

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

<p>In re:</p> <p>AFH AIR PROS, LLC, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>Chapter 11</p> <p>Case No. 25-10356 (PMB)</p> <p>(Jointly Administered)</p>
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**EMERGENCY MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER
AUTHORIZING (I) THE DEBTORS TO PAY PREPETITION TAXES AND
REGULATORY FEES IN THE ORDINARY COURSE OF BUSINESS AND
(II) BANKS AND FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
CHECKS AND TRANSFERS RELATED THERETO**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), submit this motion (the “Motion”) for entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the “Interim Order”), and a final order, substantially in the form attached hereto as **Exhibit B** (the “Final Order”, and together with the Interim Order, the “Proposed Orders”), pursuant to sections 105(a), 363, 507(a), 1107 and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), Rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 9006-2, 9013-1, and 9013-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Georgia (the “Local Rules”), (i) authorizing the Debtors to pay certain prepetition taxes and regulatory fees in the ordinary course of business and (ii) authorizing banks and other financial institutions at which the Debtors hold accounts (collectively, the “Banks”) to honor and process checks and electronic transfer requests related to the foregoing. In support of the relief requested in this Motion, the

¹ The last four digits of AFH Air Pros, LLC’s tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the proposed claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Plantation, Florida 33020.



Debtors rely upon and incorporate by reference the *Declaration of Andrew D.J. Hede in Support of Chapter 11 Petitions and First Day Pleadings* (“First Day Declaration”) filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Northern District of Georgia (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are sections 105(a), 363, 507(a), 1107, and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004(h), Local Rules 9006-2, 9013-1, and 9013-2, and the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the “Complex Case Procedures”).

BACKGROUND

A. The Chapter 11 Cases

3. On March 16, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court.

4. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. No official committee has been appointed in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), and no request has been made for the appointment of a trustee or an examiner.

6. Additional information regarding the Debtors' businesses, capital structure, and the circumstances leading to the filing of these Chapter 11 Cases is set forth in the First Day Declaration.

B. The Debtors' Taxes and Regulatory Fees

7. In connection with the normal operations of their businesses, the Debtors pay income and franchise taxes, property taxes, sales and use taxes, business license fees, regulatory fees, and other taxes and fees (collectively, the "Taxes and Fees")² to certain state and local taxing and regulatory authorities (collectively, the "Taxing and Regulatory Authorities"), including, but not limited to, those Taxing and Regulatory Authorities listed on Exhibit C attached hereto.³ Some Taxes and Fees may have accrued prior to the Petition Date but are not yet due and owing to the applicable Taxing and Regulatory Authorities. The Debtors are requesting authority to pay Taxes and Fees, including any prepetition amounts due and owing and any prepetition amounts that may come due in the ordinary course of business during these Chapter 11 Cases.

8. Income and Franchise Taxes. Among other Taxes and Fees, the Debtors are responsible for federal and state income taxes and annual franchise tax obligations that must be paid to certain Taxing and Regulatory Authorities in jurisdictions where the Debtors operate or are authorized to do business. Franchise taxes are assessed annually, with payments due monthly, and must be paid to maintain the Debtors' status as operating in good standing. As of the Petition Date, the Debtors believe they are current on their income tax and franchise tax obligations and do not

² Payroll, withholding, and other employee-related tax obligations are separately addressed in the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay (A) All Prepetition Employee Obligations and (B) Prepetition Withholding Obligations, and (II) Directing Banks to Honor Related Transfers* filed contemporaneously herewith.

³ Inclusion of a Taxing and Regulatory Authority on Exhibit C does not constitute an acknowledgement by the Debtors that the Debtors owe any obligation to such authority or that such authority will be paid pursuant to any order entered on this Motion.

believe that any amounts are due and owing to the Taxing and Regulatory Authorities on account of the Debtors' prepetition income tax or franchise tax obligations. Additional income tax and franchise tax obligations may have accrued prior to the Petition Date but are not yet due and owing. The Debtors request authority to continue their usual practice of paying income taxes and franchise taxes, including any amounts that may be due and owing on account of any prepetition period, if any, in the ordinary course of business during these Chapter 11 Cases.

9. Sales and Use Taxes. In the ordinary course of their business, certain of the Debtors incur state and/or local sales taxes in connection with the sale of products, such as equipment and parts utilized by the Debtors in the installation and maintenance of HVAC systems for customers. As of the Petition Date, the Debtors estimate that they have outstanding sales tax obligations of approximately \$368,000, all of which is or will likely become due in the first 30 days of these Chapter 11 Cases.

