



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 22, 2025

United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	
	§	Chapter 11
Higher Ground Education, Inc., <i>et al.</i> , <sup>1</sup>	§	
	§	Case No.: 25-80121-11 (MVL)
Debtor.	§	
	§	(Jointly Administered)

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.



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**FINAL ORDER AUTHORIZING DEBTOR TO (A) OBTAIN POSTPETITION  
SENIOR SECURED FINANCING FROM YYYYYY, LLC (B) OBTAIN  
POSTPETITION JUNIOR SECURED FINANCING FROM GUIDEPOST  
GLOBAL EDUCATION, INC.; (C) UTILIZE CASH COLLATERAL; AND (D)  
PAY CERTAIN RELATED FEES AND CHARGES; (II) GRANTING  
ADEQUATE PROTECTION TO THE PREPETITION LENDER; (III)  
MODIFYING THE AUTOMATIC STAY; (IV) SCHEDULING A FINAL  
HEARING; AND (V) GRANTING CERTAIN RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of Higher Ground Education, Inc., and certain of its subsidiaries and affiliates the above-captioned debtors and debtors in possession (the “Debtors”), pursuant to sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(d)(1), 364(e), and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”), for entry of the *Interim Order Authorizing the Debtors to (A) Obtain Postpetition Senior Secured Financing from YYYYYY, LLC (B) Obtain Postpetition Junior Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Certain Related Relief* [Docket No. 63] (the “Interim DIP Order”) and this final financing order (the “Final DIP Order,” and together with the Interim DIP Order, the “DIP Orders”), and among other things:

- i. authorizing Higher Ground Education Inc., Guidepost A LLC, Prepared Montessorian LLC, and Terra Firma Services LLC (collectively, the “Borrowers”) to obtain debtor-in-possession financing, on a superpriority senior secured basis (the “Senior DIP”

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

- Facility”), in an aggregate maximum principal amount of \$5,500,000, including the Senior Roll-Up (as defined below) (the “Senior DIP Commitment”) pursuant to the terms and conditions of that certain senior secured, postpetition priming promissory note in substantially the form attached hereto as Exhibit 1 (the “Senior DIP Note” and, together with any additional reasonable and necessary agreements, documents, instruments, and certificates executed, and any orders entered in connection therewith, or otherwise delivered in connection therewith, the “Senior DIP Documents” and all obligations arising thereunder, the “Senior DIP Obligations”), as borrowers, and YYYYYY, LLC (“Five Y”) as lender (the “Senior DIP Lender”);
- ii. authorizing the Borrowers to obtain debtor-in-possession financing, on a superpriority junior secured basis (the “Junior DIP Facility” together with the Senior DIP Facility, the “DIP Financing”), in an aggregate principal amount of at least \$2,500,000, including the Junior Roll-Up (as defined below) (the “Junior DIP Commitment”) pursuant to the terms and conditions of that certain junior secured, postpetition priming promissory note in substantially the form attached hereto as Exhibit 2 (the “Junior DIP Note” and, together with any additional reasonable and necessary agreements, documents, instruments, and certificates executed, and any orders entered in connection therewith, or otherwise delivered in connection therewith, the “Junior DIP Documents” and all obligations arising thereunder, the “Junior DIP Obligations”; the Junior DIP Documents together with the Senior DIP Documents, the “DIP Documents”), as borrowers, and Guidepost Global Education, Inc. (“Guidepost”) as lender (the “Junior DIP Lender” together with the Senior DIP Lender, the “DIP

- Lenders”); the Junior DIP Note and the Senior DIP Note may, collectively, be referred to herein as the “DIP Notes”;
- iii. authorizing, upon entry of the DIP Orders and the funding of the Senior DIP Commitment, the roll-up and conversion of up to an aggregate principal amount of \$500,000 of the prepetition senior DIP bridge obligations (the “Prepetition Senior Bridge Obligations”), held by the Senior DIP Lender pursuant to the Prepetition Senior Bridge Loan (as defined below) into the Senior DIP Facility and the automatic substitution and exchange of such outstanding Prepetition Senior Bridge Obligations for Senior DIP Obligations for all purposes under the DIP Orders as if originally funded upon entry of the DIP Order (the “Senior Roll-Up”);
- iv. and authorizing, upon entry of the Final DIP Order and the funding of the amount of the Junior DIP Commitment, the roll-up and conversion of the remaining \$700,000 of the \$1,500,000 of prepetition junior DIP bridge obligations (the “Prepetition Junior Bridge Obligations”) held by the Junior DIP Lender (the “Prepetition Junior Bridge Loan” and together with the Prepetition Senior Bridge Loan, the “Prepetition Bridge Loans”) pursuant to the Prepetition Junior Bridge Loan (as defined below) into the Junior DIP Facility and the automatic substitution and exchange of such outstanding Prepetition Junior Bridge Obligations for Junior DIP Obligations for all purposes under the Final DIP Order as if originally funded upon entry of the Final DIP Order (the “Junior Roll-Up” and together with the Senior Roll-up, the “Roll-Up”);
- v. authorizing the Borrowers to execute and deliver the DIP Notes and other DIP Documents and to perform such other and further acts as may be necessary or desirable in connection with the DIP Documents;

