

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

)	
In re:)	Chapter 11
)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , ¹)	Case No. 20-11548 (CSS)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 9, 87 & 105

CERTIFICATION OF COUNSEL REGARDING DEBTORS’ MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING CONTINUATION OF PREPETITION HEDGING AGREEMENTS, (II) AUTHORIZING ENTRY INTO AND PERFORMANCE UNDER POSTPETITION HEDGING AGREEMENTS, (III) PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS IN RESPECT OF POSTPETITION HEDGING AGREEMENTS, (IV) MODIFYING THE AUTOMATIC STAY AND (V) GRANTING RELATED RELIEF

The undersigned hereby certifies as follows:

1. On June 15, 2020, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing Continuation of Prepetition Hedging Agreements, (II) Authorizing Entry Into and Performance Under Postpetition Hedging Agreements, (III) Providing Superpriority Administrative Expense Status in Respect of Postpetition Hedging Agreements, (IV) Modifying the Automatic Stay and (V) Granting Related Relief* [Docket No. 9] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A proposed form order granting the relief requested in the Motion on a final basis was filed with the Motion (the “Proposed Final Order”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.



2. On June 16, 2020 (the “First Day Hearing”), the Court entered the *Interim Order (I) Authorizing Continuation of Prepetition Hedging Agreements, (II) Authorizing Entry Into and Performance Under Postpetition Hedging Agreements, (III) Providing Superpriority Administrative Expense Status in Respect of Postpetition Hedging Agreements, (IV) Modifying the Automatic Stay and (V) Granting Related Relief* [Docket No. 87] (the “Interim Order”).

3. Pursuant to the Interim Order and the *Notice of (A) Entry of Interim Order (I) Authorizing Continuation of Prepetition Hedging Agreements, (II) Authorizing Entry Into and Performance Under Postpetition Hedging Agreements, (III) Providing Superpriority Administrative Expense Status in Respect of Postpetition Hedging Agreements, (IV) Modifying the Automatic Stay and (V) Granting Related Relief, and (B) Final Hearing Thereon* [Docket No. 105], objections to the Motion and the Proposed Final Order were to be filed by no later than June 30, 2020 at 4:00 p.m. (prevailing Eastern Time) (the “Objection Deadline”). The Objection Deadline was extended to July 12, 2020 at 5:00 p.m. (prevailing Eastern Time) for the Official Committee of Unsecured Creditors (the “Committee”).

4. The Debtors have not received any informal responses to the Proposed Final Order, and no objection or responsive pleading to the Motion or Proposed Final Order has appeared on the Court’s docket in these Chapter 11 cases.

5. The Debtors have revised the Proposed Final Order (the “Revised Proposed Final Order”) to make a minor clarifying edit to paragraph 3. The Revised Proposed Final Order is attached hereto as **Exhibit 1**.

6. The Revised Proposed Final Order has been circulated to (i) the U.S. Trustee; (ii) counsel for the Committee; and (iii) counsel to the DIP Lenders, and the aforementioned parties do not object to the entry of the Revised Proposed Final Order. For the convenience of the Court

and all parties in interest, a redline of the Revised Proposed Final Order marked against the Proposed Final Order is attached hereto as **Exhibit 2**.

WHEREFORE, the Debtors respectfully request that the Revised Proposed Final Order, substantially in the form attached hereto as **Exhibit 1**, be entered at the earliest convenience of the Court.

Dated: July 12, 2020
Wilmington, Delaware

/s/ Richard W. Riley

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Proposed Co-Counsel to the Debtors and Debtors in Possession

² Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

EXHIBIT 1

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

In re:)	
)	Chapter 11
EXTRACTION OIL & GAS, INC. <i>et al.</i> , ¹)	Case No. 20- 11548 (CSS)
)	
Debtors.)	(Jointly Administered)
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)	Re: Docket Nos. 9, 87 & ____

FINAL ORDER
(A) AUTHORIZING CONTINUATION
OF PREPETITION HEDGING AGREEMENTS,
(B) AUTHORIZING ENTRY INTO AND PERFORMANCE
UNDER POSTPETITION HEDGING AGREEMENTS, (C) GRANTING
DIP LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS,
(D) MODIFYING THE AUTOMATIC STAY AND (E) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”)

(a) authorizing the Debtors to continue performance under Prepetition Hedging Agreements with the Debtors’ existing hedge counterparty that did not terminate such transactions as a result of the commencement of these chapter 11 cases (the “Consenting Prepetition Hedging Provider”);

(b) authorizing the Debtors to enter into and perform under Postpetition Hedging Agreements (and together with the Prepetition Hedging Agreements (as the same may be amended or amended and restated), the “DIP Hedging Agreements”) with DIP Lenders and/or their affiliates

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or in the DIP Orders, as applicable.