10. Personal Property Taxes. State and local laws in many jurisdictions where the Debtors operate require the Debtors to pay taxes on account of personal property. The Debtors do not believe that any personal property tax obligations are currently due or outstanding as of the Petition Date. However, personal property taxes have likely accrued prior to the Petition Date but will not become due and payable until after the Petition Date. Accordingly, the Debtors request authority to continue their usual practice of paying any such personal property taxes, including any amounts that may be due and owing on account of any prepetition period, if any, in the ordinary course of business during these Chapter 11 Cases.

11. License Fees. In connection with the Debtors' businesses, the Debtors are required to maintain certain licenses and certifications for servicing, maintaining, repairing, and disposing of HVAC equipment. Some states also require the applicable Debtors to maintain specific HVAC contractor licenses. As such, the Debtors must obtain and maintain a variety of licenses and

certifications, each of which requires payment of licensing and/or regulatory fees in connection therewith. Although the Debtors do not believe that any licensing and regulatory fees are outstanding as of the Petition Date, the Debtors request authority to continue their usual practice of paying any such licensing and regulatory fees, including any amounts that may be due and owing on account of any prepetition period, if any, in the ordinary course of business during these Chapter 11 Cases.

12. Permit Fees. In connection with the Debtors' business, the Debtors are required to obtain various permits from applicable state and local governmental authorities, including permits necessary for installation of HVAC systems for customers, among other permits. Typically, the fees and costs associated with such permits (the "Permit Fees") are paid for at the time of the application. In some jurisdictions, however, additional Permit Fees may be due, including upon issuance of the permit, job completion and inspection completion, or in the event a permit needs to be renewed or extended. The specific Permit Fees and timing of payment of Permit Fees vary among the applicable regulatory authorities. As of the Petition Date, the Debtors estimate that they have outstanding obligations of approximately \$500,000 on account of Permit Fees. The Debtors request authority to continue to pay Permit Fees in the ordinary course of business as such Permit Fees become due and payable, including any Permit Fees incurred or arising prior to the Petition Date.

RELIEF REQUESTED

13. The Debtors request entry of the Proposed Order (i) authorizing the Debtors to (a) pay prepetition Taxes and Fees owed to the Taxing and Regulatory Authorities and continue paying any such Taxes and Fees as they come due in the ordinary course of business during these Chapter 11 Cases, (b) honor all checks that remain uncashed prior to the Petition Date or that are otherwise returned by a Taxing and Regulatory Authority, and (c) pay Taxes and Fees

subsequently determined upon audit to be owed for periods prior to the Petition Date; and (ii) authorizing the Banks, when requested by the Debtors in their sole discretion, to receive, process, honor, and pay any checks or electronic transfers with respect to such Taxes and Fees, provided that sufficient funds are available in the applicable accounts to make such payments.⁴

14. For the avoidance of doubt, the authority requested by this Motion (i) would be discretionary, allowing the Debtors to elect to pay Taxes and Fees as to which their officers and directors may have personal liability in the event of nonpayment by the Debtors, before other Taxes and Fees, (ii) would be without prejudice to the Debtors' rights to contest the amount of any Taxes and Fees on any grounds they deem appropriate, and (iii) would extend to the payment of Taxes and Fees relating to tax audits that have been completed, are in progress, or arise from prepetition periods.

BASIS FOR RELIEF

15. The relief requested in this Motion is warranted for several reasons, including: (a) certain Taxes and Fees are not property of the estates; (b) governmental entities might sue the Debtors' directors and officers for certain unpaid Taxes and Fees, distracting them unnecessarily from the Debtors' efforts in these chapter 11 cases; (c) portions of the Taxes and Fees may be entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code; (d) section 363 of the Bankruptcy Code gives the Debtors authority to remit payment on account of such Taxes and Fees in the ordinary course of business; and (e) section 105 of the Bankruptcy Code and the Court's general equitable powers permit the Court to grant the relief sought.

⁴ Because each of the checks or electronic transfers is readily identified as relating directly to an authorized payment of prepetition Taxes and Fees, the Debtors believe that checks and electronic transfers for payments that are not authorized will not be honored inadvertently.