- vi. ordering that, subject to the Carve Out, in all respects, all obligations of the Borrowers to the Senior DIP Lender under the Senior DIP Documents shall be:
- A. entitled to superpriority claim status under section 364(c)(1) of the Bankruptcy Code, with priority over all administrative expense claims and unsecured claims now existing or hereafter arising under the Bankruptcy Code; and
  - B. secured, pursuant to section 364(c)(2) and 364(d)(1) of the Bankruptcy Code, by a first priority priming lien on all of the pre and postpetition property of the Borrowers whether existing on the Petition Date or thereafter acquired, including – as a “last look” in the event the Senior DIP Lender is not otherwise repaid in full – any Avoidance Action Proceeds (as defined below);
- vii. ordering that, subject to the Carve Out and the Senior DIP Obligations, in all respects, all obligations of the Borrowers to the Junior DIP Lender under the Junior DIP Documents shall be:
- A. entitled to superpriority claim status under section 364(c)(1) of the Bankruptcy Code, with priority over all administrative expense claims and unsecured claims now existing or hereafter arising under the Bankruptcy Code; and
  - B. secured, pursuant to section 364(c)(2) and 364(d)(1) of the Bankruptcy Code, by a second priority priming lien on all of the pre and postpetition property of the Borrowers whether existing on the Petition Date or thereafter acquired, including – as a “last look” in the event the Junior DIP Lender is not otherwise repaid in full – any Avoidance Action Proceeds (as defined below), subject and subordinate only to the lien of the Senior DIP Lender.
- viii. authorizing the Debtors’ use of cash collateral, as defined in section 363(a) of the Bankruptcy Code, pursuant to the terms and conditions set forth in the Final DIP Order and the DIP Notes;
- ix. granting adequate protection to WTI Fund X, Inc. (“Fund X”), Venture Lending & Leasing IX, Inc. (“Fund IX” and together with Fund X, “WTI”) and Learn Capital Venture Partners IV, L.P., Inc., as collateral agent on behalf of the Bridge CN-3 Notes (collectively, and together with the DIP Lenders in their capacity as lenders under the

- Prepetition Bridge Loans, the “Prepetition Secured Lenders”) with respect to the Prepetition Secured Lenders Obligations (as defined below);
- x. modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Orders, as applicable;
  - xi. (a) waiving any right of the Borrowers to surcharge against the DIP Collateral (as defined below), including pursuant to section 506(c) of the Bankruptcy Code or otherwise, (b) providing that the DIP Lenders and the Prepetition Secured Lenders are not subject to the equitable doctrine of “marshaling,” or any other similar doctrine with respect to the DIP Collateral;
  - xii. scheduling by the Court of an interim hearing on June 20, 2025 (the “Interim Hearing”) to consider entry of the Interim DIP Order;
  - xiii. scheduling by the Court of a final hearing (the “Final Hearing,” and with the Interim Hearing, the “DIP Hearings”) to consider entry of the Final DIP Order, in form and substance acceptable to the DIP Lenders, granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing and the transactions contemplated by the Motion;
  - xiv. approving of the Final DIP Order; and
  - xv. the granting of related relief.

The Court having considered the Motion, the terms of the DIP Notes and the other DIP Documents, the *Declaration of Jonathan McCarthy in Support of First Day Motions*, the *Declaration of Jonathan McCarthy in Support of Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Secured Financing from*

*YYYYY, LLC; (B) Obtain Postpetition Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Secured Lenders; (III) Modifying the Automatic Stay; and (IV) Granting Certain Related Relief*, and the evidence submitted and the arguments made at the Interim Hearing and at the Final Hearing held before this Court on July 21, 2025; and in accordance with Bankruptcy Rules 2002, 4001, 6004, and 9014 and Local Rules 2002-1, 4001-2, and 9013-1; and it appearing that approval of the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and essential for the continued operation of the Debtors' businesses; and all objections, if any, to the entry of this Final DIP Order having been withdrawn, resolved or overruled by the Court; and upon all of the proceedings had before this Court; after due deliberation and consideration, and for good and sufficient cause appearing therefor, IT IS HEREBY FOUND:

A. Unless otherwise indicated herein, all capitalized terms used but not defined herein shall have the meanings given in the Motion.

B. On June 17, 2025 and June 18, 2025 (together, the "Petition Date"), the Debtors filed voluntary petitions for relief with this Court under Chapter 11 of the Bankruptcy Code commencing Chapter 11 cases in the United States Bankruptcy Court for the Northern District of Texas (the "Court"), jointly administered under Case No. 25-80121 (collectively, the "Chapter 11 Cases").

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

D. On July 8, 2025, United States Trustee for the Northern District of Texas (the “U.S. Trustee”) appointed an official committee of unsecured creditors (the “Committee”) under section 1102 of the Bankruptcy Code.