(the “Postpetition Hedging Providers,” and together with the Consenting Prepetition Hedging Providers, the “DIP Hedging Providers”); (c) authorizing the Debtors to perform under and honor, pay, or otherwise satisfy, and guarantee on a joint and several basis, all obligations and indebtedness of the Debtors with respect to the DIP Hedging Agreements (collectively, the “DIP Hedging Obligations”) as they come due; (d) authorizing the Debtors to grant DIP Liens (as defined in the DIP Orders) to the DIP Agent (as defined in the DIP Orders) for the benefit of the DIP Hedging Providers, to secure all DIP Hedging Obligations; (e) authorizing the Debtors to grant allowed DIP Superpriority Claims (as defined in the DIP Orders) to the DIP Hedging Providers on account of the DIP Hedging Obligations; (f) authorizing the DIP Agent to exercise all rights and remedies with respect to the DIP Collateral (as defined in the DIP Orders) for the benefit of the DIP Hedging Providers in accordance with the DIP Orders following the occurrence and continuation of an Event of Default or a Termination Event under, and as defined in, any of the DIP Hedging Agreements; and (g) authorizing the DIP Hedging Providers to set off, net, and apply any payment amounts that such DIP Hedging Providers would otherwise be obligated to pay to any Debtor under any of the DIP Hedging Agreements in accordance with the terms of such DIP Hedging Agreement, and (h) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the

Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Effective immediately upon entry of this Final Order, the Debtors are authorized, but not directed, to (i) continue hedging under Prepetition Hedging Agreements with the Consenting Prepetition Hedging Provider; (ii) enter into amendments to such Prepetition Hedging Agreements on terms satisfactory to the Consenting Prepetition Hedging Providers and the Debtors; (iii) enter into and perform under Postpetition Hedging Agreements with Postpetition Hedging Providers; (iv) incur and pay Continuation Fees to the Consenting Prepetition Hedging Providers in the aggregate amount of \$2.2 million; (v) honor, pay or otherwise satisfy all DIP Hedging Obligations as they come due; (vi) grant DIP Liens to the DIP Agent, for the benefit of the DIP Hedging Providers, to secure the DIP Hedging Obligations; and (vii) grant allowed DIP Superpriority Claims to the DIP Hedging Providers on account of the DIP Hedging Obligations. Upon the closing of the DIP Facility, all DIP Hedging Obligations shall constitute DIP Obligations (as defined in the DIP Orders).
3. Notwithstanding any provision herein, in the Motion, in any interim or final orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or authorizing the Debtors' use of cash collateral (in either case, the "DIP Orders"), or other order to the contrary, one hundred percent (100%) of the cash proceeds due to,

or received by, any Debtor as a result of any novation, amendment, restructuring, termination, liquidation or unwinding of any (i) Prepetition Hedging Agreements with the Consenting Prepetition Hedging Providers shall be used to prepay amounts outstanding under the Prepetition Credit Agreement, applied pursuant to the terms thereof and (ii) Postpetition Hedging Agreements shall be used to prepay amounts outstanding under the DIP Credit Agreement, applied pursuant to the terms thereof. Any such cash proceeds shall be paid to the Prepetition Agent or DIP Agent, as applicable, immediately upon receipt thereof by the applicable Debtor (or any other person on such Debtor's behalf), for application to the Prepetition Lenders or DIP Lenders, as applicable.

4. As security and assurance of payment of the DIP Hedging Obligations, and in exchange for providing benefits to the Debtors in accordance with this Final Order:

A. the DIP Agent (for the benefit of the DIP Hedging Providers) is hereby granted DIP Liens on the DIP Collateral to secure the DIP Hedging Obligations, which DIP Liens shall rank *pari passu* with the DIP Liens granted to the DIP Agent, for the benefit of the DIP Secured Parties (and if there are multiple tranches of DIP Secured Parties, such DIP Liens shall rank *pari passu* with the most senior tranche), pursuant to the DIP Orders and shall be in each case automatically perfected without the necessity of the execution by the Debtors (or recordation or other filing) of any further documents, including, without limitation, security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or by possession or control;