16. Section 541(d) of the Bankruptcy Code provides, in relevant part, that “[p]roperty in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate under subsection (a)(1) or (a)(2) of this section only to the extent of the debtor’s legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.” 11 U.S.C. § 541(d).

17. Certain of the Taxes and Fees may constitute so-called “trust fund” taxes to be collected from third parties and held in trust for payment to certain of the Taxing and Regulatory Authorities. *See, e.g., EBS Pension LLC v. Edison Bros. Stores, Inc. (In re Edison Bros., Inc.)*, 243 B.R. 231, 235 (Bankr. D. Del. 2000) (noting that property held in trust, whether constructively or expressly, does not become part of the estate when the debtor files its bankruptcy petition); *see also Shank v. Washington State Dep’t of Revenue (In re Shank)*, 792 F.2d 829, 830 (9th Cir. 1986) (sales tax required by state law to be collected by sellers for their customers is a trust fund tax); *DeChiaro v. New York State Tax Comm’n*, 760 F.2d 432, 433-34 (2d Cir. 1985) (sales taxes are trust fund taxes); *Rosenow v. Illinois*, 715 F.2d 277, 282 (7th Cir. 1983) (use tax is a trust fund tax); *In re Hilaire*, 135 B.R. 186, 191-92 (D. Mass. 1991) (sales tax is a trust fund tax). To the extent these “trust fund” taxes are collected, they are not property of the Debtors’ estates under section 541(d) of the Bankruptcy Code. *See Begier v. IRS*, 496 U.S. 53, 59 (1990); *see also In re Am. Int’l Airways, Inc.*, 70 B.R. 102, 103 (Bankr. E.D. Pa. 1987) (excise and withholding taxes are trust fund taxes), *aff’d*, 1987 U.S. Dist. LEXIS 16856 (E.D. Pa. May 12, 1987); *In re Tap, Inc.*, 52 B.R. 271, 278 (Bankr. D. Mass. 1985) (withholding taxes). The Debtors do not have any equitable interest in these funds. Thus, out of an abundance of caution, the Debtors seek authorization to transfer such non-estate funds.

18. In states that have enacted laws providing that certain of the Taxes and Fees constitute trust fund taxes, officers and directors of the collecting debtor entity may be held

personally liable for nonpayment of such Taxes. *See, e.g., Conway v. United States*, 647 F.3d 228 (5th Cir. 2011) (holding CEO personally liable for failure to ensure that company paid over to IRS prepetition excise taxes that were withheld from airline passengers); *John F. Olson, Director & Officer Liability: Indemnification & Insurance* § 3.21, at 3-20.27 (2008) (“some states hold corporate officers personally liable for any sales tax and penalty owed and not paid by the corporation, regardless of cause”). To the extent any accrued Taxes of the Debtors were unpaid as of the Petition Date, the Debtors’ officers and directors may be subject to lawsuits in such jurisdictions during these chapter 11 cases. Such potential lawsuits would prove extremely distracting for (a) the Debtors, (b) the named officers and directors whose attention to the Debtors’ chapter 11 cases may be required, and (c) this Court, which might be asked to entertain various motions seeking injunctions with respect to the potential state court actions. Thus, it is in the best interest of the Debtors’ estates to eliminate the possibility of the foregoing distraction.

19. It is also likely that a significant portion of the Taxes and Fees are entitled to priority payment status pursuant to section 507(a)(8) of the Bankruptcy Code. *See* 11 U.S.C. § 507(a)(8)(A) (taxes measured on gross income); *id.* at § 507(a)(8)(C) (debtor’s liability in connection with “trust fund” taxes); *id.* § 507(a)(8)(E) (excise taxes).⁵ Under any chapter 11 plan, these priority Taxes and Fees must be paid in full and in regular cash installments over a five-year period from the date of the order for relief. *See id.* at § 1129(a)(9)(C)(i)-(ii). Additionally, such Taxes and Fees must be paid in the order of priority no less favorable than the treatment given to the most favored general unsecured claims. *See id.* at § 1129(a)(9)(C)(iii). Finally, any chapter 11 plan must provide the same treatment for those Taxes and Fees that constitute secured claims that,

⁵ For bankruptcy purposes, a tax is characterized as “(a) [a]n involuntary pecuniary burden, regardless of name, laid upon the individual or property; (b) [i]mposed by, or under authority of the legislature; (c) [f]or the public purposes, including the purposes of defraying expenses of government or undertakings authorized by it; [and] (d) [u]nder the police or taxing power of the state.” *LTV Steel Co., Inc. v. Shalala (In re Chateaugay Corp.)*, 53 F.3d 478, 498 (2d Cir. 1995) (citation omitted).

were they unsecured, would have been priority tax claims under section 507(a)(8) of the Bankruptcy Code. *See id.* at § 1129(a)(9)(D). Thus, in most cases, the payment of the Taxes and Fees that are entitled to such priority in the ordinary course of the Debtors' business only affects the timing of the payment and does not prejudice the rights of other creditors of the Debtors.