E. The Final Hearing was held pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Proper, timely, adequate, and, under the circumstances, sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

F. The Debtors provided notice of the Final Hearing by facsimile, email, First Class Mail, and/or Overnight Mail, to: (a) the U.S. Trustee; (b) the entities listed on the list of creditors holding the 30 largest unsecured claims filed pursuant to Bankruptcy Rule 1007(d) (on a consolidated basis); (c) counsel to the Committee; (d) counsel to the Prepetition Secured Lenders; (e) counsel to 2HR Learning, Inc. (“2HR”); (f) counsel to Five Y; (g) counsel to Guidepost Global; (h) all other parties asserting a lien on or a security interest in the assets of the Debtors to the extent reasonably known to the Debtors; (i) the United States Attorney’s Office for the Northern District of Texas; (j) the Internal Revenue Service; (k) the state attorney generals for all states in which the Debtors conduct or have recently conducted business; (l) the banks and financial institutions where the Debtors maintain banking accounts; and (m) any other party entitled to notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1 (collectively, the “Notice Parties”). Under the circumstances and given the nature of the relief sought in the Motion, such notice complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b) and (c) and Local Rules 2002-1 and 4001-2.

G. This Court has jurisdiction over these Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue for these Chapter 11 Cases and this Motion is proper under 28 U.S.C. §§ 1408 and 1409.

H. The Debtors require access to postpetition financing in an amount necessary to fund (i) the Debtors' operations, (ii) the administrative costs of these Chapter 11 Cases, and (iii) the pursuit of confirmation of a plan of reorganization sponsored by 2HR (the "Plan").

I. In light of the Debtors' circumstances, the Debtors are unable to obtain (i) adequate unsecured credit allowable either (a) under sections 364(b) and 503(b)(1) of the Bankruptcy Code or (b) under section 364(c)(1) of the Bankruptcy Code, (ii) adequate credit secured by (x) a senior lien on unencumbered assets of their estates under section 364(c)(2) of the Bankruptcy Code or (y) a junior lien on encumbered assets under section 364(c)(3) of the Bankruptcy Code, or (iii) secured credit under section 364(d)(1) of the Bankruptcy Code from sources other than the DIP Lenders on terms more favorable than the terms of the DIP Financing. The only viable source of secured credit available to the Debtors, other than the use of Cash Collateral (as defined below), is the DIP Financing. The Debtors require both additional financing under the DIP Financing and the continued use of Cash Collateral under the terms of this Final DIP Order to satisfy their postpetition liquidity needs.

J. The Debtors have requested immediate entry of this Final DIP Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). Good and sufficient cause has been shown for entry of this Final DIP Order. An immediate need exists for the Debtors to obtain funds and liquidity in order to continue operations, to satisfy in full the costs and expenses of administering these Chapter 11 Cases, to preserve the value of their business and estates, and to consummate the

transactions contemplated by the RSA (defined below). The ability of the Debtors to finance their operations, to preserve and maintain the value of the Debtors' assets, and to maximize the return for all creditors as proposed pursuant to the restructuring transaction (the "Restructuring Transaction") contemplated by the RSA, requires the immediate availability of the DIP Financing and the use of the Cash Collateral. In the absence of the immediate availability of such funds and liquidity in accordance with the terms hereof, the operation of the Debtors' business and the pursuit of the transaction embodied in the RSA and the Plan would not be possible and serious and irreparable harm to the Debtors and their estates and creditors would occur. Thus, the ability of the Debtors to preserve and maintain the value of their assets and maximize the return for creditors requires the availability of working capital from the DIP Financing and the use of Cash Collateral. Accordingly, sufficient cause exists for the entry of this Final DIP Order.

K. Debtors' Stipulations. Subject to the limitations contained in Paragraph 19 below, the Debtors admit, stipulate and agree as follows, each Debtor for itself and its estate:

- (i) Prepetition Secured Lenders Obligations. As of the Petition Date, all or certain of the Borrowers were truly and justly indebted, without defense, counterclaim or offset of any kind, to the Prepetition Secured Lenders pursuant to (a) that certain Senior Secured Promissory Note, dated June 16, 2025 (the "Prepetition Senior Bridge Loan") made by the Borrowers, as borrowers, in favor of YYYYYY, LLC, as lender, in the principal amount of \$500,000, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein and secured by substantially all of the Borrowers' assets; (b) that certain Senior Secured Promissory Note, dated June

16, 2025 (the “Prepetition Junior Bridge Loan” and together with the Prepetition Senior Bridge Loan, the “Prepetition Bridge Loans”) made by the Borrowers, as borrowers, in favor of Guidepost Global Education, Inc., as lender, in the principal amount of \$1,500,000, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein and secured by substantially all of Borrowers’ assets; (c) the secured post-foreclosure deficiency claim of WTI in the collective amount of at least \$4,680,970.83 under: (x) the Loan and Security Agreement, dated as of February 19, 2021 (as the same has been amended, supplemented, restated and modified from time to time, the “2021 Senior Loan Agreement”), among the Borrowers and non-Debtor Prepared Montessorian TT LLC, as borrowers, and Venture Lending & Leasing IX, Inc., as lender, in the amount of at least \$153,801.58; and (y) the Loan and Security Agreement, dated as of November 8, 2023 (as the same has been amended, supplemented, restated and modified from time to time, the “2023 Senior Loan Agreement” and together with the 2021 Senior Loan Agreement, the “WTI Loans”), among the Borrowers and non-Debtor Prepared Montessorian TT LLC, as borrowers, and WTI Fund X, Inc., as lender, in the amount of at least \$4,527,169.25, plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein; and (d) the series CN-3 convertible promissory notes entered into on and after January 15, 2025 (the “Bridge CN-3”

