Stalking Horse APA. The Expense Reimbursement requires that the Debtors pay the Stalking Horse Bidder's reasonable and documented fees and out-of-pocket expenses in an amount not to exceed $275,000 in the event

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that the Stalking Horse Bidder is not the Successful Bidder. The Expense Reimbursement was a condition precedent to the Stalking Horse Bidder's entry into the Stalking Horse APA and provision of the DIP Facility. Upon information and belief, the Stalking Horse Bidder would not have submitted the Stalking Horse Bid without the condition that it be paid the Expense Reimbursement in the event of a topping bid. Therefore, the Expense Reimbursement was required to induce the Stalking Horse Bidder to submit the Stalking Horse Bid, enter into the Stalking Horse APA, and provide the DIP Facility.

5. It is my opinion, based upon my experience on both the buy-side and the sell-side of restructuring transactions, both in- and out-of-court, that reimbursement of expenses is often necessary to induce stalking horse bidders to expend the time, energy, and money to complete their diligence and submit their bid; such expense reimbursement often compensates the stalking horse purchaser for its hard costs. By incentivizing the Stalking Horse Bidder to complete its diligence and submit the Stalking Horse Bid, the Expense Reimbursement successfully induced the Stalking Horse Bidder to set the floor for higher or otherwise better bids while allowing the Debtors to continue to market, identify, and negotiate with other potential bidders for the sale of the Debtors' Assets.

6. Upon information and belief, the Stalking Horse Bidder's diligence was not previously completed as a result of being a prepetition lender to the Debtors. To the contrary, the Stalking Horse Bidder required significant diligence data from the Debtors and time to complete it, including with respect to the Stalking Horse APA, prior to agreeing to finalize its Stalking Horse Bid and executing the Stalking Horse APA.

7. As a result of the Stalking Horse Bidder's funding of (through its affiliates) and participation in a sale process, the Debtors are able to run a value-maximizing process for the

benefit of the Debtors' estates. In my opinion, and based upon the facts and circumstances of these Chapter 11 Cases, the Stalking Horse Bidder's contributions to these Chapter 11 Cases were actual and necessary to preserve and enhance the value of the Debtors' Assets for the benefit of the Debtors' estates and stakeholders.

8. The Stalking Horse Bidder's submission of the Stalking Horse Bid and provision of the DIP Facility enabled the Debtors to file these Chapter 11 Cases and seek the highest or otherwise best bid for the Debtors' Assets. In my experience, without the Stalking Horse Bidder's involvement as both stalking horse and DIP lender, the Debtors would likely have had no alternative but to commence chapter 7 cases, wherein the Debtors' Assets would have sold for less than what might be achieved through the auction and sale process contemplated by these Chapter 11 Cases—a process which was only made possible by the Stalking Horse Bidder's participation as both the DIP lender and the stalking horse in an integrated transaction. I believe the Stalking Horse Bid—induced by the Expense Reimbursement—provides material and necessary benefits to the Debtors' estates in the form of significant operational stability and downside protection. Specifically, without a going-concern purchaser in hand, it is likely that the Debtors' many counterparties and stakeholder constituencies—including vendors, employees, licensees—would cease to support the Debtors, destroying the Debtors' going-concern value to the detriment of all stakeholders and weakening the Yardbird brand. Further, any liquidation transaction would likely result in an increased claims pool.

9. Based on my experience, stalking horse bidders are entitled to appropriate, bargained-for bid protections, including expense reimbursement, where those protections induce the stalking horse to expend time, energy, and money necessary to formulate a baseline bid upon which potential bidders can rely. Thus, the Stalking Horse Bidder's efforts provided an actual and

necessary benefit to the Debtors' estates by providing confidence to competing bidders that the Stalking Horse Bid reflects the floor value for the Debtors' Assets and by providing downside protection in the event no greater bid is forthcoming. This benefit to the estates more than outweighs the limited costs associated with the Expense Reimbursement.

10. The Expense Reimbursement of $275,000 is less than two percent (2%) of the Stalking Horse Bid of approximately $15 million. This amount is reasonable under the circumstances and within the range approved by Delaware bankruptcy courts in comparable chapter 11 cases. Therefore, for this reason, the other reasons set form in this Declaration, and based upon the record of these Chapter 11 Cases, I believe that the Court should approve payment of the Expense Reimbursement to the Stalking Horse Bidder.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: October 7, 2026

Respectfully submitted,

/s/ Vineet ("Vin") Batra
Vineet ("Vin") Batra
Senior Managing Director