B. all DIP Hedging Obligations shall constitute allowed DIP Superpriority Claims against each of the Debtors, jointly and severally, pursuant to sections 364(c)(1) and 503(b)(1) of the Bankruptcy Code, shall have the same priority as the DIP Superpriority Claims in respect of DIP Obligations (and if there are multiple tranches of DIP Obligations, such DIP Superpriority Claims shall have the same priority as the DIP Superpriority Claims in respect of the most senior tranche of DIP Obligations), and shall be allowed in an amount determined in accordance with the terms of the DIP Hedging Agreements; and

C. the DIP Hedging Providers may exercise any rights, powers and remedies under the DIP Hedging Agreements, including, without limitation, to accelerate, terminate and liquidate transactions and DIP Hedging Obligations and to set off, net, and apply any payment, settlement payment, termination values, termination payments, and any other amounts that such DIP Hedging Providers would be entitled to receive from any Debtor or otherwise be obligated to pay to

any Debtor under any DIP Hedging Agreement in accordance with the terms of such DIP Hedging Agreement (all such rights, powers, and remedies, collectively, the “DIP Hedging Provider Rights and Remedies”) upon notice by such DIP Hedging Provider to the Debtor that is party to the applicable DIP Hedging Agreement in accordance with the applicable DIP Hedging Agreement, which notice and exercise of rights, powers and remedies shall not be stayed, avoided or otherwise limited by operation of any provision of the Bankruptcy Code.

5. The automatic stay provisions of section 362 of the Bankruptcy Code, and the setoff and netting provisions of section 553 of the Bankruptcy Code, are hereby modified solely to the extent necessary to:

A. permit immediate unconditional exercise and enforcement of rights and remedies by (i) the DIP Agent on behalf of each DIP Hedging Provider (including, but not limited to, foreclosure on the DIP Liens in order to collect from the Debtors amounts owed to the DIP Hedging Providers under the DIP Hedging Agreements) in accordance with the applicable DIP Agreements and (ii) the DIP Hedging Providers upon the occurrence and during the continuation of an Event of Default or a Termination Event (each as defined in the applicable DIP Hedging Agreement) under and in accordance with the terms of the applicable DIP Hedging Agreement, including, without limitation, the DIP Hedging Provider Rights and Remedies. The Debtors waive the right and shall not seek relief, including under section 105(a) or section 549 of the Bankruptcy Code, to the extent that any such relief would in any way restrict or impair the rights of any DIP Hedging Providers under the DIP Hedging Agreements or this Final Order; provided that nothing herein shall limit the rights of the Debtors to seek an order from the Court on an expedited basis to challenge that an Event of Default or a Termination Event has actually occurred or is continuing;

B. permit the DIP Agent, on behalf of the DIP Hedging Providers, to take all actions to validate and perfect the liens and security interests granted hereunder and under the DIP Orders, including by filing or recording financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction. For the avoidance of doubt, whether or not the DIP Agent chooses to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted under this Final Order, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination, as of the date of their incurrence; and

C. provide that the DIP Hedging Providers’ rights, powers, privileges, and remedies under the applicable DIP Hedging Agreements and this Final Order may not be modified, stayed, avoided, or otherwise limited by further order of the Court or any court proceeding under the Bankruptcy Code, including but not limited

to, the right to collect from the Debtors amounts that may be owed to a DIP Hedging Provider following novation, amendment, restructuring, termination, liquidation, or unwinding the right to withhold performance pursuant to the terms of the DIP Hedging Agreements, without the consent of such parties.

6. If any provision of this Final Order or the DIP Orders is stayed, modified in a manner adverse to a DIP Hedging Provider, or vacated, or if this Final Order or the DIP Orders otherwise terminates, then such stay, modification, vacation, or termination will not affect (a) the validity or priority of any indebtedness, obligation, or liability incurred pursuant to or arising from any transaction entered into by the Debtors with any of the DIP Hedging Providers pursuant to the DIP Hedging Agreements before the receipt of written notice by the DIP Hedging Providers of the effective date of such stay, modification, vacation, or termination; (b) the validity, priority or enforceability of the security interests, superpriority administrative claims, and netting, setoff, collection, and termination rights authorized or created hereby or pursuant to the DIP Hedging Agreements, or any related documents; and (c) the rights of the DIP Hedging Providers to exercise remedies as set forth in the DIP Hedging Agreements, and each of the DIP Hedging Providers shall be entitled to the benefits of the provisions of section 364(e) of the Bankruptcy Code for any credit extended pursuant to this Final Order.