Notes”) in the aggregate principal amount of \$4,800,000 (the “Bridge CN-3 Loans”), plus interest, fees and costs, and including any premiums, expenses, indemnity, and reimbursement obligations accrued thereunder and all other fees and expenses (including fees and expenses of attorneys and advisors) as provided therein, pursuant to the Note Purchase Agreement (together with the related exhibits, schedules and transaction documents, as amended, supplemented and otherwise modified from time to time), by and between Higher Ground Education, Inc. as borrower, and each lender on the Schedule of Lenders thereto, dated May 31, 2024, collateralized by a priming lien over the WTI Loan Agreements in the principal amount of up to \$5,000,000, in favor of Learn Capital Venture Partners IV, L.P., Inc., as collateral agent on behalf of the Bridge CN-3 Notes. The documents underlying the Prepetition Bridge Loans, the WTI Loans and the Bridge CN-3 Loans are defined herein collectively as the “Prepetition Loan Documents” and the obligations thereunder are defined herein collectively as the “Prepetition Secured Lenders Obligations”). Each of the Prepetition Secured Lenders Obligations is duly perfected by UCC-1 filings.

- (ii) Prepetition Secured Lenders Obligations. The Prepetition Secured Lenders Obligations in the full amount outstanding on the Petition Date constitute legal, valid, binding and non-avoidable obligations of the applicable Borrowers to the Prepetition Secured Lenders.
- (iii) Prepetition Liens. The liens and security interests granted by the applicable Borrowers to the Prepetition Secured Lenders to secure the Prepetition Secured Lenders Obligations (the “Prepetition Liens”) are: (a) valid, binding, perfected,

enforceable liens on and security interests in the personal property of the applicable Borrowers constituting “Collateral” under, and as defined in, any prepetition security agreement, control agreement, pledge agreement, financing statement, mortgage or other similar documents, including the Prepetition Loan Documents (together, the “Prepetition Secured Lenders Collateral”); and (b) not subject to objection, defense, contest, avoidance, reduction, or disallowance (whether equitable, contractual or otherwise) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law by any person or entity. The Prepetition Liens securing the Prepetition Secured Lenders Obligations are subject and subordinate only to: (x) after giving effect to this Final DIP Order, the Carve Out and the Priming DIP Liens (as defined below); and (y) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) to the extent such permitted liens are senior to the Prepetition Liens.

- (iv) Cash Collateral. All proceeds of the DIP Collateral (including cash on deposit at depository institutions as of the Petition Date, securities, or other property, whether subject to control agreements or otherwise, in each case that constitutes the DIP Collateral) are “cash collateral” of the DIP Lenders within the meaning of section 363(a) of the Bankruptcy Code (“Cash Collateral”), and subject to the terms of this Final DIP Order (including subject to the Priming DIP Liens).
- (v) Releases. Subject to the Challenge Period, the Debtors hereby forever, unconditionally, and irrevocably release, discharge, and acquit the DIP Lenders and the Prepetition Secured Lenders, and their successors, assigns, affiliates,

subsidiaries, parents, officers, shareholders, directors, employees, attorneys, and agents, past, present, and future, and their respective heirs, predecessors, successors, and assigns (collectively, the “Releasees”) of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, reasonable attorneys’ and financial advisors’ fees), debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether or not known or matured, arising out of or relating to, as applicable, the DIP Financing, the DIP Documents, the Prepetition Loan Documents and/or the transactions contemplated hereunder or thereunder including, without limitation, (A) any so-called “lender liability” or equitable subordination claims or defenses, (B) any and all claims and causes of action arising under the Bankruptcy Code, and (C) any and all claims and causes of action with respect to the extent, validity, priority, perfection, or avoidability of the Prepetition Liens and the Prepetition Secured Lenders Obligations. Subject to the Challenge Period, each of the Debtors further waives and releases any defense, right of counterclaim, right of setoff, or deduction to the payment of the Prepetition Secured Lenders Obligations that the Debtors now have or may claim to have against the Releasees, arising out of, connected with, or relating to any and all acts, omissions, or events occurring prior to the Court entering this Final DIP Order.

L. The DIP Lenders will commit to providing DIP Financing in an amount necessary to fund the Debtors’ operations and the administrative costs of these Chapter 11 Cases subject to and as set forth in the Approved Budget (as defined below), in a collective amount not exceeding

\$8.0 million, including the Roll-Up, including up to (i) \$500,000 on a final basis under the Senior DIP Facility and (ii) \$1,500,000 on a final basis under the Junior DIP Facility, upon the terms and conditions set forth herein. Accordingly, after considering all of their practical alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the financing to be provided by the DIP Lenders pursuant to the terms of this Final DIP Order and the DIP Documents represents the best financing currently available to the Debtors.