20. Courts have also authorized debtors to pay taxes under section 363(b)(1) of the Bankruptcy Code, which provides that “the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” Under this section, a court may authorize a debtor to pay certain prepetition claims. *See In re FV Steel & Wire Co.*, Case No. 04-22421 (Bankr. E.D. Wis. Feb. 26, 2004) (authorizing the continuation of customer programs and the payment of prepetition claims under section 363 of the Bankruptcy Code); *In re UAL Corp.*, Case No. 02-48191 (Bankr. N.D. Ill. Dec. 9, 2002) (authorizing payment of prepetition claims under section 363 of the Bankruptcy Code as an out-of-the-ordinary-course transaction). To use property in the ordinary course of business, “the debtor must articulate some business justification, other than the mere appeasement of major creditors.” *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). Here, the Debtors' failure to pay the Taxes and Fees could have a significant adverse impact on their ability to operate in the ordinary course of business and may result in additional penalties or interest.

21. Finally, section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See* 11 U.S.C. § 105(a). The purpose of section 105(a) is “to assure the bankruptcy courts [sic] power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” *See* 2 Collier on Bankruptcy ¶ 105.01 (16th ed. 2024). Thus, section 105 essentially codifies the bankruptcy court's inherent equitable powers. *See Mgmt. Tech. Corp. v. Pardo*, 56

B.R. 337, 339 (Bankr. D.N.J. 1985) (noting that the court’s equitable power is derived from section 105 of the Bankruptcy Code).

22. Numerous courts have used section 105’s equitable powers under the “necessity of payment doctrine” to authorize payment of a debtor’s prepetition obligations in order to preserve and maximize the value of the debtor’s estates. *See, e.g., Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286, 311-12 (1882) (recognizing the existence of judicial power to authorize a debtor in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor); *see also In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that courts may authorize payment of prepetition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *Ionosphere Clubs*, 98 B.R. at 176-77 (citing *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 528 (1984)); *In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (holding the necessity of payment doctrine permits “immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims shall have been paid”); *In re Just for Feet, Inc.*, 242 B.R. 821, 824-45 (D. Del. 1999) (noting that debtors may pay prepetition claims that are essential to the continued operation of business); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (same).

23. Courts in this district have routinely granted relief similar to that requested herein in other chapter 11 cases. *See, e.g., In re OTB Holding LLC*, Case No. 25-52415 (SMS) (Bankr. N.D. Ga. Mar. 7, 2025) [Docket No. 52]; *In re LaVie Care Centers. LLC*, Case No. 24-55507 (PMB) (Bankr. N.D. Ga. July 10, 2024) [Docket No. 239]; *In re The Krystal Co.*, No. 20-61065 (Bankr. N.D. Ga. Feb. 13, 2020) [Docket No. 158]; *In re Jack Cooper Ventures, Inc.*, No. 19-

62393 (PWB) (Bankr. N.D. Ga. Sept. 3, 2019) [Docket No. 216]; *In re AstroTurf, LLC*, No. 16-41504 (PWB) (Bankr. N.D. Ga. June 29, 2016) [Docket No. 26].

24. For these reasons, authorizing the Debtors to pay, in their discretion, the prepetition Taxes and Fees will avoid serious disruption to their operations that would result from the nonpayment of such Taxes and Fees. Furthermore, nonpayment of these obligations may cause the Taxing and Regulatory Authorities to take precipitous action, including, but not limited to, filing liens, preventing the Debtors from conducting business in applicable jurisdictions, and seeking to lift the automatic stay, all of which could disrupt the Debtors' day-to-day operations, impose significant costs on the Debtors' estates, and destroy the going concern value of the Debtors' business.

**REQUEST FOR IMMEDIATE RELIEF AND WAIVER OF STAY
TO AVOID IMMEDIATE AND IRREPARABLE HARM**

25. The relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein and in the First Day Declaration. Therefore, Bankruptcy Rule 6003 has been satisfied and the relief requested herein should be granted.