7. Each DIP Hedging Provider shall enjoy the DIP Superpriority Claims, DIP Liens, automatic stay relief, and other protections provided by this Final Order and the DIP Orders in respect of each such transaction until the earliest of (a) the termination of such DIP Hedging Provider's DIP Hedging Agreement and the satisfaction of the DIP Hedging Obligations owing thereunder in full in cash, or (b) other agreements satisfactory to such DIP Hedging Provider having been made. Absent the occurrence of (a) or (b) of this paragraph, the relief and protections provided by this Final Order shall survive any order of the Court that may be entered (i) confirming any plan of reorganization or liquidation in any of these chapter

11 cases, (ii) converting any of these chapter 11 cases to a case under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of these chapter 11 cases, and shall be in addition to any and all rights, powers or privileges provided for by the DIP Hedging Agreements or the DIP Orders.

8. In addition to and without limiting each DIP Hedging Provider's rights under its DIP Hedging Agreements, in further exchange for providing benefits to the Debtors in accordance with this Final Order, the Debtors shall promptly reimburse each DIP Hedging Provider for all reasonable and documented out-of-pocket legal fees, expenses, and disbursements incurred in connection with the review, negotiation, and enforcement of this Final Order, the DIP Hedging Agreements and any related documents. Such reimbursement obligations shall constitute DIP Hedging Obligations entitled to DIP Liens, allowed DIP Superpriority Claims, and all other protections afforded to DIP Hedging Obligations by this Final Order and the DIP Orders.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Hedging Agreements.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(e).

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

EXHIBIT 2

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

In re:)	
)	Chapter 11
EXTRACTION OIL & GAS, INC. <i>et al.</i> , ¹)	Case No. 20- 11548 (— CSS)
)	
Debtors.)	(Jointly Administrated Requested)
)	
)	Re: Docket Nos. <u>—9, 87</u>

FINAL ORDER

**(A) AUTHORIZING CONTINUATION
OF PREPETITION HEDGING AGREEMENTS,
(B) AUTHORIZING ENTRY INTO AND PERFORMANCE
UNDER POSTPETITION HEDGING AGREEMENTS, (C) GRANTING
DIP LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS,
(D) MODIFYING THE AUTOMATIC STAY AND (E) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”)

(a) authorizing the Debtors to continue performance under Prepetition Hedging Agreements with the Debtors’ existing hedge counterparty that did not terminate such transactions as a result of the commencement of these chapter 11 cases (the “Consenting Prepetition Hedging Provider”);

(b) authorizing the Debtors to enter into and perform under Postpetition Hedging Agreements (and together with the Prepetition Hedging Agreements (as the same may be amended or amended and restated), the “DIP Hedging Agreements”) with DIP Lenders and/or their affiliates

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or in the DIP Orders, as applicable.

(the “Postpetition Hedging Providers,” and together with the Consenting Prepetition Hedging Providers, the “DIP Hedging Providers”); (c) authorizing the Debtors to perform under and honor, pay, or otherwise satisfy, and guarantee on a joint and several basis, all obligations and indebtedness of the Debtors with respect to the DIP Hedging Agreements (collectively, the “DIP Hedging Obligations”) as they come due; (d) authorizing the Debtors to grant DIP Liens (as defined in the DIP Orders) to the DIP Agent (as defined in the DIP Orders) for the benefit of the DIP Hedging Providers, to secure all DIP Hedging Obligations; (e) authorizing the Debtors to grant allowed DIP Superpriority Claims (as defined in the DIP Orders) to the DIP Hedging Providers on account of the DIP Hedging Obligations; (f) authorizing the DIP Agent to exercise all rights and remedies with respect to the DIP Collateral (as defined in the DIP Orders) for the benefit of the DIP Hedging Providers in accordance with the DIP Orders following the occurrence and continuation of an Event of Default or a Termination Event under, and as defined in, any of the DIP Hedging Agreements; and (g) authorizing the DIP Hedging Providers to set off, net, and apply any payment amounts that such DIP Hedging Providers would otherwise be obligated to pay to any Debtor under any of the DIP Hedging Agreements in accordance with the terms of such DIP Hedging Agreement, and (h) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and

opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Effective immediately upon entry of this Final Order, the Debtors are authorized, but not directed, to (i) continue hedging under Prepetition Hedging Agreements with the Consenting Prepetition Hedging Provider; (ii) enter into amendments to such Prepetition Hedging Agreements on terms satisfactory to the Consenting Prepetition Hedging Providers and the Debtors; (iii) enter into and perform under Postpetition Hedging Agreements with Postpetition Hedging Providers; (iv) incur and pay Continuation Fees to the Consenting Prepetition Hedging Providers in the aggregate amount of \$2.2 million; (v) honor, pay or otherwise satisfy all DIP Hedging Obligations as they come due; (vi) grant DIP Liens to the DIP Agent, for the benefit of the DIP Hedging Providers, to secure the DIP Hedging Obligations; and (vii) grant allowed DIP Superpriority Claims to the DIP Hedging Providers on account of the DIP Hedging Obligations. Upon the closing of the DIP Facility, all DIP Hedging Obligations shall constitute DIP Obligations (as defined in the DIP Orders).
3. Notwithstanding any provision herein, in the Motion, in any interim or final orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or authorizing the Debtors' use of cash collateral (in either

case, the “DIP Orders”), or other order to the contrary, one hundred percent (100%) of the cash proceeds due to, or received by, any Debtor as a result of any novation, amendment, restructuring, termination, liquidation or unwinding of any (i) Prepetition Hedging Agreements with the Consenting Prepetition Hedging Providers shall be used to prepay amounts outstanding under the Prepetition Credit Agreement, applied pursuant to the terms thereof and (ii) Postpetition Hedging Agreements shall be used to prepay amounts outstanding under the DIP Credit Agreement, applied pursuant to the terms thereof. Any such cash proceeds shall be paid to the Prepetition Agent or DIP Agent, as applicable, immediately upon receipt thereof by the applicable Debtor (or any other person on such Debtor’s behalf), for application to the Prepetition Lenders or DIP Lenders, as applicable.

4. As security and assurance of payment of the DIP Hedging Obligations, and in exchange for providing benefits to the Debtors in accordance with this Final Order:

A. the DIP Agent (for the benefit of the DIP Hedging Providers) is hereby granted DIP Liens on the DIP Collateral to secure the DIP Hedging Obligations, which DIP Liens shall rank *pari passu* with the DIP Liens granted to the DIP Agent, for the benefit of the DIP Secured Parties (and if there are multiple tranches of DIP Secured Parties, such DIP Liens shall rank *pari passu* with the most senior tranche), pursuant to the DIP Orders and shall be in each case automatically perfected without the necessity of the execution by the Debtors (or recordation or other filing) of any further documents, including, without limitation, security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or by possession or control;

B. all DIP Hedging Obligations shall constitute allowed DIP Superpriority Claims against each of the Debtors, jointly and severally, pursuant to sections 364(c)(1) and 503(b)(1) of the Bankruptcy Code, shall have the same priority as the DIP Superpriority Claims in respect of DIP Obligations (and if there are multiple tranches of DIP Obligations, such DIP Superpriority Claims shall have the same priority as the DIP Superpriority Claims in respect of the most senior tranche of DIP Obligations), and shall be allowed in an amount determined in accordance with the terms of the DIP Hedging Agreements; and

C. the DIP Hedging Providers may exercise any rights, powers and remedies under the DIP Hedging Agreements, including, without limitation, to

accelerate, terminate and liquidate transactions and DIP Hedging Obligations and to set off, net, and apply any payment, settlement payment, termination values, termination payments, and any other amounts that such DIP Hedging Providers would be entitled to receive from any Debtor or otherwise be obligated to pay to any Debtor under any DIP Hedging Agreement in accordance with the terms of such DIP Hedging Agreement (all such rights, powers, and remedies, collectively, the “DIP Hedging Provider Rights and Remedies”) upon notice by such DIP Hedging Provider to the Debtor that is party to the applicable DIP Hedging Agreement in accordance with the applicable DIP Hedging Agreement, which notice and exercise of rights, powers and remedies shall not be stayed, avoided or otherwise limited by operation of any provision of the Bankruptcy Code.