M. The consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens and use of the Prepetition Secured Lenders Collateral, including Cash Collateral, by the Debtors are limited to the Interim DIP Order and this Final DIP Order and the DIP Financing presently before the Court, with Five Y and Guidepost Global as DIP Lenders, and shall not extend to any other postpetition financing or to any modified version of this DIP Financing with any party other than Five Y and Guidepost Global as DIP Lenders. The Prepetition Secured Lenders agree that the Adequate Protection (as defined below) granted to the Prepetition Secured Lenders in this Final DIP Order is reasonable and calculated to protect the interests of the Prepetition Secured Lenders.

N. The security interests and liens granted to the DIP Lenders pursuant to this Final DIP Order are appropriate under sections 364(c)(1), 364(c)(2) and 364(d) of the Bankruptcy Code because, among other things: (i) such security interests and liens do not impair the interests of any holder of a valid, perfected, prepetition security interest or lien in the property of the Borrowers' estates, or (ii) the holder of any such valid, perfected, prepetition security interests and liens, including, for the avoidance of doubt, the Prepetition Secured Lenders, has consented to the security interests and priming liens granted pursuant to this Final DIP Order to the DIP Lenders.

O. Each of the Prepetition Secured Lenders is entitled to receive Adequate Protection as set forth below pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code for any diminution in the value of its interests in the Prepetition Secured Lenders Collateral, including Cash Collateral, resulting from the priming of its liens by the Priming DIP Liens, the automatic stay and the Debtors' use, sale or lease of the Prepetition Secured Lenders Collateral, including Cash Collateral, during these Chapter 11 Cases.

P. Based on the record presented to this Court by the Debtors, the DIP Financing and use of Cash Collateral have been negotiated in good faith and at arm's length between the Debtors, the Prepetition Secured Lenders and the DIP Lenders, and any credit extended and loans made to the Borrowers by the DIP Lenders pursuant to the Final DIP Order and the DIP Documents (the "DIP Obligations") shall be deemed to have been extended, issued or made, as the case may be, in good faith within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Lenders and Prepetition Secured Lenders shall have all of the protections thereunder. Additionally, all reasonable out-of-pocket legal, accounting, and professional fees and expenses incurred by the DIP Lenders related to the DIP Financing and the Restructuring Transaction (the "DIP Lender Fees") shall constitute DIP Obligations and shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under this Order; *provided* that the DIP Lender Fees of Senior DIP Lender payable hereunder shall be payable solely upon the occurrence of an Event of Default under this Final DIP Order or the Senior DIP Note. Accordingly, DIP Lender Fees of Senior DIP Lender shall not be required to be reflected as a budgeted item in the Approved Budget. Each DIP Lender's professionals shall serve summary invoices requesting payment of its respective DIP Lender Fees to the Debtors, U.S. Trustee and any Statutory Committee (as defined below) appointed in these Chapter 11

Cases. Absent objection by any of the U.S. Trustee, the Committee, or any other statutory committee appointed in these Chapter 11 Cases within ten (10) days from receipt of an invoice, the Debtors shall pay such invoice. If the U.S. Trustee, the Committee, or any other statutory committee appointed in these Chapter 11 Cases objects to the reasonableness of any DIP Lender Fees, such objecting party must provide each of the DIP Lenders written notice of such objection within ten (10) days of receipt of the summary invoice. Any objection that cannot be resolved between the parties shall be scheduled by the Debtors to be resolved by this Court. All undisputed DIP Lender Fees shall be timely paid, subject to the terms of this paragraph.

Q. Based on the record before this Court, it appears that the terms of this Final DIP Order, including, without limitation, the terms of the DIP Financing are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

R. The Debtors have requested entry of this Final DIP Order. The permission granted herein to use Cash Collateral and obtain funds under the DIP Financing is necessary to avoid immediate and irreparable harm to the Debtors' estates. This Court concludes that entry of this Final DIP Order is in the best interests of the Debtors and their estates as its implementation will, among other things, enhance the prospects for a successful completion of these Chapter 11 Cases.

S. Based upon the foregoing findings and conclusions, and upon the record made before this Court at the Hearing, and good and sufficient cause appearing therefor, IT IS HEREBY ORDERED, DETERMINED AND DECREED THAT:<sup>3</sup>

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<sup>3</sup> Unless otherwise previously ordered or set forth herein, the findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this

1. Motion Granted. The Motion is granted on the terms and conditions set forth in this Final DIP Order, with the foregoing findings incorporated herein by reference. Any objections to the Motion that have not previously been withdrawn or resolved are hereby overruled. This Final DIP Order shall be valid and binding on all parties in interest and fully effective immediately upon entry.

2. Authorizations. The Borrowers are hereby authorized to execute and enter into the DIP Documents. The DIP Notes, the other DIP Documents, and this Final DIP Order shall govern the financial and credit accommodations to be provided to the Borrowers by the DIP Lenders as described herein; provided that in the event of a conflict between the Final DIP Order and the other DIP Documents, the Final DIP Order shall control. The Borrowers are hereby authorized to borrow money pursuant to the DIP Notes on a Final basis up to the amount set forth in the Approved Budget.

3. The DIP Financing may be used in accordance with the terms of this Final DIP Order and the DIP Notes (and subject to the Approved Budget) to fund the day-to-day working capital needs of the Debtors' operations and the chapter 11 administrative expenses incurred during the pendency of these Chapter 11 Cases and to allow the Debtors, if subsequently approved by the Court, to effectuate the Restructuring Transaction via the Plan.