26. Bankruptcy Rule 6003 provides that the Court may grant relief within 21 days after the filing of the petition regarding "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" only if such relief is necessary to avoid immediate and irreparable harm. Fed R. Bankr. P. 6003(b). As set forth in the Motion, paying any prepetition Taxes and Fees will avoid serious disruption to the Debtors' operations that would result from the failure to pay such Taxes and Fees, because nonpayment of these obligations may cause the Taxing and Regulatory Authorities to take precipitous action, which could include filing liens, preventing the Debtors from conducting business in applicable jurisdictions, and seeking to lift the automatic stay, each

of which could disrupt the Debtors' day-to-day operations and impose significant costs on the Debtors' estates and destroy the going concern value of the Debtors' business.

27. Additionally, the Debtors further seek a waiver of any stay of the effectiveness of an order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). The relief requested in this Motion is essential to prevent immediate and irreparable damage to the Debtors' operations, going-concern value, and their efforts to pursue a resolution to these Chapter 11 Cases. Accordingly, the 14-day stay under Bankruptcy Rule 6004(h) should be waived.

RESERVATION OF RIGHTS

28. Nothing in the Proposed Orders or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action; or (iv) shall be construed as a promise to pay a claim.

NOTICE⁶

29. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the Northern District of Georgia; (b) the Debtors' prepetition and postpetition lenders and collateral agent; (c) creditors holding the 30 largest unsecured claims against the Debtors; (d) the United States Attorney for the

⁶ Capitalized terms used in the Notice section but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

Northern District of Georgia; (e) the Georgia Department of Revenue; (f) the Internal Revenue Service; (g) the Securities & Exchange Commission; (h) the Georgia Secretary of State; (i) the states attorneys general for states in which the Debtors conduct business; (j) the Taxing and Regulatory Authorities; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

30. No prior request for the relief sought in this Motion has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Proposed Orders granting the relief requested herein and such other and further relief as is just and proper.

Dated: March 16, 2025

Respectfully submitted,

GREENBERG TRAUIG, LLP

/s/ David B. Kurzweil
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*Proposed Counsel for the Debtors and
Debtors in Possession*

Exhibit A

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

Re: Docket No. ____

**INTERIM ORDER AUTHORIZING (I) THE DEBTORS TO PAY PREPETITION
TAXES AND REGULATORY FEES IN THE ORDINARY COURSE OF
BUSINESS AND (II) BANKS AND FINANCIAL INSTITUTIONS TO HONOR
AND PROCESS CHECKS AND TRANSFERS RELATED THERETO**

Upon the *Emergency Motion of the Debtors for Entry of an Order Authorizing (I) the Debtors to Pay Prepetition Taxes and Regulatory Fees in the Ordinary Course of Business and (II) Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto*

¹ The last four digits of AFH Air Pros, LLC's tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Plantation, Florida 33020.

(the “Motion”);² and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances; and this Court having held a hearing (the “Hearing”) to consider the relief requested in the Motion; and upon the First Day Declaration and the record of the Hearing, this Court having determined that there is good and sufficient cause for the relief set forth in this Order; and after due deliberation thereon,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis to the extent provided herein.
2. The Debtors are authorized, but not directed, to pay all prepetition Taxes and Fees to the applicable Taxing and Regulatory Authorities in the ordinary course of business, whether such Taxes and Fees were incurred, accrued, or otherwise arose prior to the Petition Date.
3. The Debtors are authorized to pay any amounts in respect of the Taxes and Fees paid by checks issued prepetition that have not yet cleared on the Petition Date, and to reissue any checks that are otherwise returned by a Taxing and Regulatory Authority.
4. All applicable Banks shall be, and hereby are, authorized, when requested by the Debtors, in their sole discretion, to receive, process, honor and pay all checks or electronic transfers drawn on the Debtors’ accounts to pay the prepetition Taxes and Fees authorized by this Order, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

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

5. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity, priority, or amount of any Taxes or Fees that may be due to any of the Taxing and Regulatory Authorities.

6. Notwithstanding anything to the contrary contained in this Order, any payment, deposit, or other transfer made or to be made under this Order, any authorization contained in this Order, or any claim for which payment is authorized hereunder, shall be subject to the terms and provisions of any orders of this Court approving any debtor-in-possession financing for, or any use of cash collateral by, the Debtors and any approved budget (subject to permitted variances thereto) in connection therewith. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of (a) any such orders approving any debtor-in-possession financing or use of cash collateral or (b) any debtor-in-possession financing agreements and documents related thereto.