5. The automatic stay provisions of section 362 of the Bankruptcy Code, and the setoff and netting provisions of section 553 of the Bankruptcy Code, are hereby modified solely to the extent necessary to:

A. permit immediate unconditional exercise and enforcement of rights and remedies by (i) the DIP Agent on behalf of each DIP Hedging Provider (including, but not limited to, foreclosure on the DIP Liens in order to collect from the Debtors amounts owed to the DIP Hedging Providers under the DIP Hedging Agreements) in accordance with the applicable DIP Agreements and (ii) the DIP Hedging Providers upon the occurrence and during the continuation of an Event of Default or a Termination Event (each as defined in the applicable DIP Hedging Agreement) under and in accordance with the terms of the applicable DIP Hedging Agreement, including, without limitation, the DIP Hedging Provider Rights and Remedies. The Debtors waive the right and shall not seek relief, including under section 105(a) or section 549 of the Bankruptcy Code, to the extent that any such relief would in any way restrict or impair the rights of any DIP Hedging Providers under the DIP Hedging Agreements or this Final Order; provided that nothing herein shall limit the rights of the Debtors to seek an order from the Court on an expedited basis to challenge that an Event of Default or a Termination Event has actually occurred or is continuing;

B. permit the DIP Agent, on behalf of the DIP Hedging Providers, to take all actions to validate and perfect the liens and security interests granted hereunder and under the DIP Orders, including by filing or recording financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction. For the avoidance of doubt, whether or not the DIP Agent chooses to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted under this Final Order, such liens and security interests shall be deemed valid,

perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination, as of the date of their incurrence; and

C. provide that the DIP Hedging Providers' rights, powers, privileges, and remedies under the applicable DIP Hedging Agreements and this Final Order may not be modified, stayed, avoided, or otherwise limited by further order of the Court or any court proceeding under the Bankruptcy Code, including but not limited to, the right to collect from the Debtors amounts that may be owed to a DIP Hedging Provider following novation, amendment, restructuring, termination, liquidation, or unwinding the right to withhold performance pursuant to the terms of the DIP Hedging Agreements, without the consent of such parties.

6. If any provision of this Final Order or the DIP Orders is stayed, modified in a manner adverse to a DIP Hedging Provider, or vacated, or if this Final Order or the DIP Orders otherwise terminates, then such stay, modification, vacation, or termination will not affect (a) the validity or priority of any indebtedness, obligation, or liability incurred pursuant to or arising from any transaction entered into by the Debtors with any of the DIP Hedging Providers pursuant to the DIP Hedging Agreements before the receipt of written notice by the DIP Hedging Providers of the effective date of such stay, modification, vacation, or termination; (b) the validity, priority or enforceability of the security interests, superpriority administrative claims, and netting, setoff, collection, and termination rights authorized or created hereby or pursuant to the DIP Hedging Agreements, or any related documents; and (c) the rights of the DIP Hedging Providers to exercise remedies as set forth in the DIP Hedging Agreements, and each of the DIP Hedging Providers shall be entitled to the benefits of the provisions of section 364(e) of the Bankruptcy Code for any credit extended pursuant to this Final Order.

7. Each DIP Hedging Provider shall enjoy the DIP Superpriority Claims, DIP Liens, automatic stay relief, and other protections provided by this Final Order and the DIP Orders in respect of each such transaction until the earliest of (a) the termination of such

DIP Hedging Provider's DIP Hedging Agreement and the satisfaction of the DIP Hedging Obligations owing thereunder in full in cash, or (b) other agreements satisfactory to such DIP Hedging Provider having been made. Absent the occurrence of (a) or (b) of this paragraph, the relief and protections provided by this Final Order shall survive any order of the Court that may be entered (i) confirming any plan of reorganization or liquidation in any of these chapter 11 cases, (ii) converting any of these chapter 11 cases to a case under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of these chapter 11 cases, and shall be in addition to any and all rights, powers or privileges provided for by the DIP Hedging Agreements or the DIP Orders.

8. In addition to and without limiting each DIP Hedging Provider's rights under its DIP Hedging Agreements, in further exchange for providing benefits to the Debtors in accordance with this Final Order, the Debtors shall promptly reimburse each DIP Hedging Provider for all reasonable and documented out-of-pocket legal fees, expenses, and disbursements incurred in connection with the review, negotiation, and enforcement of this Final Order, the DIP Hedging Agreements and any related documents. Such reimbursement obligations shall constitute DIP Hedging Obligations entitled to DIP Liens, allowed DIP Superpriority Claims, and all other protections afforded to DIP Hedging Obligations by this Final Order and the DIP Orders.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this

Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Hedging Agreements.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(e).

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 7/11/2020 12:10:27 PM	
Style name: Color (Kirkland Default)	
Intelligent Table Comparison: Active	
Original DMS: iw://DMS.KIRKLAND.COM/LEGAL/69370582/1	
Modified DMS: iw://DMS.KIRKLAND.COM/LEGAL/69370582/3	
Changes:	
Add	3
Delete	3
Move From	0
Move To	0
Table Insert	4
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	11