4. In furtherance of the foregoing and without further approval of this Court, the Debtors are authorized to perform all acts, and to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements) that may be reasonably required to ensure the performance of the Borrowers' obligations under the DIP Financing, including, without limitation:

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proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

- (i) the execution, delivery and performance of the DIP Documents, including, without limitation, the DIP Notes and any reasonable and necessary security and pledge agreements contemplated thereby;
- (ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Borrowers and the DIP Lenders may agree; *provided* that (A) written notice of any material modification or amendment to the DIP Documents shall be filed on the docket of these Chapter 11 Cases and shall be served upon the Notice Parties, each of whom shall have ten (10) days from the date of service of such notice within which to object in writing to such modification or amendment.<sup>4</sup> If any Notice Party (or any other party in interest with requisite standing) timely objects to any such material modification or amendment to the DIP Documents, such modification or amendment shall only be effective pursuant to an order of this Court and (B) written notice of any other modification or amendment to the DIP Documents shall also be filed on the docket of these Chapter 11 Cases; and
- (iii) the performance of all other acts required under or in connection with the DIP Documents.

5. Upon execution and delivery of the DIP Notes and the other DIP Documents, such DIP Documents shall constitute valid, binding, and non-avoidable obligations of the Borrowers enforceable against the Borrowers in accordance with their respective terms and the terms of this Final DIP Order for all purposes during these Chapter 11 Cases, any subsequently converted case of the Borrowers under chapter 7 of the Bankruptcy Code, or after the dismissal of any such case. No obligation, payment, transfer, or grant of security under the DIP Notes, the other DIP Documents, or this Final DIP Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d), 548, or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

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<sup>4</sup> For the avoidance of doubt, the extension of a Chapter 11 Milestone (as defined below) shall not constitute a material modification or amendment to the DIP Documents.

6. Borrowing; Use of Cash Collateral. Subject to the budget attached as Exhibit A to the DIP Notes (as modified from time to time with the unanimous written consent of the DIP Lenders in their sole and discretion, but without need for further Court order, the “Approved Budget”) and solely in compliance therewith and subject further to the terms and conditions of this Final DIP Order and the DIP Documents, (a) the DIP Lenders will provide the DIP Financing in accordance with the terms of the DIP Documents, and (b) the Debtors are authorized to use the Cash Collateral in accordance with the terms of this Final DIP Order. Notwithstanding the foregoing, the Approved Budget shall be mutually agreed upon by the Debtors and the applicable DIP Lender, (i) in an amount not to exceed \$5,500,000 under the Senior DIP Facility, and (ii) in an amount of at least \$2,500,000 under the Junior DIP Facility, in each case as may be modified from time to time by the Debtors with the consent of the applicable DIP Lender, in its sole and absolute discretion, but without need for further Court order; *provided, however*, under no circumstance shall such borrowings and disbursements be for an amount in excess of the Approved Budget.

7. Interest, Fees, Costs and Expenses. The DIP Obligations shall bear interest at an interest rate of nine percent (9%) per annum as provided in the DIP Notes. After an Event of Default (as described below), the interest shall accrue at an interest rate of twelve percent (12%) per annum payable monthly as provided in the DIP Notes.

8. Event of Default. The Debtors and DIP Lenders agree that each of the following events, unless waived by the DIP Lenders in writing, shall constitute an “Event of Default”:

- (i) the Borrowers (A) fail to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Senior DIP Documents or the Junior DIP Documents or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in any Senior DIP Document or Junior DIP Document (and, if such default is capable of being remedied, it has

not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Borrowers of the occurrence of such event of default);

- (ii) any representation, warranty, or statement made by the Borrowers herein or in any DIP Document or in any certificate delivered in connection therewith proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Borrowers of the occurrence of such event of default);
- (iii) the security interest granted to any DIP Lender ceases to be in full force and effect in any material respect, or ceases in any material respect to create a perfected security interest in, and lien on, the DIP Collateral (as defined below) purported to be created thereby;
- (iv) unless otherwise agreed to by the DIP Lender, any DIP Document is or becomes invalid, ineffective, or unenforceable against the Borrowers in any material respect, in whole or in part, or the Borrowers so assert or at any time deny the liability or the DIP Obligations under any DIP Document;
- (v) the Court enters an order dismissing any of these Chapter 11 Cases or converting any of them to cases under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtors' business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the unanimous consent of the DIP Lenders in their sole and absolute discretion;
- (vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code authorizing an action by a lienholder (other than a DIP Lender) with respect to assets of the Borrowers on which the lienholder has a lien with an aggregate value in excess of \$100,000;
- (vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);