7. A final hearing to consider the relief requested in the Motion shall be held on _____, **2025 at ___:___ .m. (prevailing Eastern Time)** and any objections to entry of such order shall be in writing and filed with this Court no later than _____, **2025 at 4:00 p.m. (prevailing Eastern Time)** and served on: (i) the Debtors, c/o Air Pros Solutions, LLC, 150 S. Pine Island Road, Plantation, Florida 33020, Attn: Andrew D.J. Hede (ahede@accordion.com); (ii) proposed counsel to the Debtors, Greenberg Traurig, LLP, Terminus 200, 3333 Piedmont Road, NE, Suite 2500, Atlanta, Georgia 30305, Attn: David B. Kurzweil, Esq. (kurzweild@gtlaw.com) and Matthew A. Petrie (petriem@gtlaw.com); (iii) counsel for the DIP Lenders and the Prepetition Lenders, (a) Latham & Watkins LLP, 330 N. Wabash Avenue, Suite 2800, Chicago, Illinois 60611, Attn: James Ktsanes (james.ktsanes@lw.com), Ebba Gebisa (ebba.gebisa@lw.com), and Whit Morley (whit.morley@lw.com), (b) Latham & Watkins LLP,

1271 Avenue of the Americas, New York, New York 10020, Attn: Nikhil Gulati (nikhil.gulati@lw.com), and (c) Scroggins, Williamson & Ray, P.C., 4401 Northside Parkway, Suite 230, Atlanta, GA 30327 Attn: J. Robert Williamson (rwilliamson@swlawfirm.com); and (iv) the Office of the United States Trustee for Region 21, 362 Richard Russell Building & U.S. Courthouse, 75 Ted Turner Drive, S.W., Atlanta, GA 30303 (Attn: Jonathan S. Adams).

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

9. The requirements of Bankruptcy Rule 6003(b) are satisfied.

10. Notwithstanding any applicable Bankruptcy Rule, this Order shall be effective and enforceable immediately upon entry hereof.

11. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this Order.

END OF DOCUMENT

Prepared and presented by:

GREENBERG TRAURIG, LLP

/s/ David B. Kurzweil

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*Proposed Counsel for the Debtors and
Debtors in Possession*

Exhibit B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

In re:

AFH AIR PROS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10356 (PMB)

(Jointly Administered)

Re: Docket No. ____

**FINAL ORDER AUTHORIZING (I) THE DEBTORS TO PAY PREPETITION
TAXES AND REGULATORY FEES IN THE ORDINARY COURSE OF
BUSINESS AND (II) BANKS AND FINANCIAL INSTITUTIONS TO HONOR
AND PROCESS CHECKS AND TRANSFERS RELATED THERETO**

Upon the *Emergency Motion of the Debtors for Entry of an Order Authorizing (I) the Debtors to Pay Prepetition Taxes and Regulatory Fees in the Ordinary Course of Business and (II) Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto*

¹ The last four digits of AFH Air Pros, LLC's tax identification number are 1228. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at <https://www.veritaglobal.net/AirPros>. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 150 S. Pine Island Road, Plantation, Florida 33020.

(the “Motion”);² and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having jurisdiction to enter a final order consistent with Article III of the United States Constitution; and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and this Court having held a hearing (the “Hearing”) to consider the relief requested in the Motion; and upon the First Day Declaration and the record of the Hearing and the Court having entered an interim order granting the relief requested in the Motion; and good and sufficient cause appearing for the relief set forth in this Order; and after due deliberation thereon,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent provided herein.
2. The Debtors are authorized, but not directed, to pay all prepetition Taxes and Fees to the applicable Taxing and Regulatory Authorities in the ordinary course of business, whether such Taxes and Fees were incurred, accrued, or otherwise arose prior to the Petition Date.
3. The Debtors are authorized to pay any amounts in respect of the Taxes and Fees paid by checks issued prepetition that have not yet cleared on the Petition Date, and to reissue any checks that are otherwise returned by a Taxing and Regulatory Authority.
4. All applicable Banks shall be, and hereby are, authorized, when requested by the Debtors, in their sole discretion, to receive, process, honor and pay all checks or electronic transfers drawn on the Debtors’ accounts to pay the prepetition Taxes and Fees authorized by this Order,

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

whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

5. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity, priority or amount of any Taxes or Fees that may be due to any of the Taxing and Regulatory Authorities.