- (viii) a debtor in possession financing order is entered in form and substance that is not acceptable to a DIP Lender in its reasonable discretion or from and after the date of entry thereof, the Final DIP Order ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the affected DIP Lender in its reasonable discretion;
- (ix) any of the orders approving the Plan or the disclosure statement to the Plan (the “Disclosure Statement”) are vacated, stayed, reversed, modified, or amended without the consent of 2HR;
- (x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Approved Budget or otherwise without the unanimous consent of the DIP Lenders in their sole and absolute discretion;
- (xi) the Debtors fail to obtain an order from the Court approving the Debtors’ motion for authority to assume the Restructuring Support Agreement dated as of June 17, 2025 (as the same may be amended, modified or extended, the “RSA”) entered into by, among others, the Debtors, the DIP Lenders, the Prepetition Secured Lenders, and 2HR, as the proposed plan sponsor of the Plan (“Plan Sponsor”) within sixty (60) days after the Petition Date;
- (xii) a Company Termination Event, Consenting Party Termination Event or GG Termination Event (each as defined in the Restructuring Support Agreement) shall have occurred, including prior to the Debtors’ assumption of the RSA;
- (xiii) the Debtors take any action, or as to insiders, permit any action, that would result in an “ownership change” as such term is used in section 382 of title 26 of the United States Code;
- (xiv) the Debtors fail to provide 2HR, Five Y, and Guidepost Global and their respective agents with reasonable access to the Debtors’ books, records, and management through the effective date of the Plan (the “Effective Date”);
- (xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) the motion of the Debtors seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the DIP Financing, or (f) any other document or exhibit related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;
- (xvi) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;

- (xvii) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;
- (xviii) any of the Chapter 11 Milestones (as defined, and set forth, on Exhibit B to the DIP Notes) are not satisfied (as the same may be modified from time to time);
- (xix) one or more judgments or decrees is entered against the Debtors or their estates involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of \$50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed or bonded pending appeal;
- (xx) any DIP Note or any other DIP Document ceases, for any reason, to be in full force and effect or the Debtors shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material item of DIP Collateral (as defined below) described therein with the priority purported to be created by the DIP Documents;
- (xxi) the Debtors fail to provide in any material respect all information, approvals, documents or other instruments as any DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;
- (xxii) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtors (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an “Alternative Transaction”);
- (xxiii) the Court approves an Alternative Transaction;
- (xxiv) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is materially inconsistent with the Plan or the RSA;
- (xxv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on the DIP Lenders’ collateral without the unanimous written consent of the DIP Lenders in their sole and absolute discretion;
- (xxvi) the Court enters an order terminating the right of the Debtors to use the DIP Financing;

- (xxvii) the Debtors fail to comply with the Approved Budget; *provided, however*, for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Approved Budget of up to 10% of the amount of the Approved Budget are permitted (*provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors' cash needs under the Approved Budget remain "on-balance" within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget; *provided further*, that the variances shall not include or otherwise require a test of payment on fees of Estate Professionals; and *provided further* that payment on fees of Estate Professionals shall not vary unfavorably from the applicable Approved Budget on a cumulative four-week-basis per Estate Professional fee line item for that portion of the Approved Budget period then ending), and unused amounts set forth in the Approved Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week; or
- (xxviii) without the consent of the Senior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Borrowers under the Senior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender may be entitled to indemnification by the Borrowers ("Senior DIP Paid in Full");
- (xxix) without the consent of the Junior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Junior DIP Lender (other than any claim or lien of the Senior DIP Lender pursuant to the Senior DIP Documents) is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Junior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Borrowers under the Junior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Junior DIP Lender may be entitled to indemnification by the Borrowers ("Junior DIP Paid in Full" and, together with the Senior DIP Paid in Full, "Paid in Full"); or
- (xxx) The Debtors, without the unanimous prior written consent of the DIP Lenders (which shall be given or refused in each DIP Lender's sole and

absolute discretion) seek to modify, vacate or amend the DIP Orders or any DIP Documents.

9. Subject to Paragraph 20 of this Order, upon the occurrence of an Event of Default and after five (5) business days' written notice by the DIP Lenders to the Notice Parties (the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the DIP Lenders shall be permitted to exercise any remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court orders otherwise during the Default Notice Period:

- (i) declare all or any portion of the outstanding DIP Obligations due and payable, whereupon the same shall become forthwith due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Debtors;
- (ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the DIP Lenders);
- (iii) enforce all liens and security interests in the DIP Collateral;
- (iv) institute proceedings to enforce payment of such DIP Obligations;
- (v) terminate the obligation of the DIP Lenders to make Loans; and
- (vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the DIP Notes, the Bankruptcy Code, other applicable law or pursuant to this Final DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

*provided, however*, that the DIP Lenders shall continue to fund the Debtors' operations, pursuant to the Approved Budget, through the Default Notice Period; *provided, further, however*, that the respective rights and remedies available to the Senior DIP Lender and the Junior DIP Lender with respect to the DIP Collateral shall be subject to Paragraph 20 of this Order.

10. The Debtors, the Committee, and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period, then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

11. Termination of the DIP Financing and Use of Cash Collateral. Except with respect to the payment of the Carve Out, the DIP Lenders' agreement to provide the DIP Financing in accordance with the DIP Documents and the Debtors' authorization to use Cash Collateral shall immediately and automatically terminate (except, to the extent any Senior DIP Obligations remain outstanding, the Senior DIP Lender agrees in writing, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender agrees in writing, in each case, which consent may be withheld in their reasonable discretion), upon the earliest to occur of any of the following (each, a "Termination Date"):

- (i) September 30, 2025;
- (i) the date of final indefeasible payment and satisfaction in full in cash of the DIP Obligations;
- (ii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than the DIP Lenders under section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the DIP Obligations or unless such financing is subordinate to the DIP Obligations and Prepetition Secured Lenders Obligations and consented to in writing by, to the extent any Senior DIP Obligations remain outstanding, the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in each case, which consent may be withheld in their sole and absolute discretion;
- (iii) the dismissal of these Chapter 11 Cases or the conversion of these Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;
- (iv) any DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of, to the extent

any Senior DIP Obligations remain outstanding, the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in each case, which consent may be withheld in their sole and absolute discretion;

- (v) the Effective Date; or
- (vi) upon expiration of the Default Notice Period.