6. Notwithstanding anything to the contrary contained in this Order, any payment, deposit, or other transfer made or to be made under this Order, any authorization contained in this Order, or any claim for which payment is authorized hereunder, shall be subject to the terms and provisions of any orders of this Court approving any debtor-in-possession financing for, or any use of cash collateral by, the Debtors and any approved budget (subject to permitted variances thereto) in connection therewith. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of (a) any such orders approving any debtor-in-possession financing or use of cash collateral or (b) any debtor-in-possession financing agreements and documents related thereto.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

8. Notwithstanding any applicable Bankruptcy Rule, this Order shall be effective and enforceable immediately upon entry hereof.

9. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this Order.

END OF DOCUMENT

Prepared and presented by:

GREENBERG TRAUIG, LLP

/s/ David B. Kurzweil

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*Proposed Counsel for the Debtors and
Debtors in Possession*

Exhibit C

Schedule of Taxing and Regulatory Authorities

Taxing and Regulatory Authority	Address	Tax Type
Baldwin County	1601 N. Columbia Street Suite 200 Milledgeville, GA 31061	Permit
Broward County Property Appraiser	115 South Andrews Avenue Room 111 Fort Lauderdale, FL 33301	Tangible Personal Property
Building Development City of Plantation, Florida	401 NW 70th Terrace 1st Floor Plantation, FL 33317	Permit
Building Inspection Richardson, TX	2360 Campbell Creek Blvd. Suite 550 Richardson, TX 75082	Permit
Carrollton Building Inspection	1945 E Jackson Rd Carrollton, TX 75006	Permit
Charlotte County Commissioners	18500 Murdock Cir # 536 Port Charlotte, FL 33948	Permit
Citrus County Clerk of Courts, FL	110 N Apopka Ave Inverness FL, 34450	Permit
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City Electric Supply	PO Box 131811 Dallas , TX 75313	Permit
City of Arlington	101 W. Abram St. Arlington TX 76010	Permit
City Of Boynton Beach	100 E Ocean Ave Boynton Beach, FL 33435	Permit
City of Coral Springs	9500 West Sample Road Coral Springs 33065	Permit
City Of Delray Beach	100 NW 1st Avenue Delray Beach, FL 33444	Permit
City of Gulf Shores	1905 W 1st Street. P.O. Box 299 Gulf Shores, AL 36547	Permit

Taxing and Regulatory Authority	Address	Tax Type
City of Miramar	2300 Civic Center Place Miramar, FL 33025	Permit
City of Ocoee - Building Inspections	1 North Bluford Avenue Ocoee, FL 34761	Permit
City Of Prichard Alabama	216 East Prichard Avenue Prichard, AL 36610	Permit
City of Tampa Permit Office	2555 E. Hanna Avenue Tampa, FL 33610	Permit
City of West Palm Beach	401 Clematis Street West Palm Beach, FL 33401	Permit
Colorado Department of Local Affairs Division of Property Taxation	1313 Sherman St # 419 Denver, CO 80203	Tangible Personal Property
Colorado Department of Revenue	1881 Pierce St Lakewood, CO 80214	Sales Tax
Community Development: City of Foley	120 S McKenzie Street Foley, AL 36535	Permit
Dallas Central Appraisal District	2449 N. Stemmons Frwy. Dallas, Texas 75247-6195	Tangible Personal Property
Dallas County Tax Office	500 Elim Street Suite 3300 Dallas, Texas 75202-3304	Property Tax
Davie Building Department	8800 SW 36th St Davie, FL 33328	Permit
Deerfield Beach Building Division	150 NE 2nd Ave Deerfield Beach, FL 33441	Permit
Florida Department of Financial Services Bureau of Collateral Management	200 E Gaines St Tallahassee, FL 32399	License Fee
Florida Department of Revenue	3750 NW 87th Ave # 300, Doral, FL 33178	Sales Tax
Garland Building Inspection	Main Street Municipal Building 800 Main St Garland, TX 75040	Permit
Greenacres City Hall	5800 Melaleuca Lane Greenacres FL 33463	Permit
Highland Beach Building Department	3614 S Ocean Blvd Highland Beach, FL 33487	Permit

Taxing and Regulatory Authority	Address	Tax Type
Inspected.com	1250 S Pine Island Rd Plantation, FL 33324	Permit
Internal Revenue Service	Centralized Insolvency Operation P. O. Box 7346 Philadelphia, PA 19101-7346	Federal Income Tax
Lafourche Parish Assessor	403 St Louis St Thibodaux, LA 70301	Tangible Personal Property
Lee County Tax Collector	PO Box 850 Fort Myers, FL 33902-0850	Tangible Personal Property
Margate City Building Department	901 NW 66th Ave B Margate, FL 33063	Permit
Marion County Administration	601 SE 25th Ave. Ocala, FL 34471	Permit
Martin County Building Department	900 SE Ruhnke St Stuart, FL 34994	Permit
Mobile County Building Permits	1110 N Schillinger Road Suite 100 Mobile, AL 36608	Permit
MuniciPay LLC	10 Dynamic Dr Ste 201 Pine Point, ME 04074-6595	Permit
Muscogee County Tax Commissioner	3111 Citizens Way Columbus, GA 31906	Property Tax
Orange County Property Appraiser	200 S Orange Ave STE 1700 Orlando, FL 32801	Tangible Personal Property
Palm Beach County Building Division	2300 N Jog Rd West Palm Beach, FL 33411	Permit
Palm Beach County Property Appraiser	301 N Olive Ave 5th Floor West Palm Beach, FL 33401	Tangible Personal Property
Parkland Building Department	6600 N University Dr Parkland, FL 33067	Permit
Permitting Services City of Fort Lauderdale, FL	700 NW 19th Avenue Fort Lauderdale, FL 33311	Permit

Taxing and Regulatory Authority	Address	Tax Type
Pikes Peak Regional Building Department	2880 International Circle Colorado Springs, CO, 80910	Permit
Pinellas County	333 Chestnut St. Clearwater, FL 33756	Permit
Plano Municipal Center	1520 K Avenue Plano, TX 75074	Permit
Port City Winnelson Co, Inc.	1618 Industrial Park Cir Mobile, AL, 36693-5648	Permit
Pueblo Regional Building Department	830 N Main St Pueblo, CO 81003	Permit
Revenue Commissioner - Mobile County	3925 Michael Blvd Suite G Mobile, AL 36609	Personal Property
Richardson ISD Tax Office	420 S Greenville Ave Richardson TX 75081	Property Tax
Spokane County Assessor Personal Property Division	1116 W Broadway Avenue Spokane, WA 99260	Tangible Personal Property
St Lucie County Community Development	2300 Virginia Avenue Fort Pierce, FL 34982	Permit
State of Alabama - Department of Revenue	50 N Ripley St Montgomery, AL 36130	Business Privilege Tax
State of Alabama - Department of Revenue	50 N Ripley St Montgomery, AL 36130	Tangible Personal Property
Sumter County Commissioners	8033 E County Rd 466 Lady Lake, FL 32162	Permit
Sunrise Energov	10770 W. Oakland Park Boulevard Sunrise, FL 33351	Permit
Teller County Combined & Clerk of the Court	11400 Highway 24 Divide, CO 80814	Permit
Texas Comptroller of Public Accounts	111 East 17th Street Austin, Texas 78774	Franchise Tax
Texas Department Of Licensing And Regulations	920 Colorado St Austin, TX 78701	Franchise Tax
The Boca Raton Building Department	200 NW 2nd Avenue Boca Raton, FL 33432	Permit

Taxing and Regulatory Authority	Address	Tax Type
The Collier County Board of County Commissioners	3299 Tamiami Trail East Suite 303 Naples, FL 34112-5749	Permit
The Sunny Isles Beach (SIB) Building Department	18070 Collins Avenue 3rd Floor Sunny Isles Beach, FL 33160	Permit
The VNPB (North Palm Beach) Building Department	701 U.S. Highway 1 Suite 100 North Palm Beach, FL	Permit
Troup County Georgia	100 Ridley Avenue LaGrange, Georgia	Tangible Personal Property
Troup County Tax Commissioner	100 Ridley Avenue LaGrange, Georgia	Property Tax
Village of Royal Palm Beach Florida	1050 Royal Palm Beach Blvd. Royal Palm Beach, FL 33411	Permit
Washington Department of Revenue	2101 4th Ave #1400, Seattle, WA 98121	Sales Tax