The DIP Lenders shall file a notice with the Court upon the occurrence of the Termination Date.

12. Superpriority Claims. The DIP Lenders are hereby granted, as and to the extent provided by section 507(b) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims in these Chapter 11 Cases and any successor case (the “Superpriority Claims”). The Superpriority Claims shall have the priority set forth in Section 507(b) of the Bankruptcy Code.

13. Carve Out. The liens and claims of or granted to the DIP Lenders and the Prepetition Secured Lenders shall be subject and subordinate to the payment and full funding, without duplication, of the following fees and claims (the amounts set forth below, together with the limitations set forth therein, collectively, the “Carve Out”): (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under 28 U.S.C. § 1930(a) plus interest at the statutory rate (collectively, the “Statutory Fees”), which Statutory Fees shall not be subject to any budget; and (ii) solely to the extent allowed by order of the Court (if applicable), the aggregate amount of unpaid, reasonable and documented fees, costs, and expenses incurred in compliance with the Approved Budget by persons or firms retained by the Debtors pursuant to sections 327, 328, 331, or 363 of the Bankruptcy Code (the “Debtors Professionals”) and the Committee under section 328 or 1103 of the Bankruptcy Code (together with any other statutory committee that may be appointed or formed, the “Statutory Committee,” and such professionals retained by the Statutory Committee, the “Committee Professionals,” and, together with the

Debtors Professionals, the “Estate Professionals”) at any time before or on the Termination Date, whether allowed by the Court prior to or after the Termination Date; *provided*, for the avoidance of doubt, that the DIP Lenders shall not be liable for amounts incurred by Estate Professionals that exceed budgeted amounts under the Approved Budget for the period prior to such Termination Date; and (iii) allowed fees of Estate Professionals in an aggregate amount not to exceed \$125,000, to be shared by the Estate Professionals incurred after the Termination Date, to the extent allowed at any time, whether by final order, procedural order, or otherwise.

14. Notwithstanding anything to the contrary in this Final DIP Order, the Interim DIP Order, or any Prepetition Loan Documents or the DIP Loan Documents, the Carve Out shall be senior to all liens and claims securing the Priming DIP Liens, Prepetition Liens, or Adequate Protection Liens (as defined below), Superpriority Claims, and the Adequate Protection Claims (as defined below) and any and all other forms of adequate protection provided to the DIP Lender, Prepetition Secured Lenders, or any other party hereunder.

15. Carve Out Reserves. On the first business day following entry of each of the DIP Orders (or as soon as reasonably practicable thereafter) and then on the fourth business day of each week thereafter, the Debtors remitted and will continue to remit to Kurtzman Carson Consultants, LLC dba Verita Global (“Verita”), the amount equal to, but not to exceed, the Budgeted Fees & Expenses for each such week to be held in an escrow account (such account, the “Professional Fee Reserve”) for the benefit of the Estate Professionals. From such funds held in the Professional Fee Reserve, Verita shall release to the Estate Professionals such amounts as are payable pursuant to an applicable order of the Court, including an order approving interim compensation procedures in the Chapter 11 Cases and any order granting interim or final fee applications for Estate Professionals (each, a “Fee Payment”). For avoidance of doubt, (a) in

making payments from the Professional Fee Reserve, Verita shall be entitled to rely upon written certifications of each Estate Professional as to the amount such Estate Professional is due and owing from the Professional Fee Reserve; and (b) in no circumstances shall Verita be obligated to pay any Estate Professional other than from the funds held, from time to time, in the Professional Fee Reserve. Funds held in the Professional Fee Reserve shall be applied to allowed Estate Professional fees that have been incurred following the Petition Date in accordance with the procedures established in the Chapter 11 Cases. Payments and reimbursements made to an Estate Professional prior to the Termination Date shall reduce the amounts available to such Estate Professional from the Carve Out, and neither the Professional Fee Reserve nor payments therefrom shall in any way increase the Carve Out.

16. Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and the Professional Fee Reserve, the Debtors and DIP Lenders shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the “Estimated Carve Out”) and, if the amount of cash on hand with the Debtors is less than the Estimated Carve Out, the DIP Lenders shall fund a draw (a “Back-Stop Draw”) under the DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors’ cash on hand as of such date, automatically without any obligation of the Debtors to meet any draw conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out the Debtors’ cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the DIP Lenders shall fund additional Back-Stop Draws

automatically without any obligation of the Debtors to meet any draw conditions or any other conditions precedent to such draw to cover any such shortfall.

17. Notwithstanding anything to the contrary in this Order, the Senior DIP Lender shall not be required to fund any amounts in excess of the Senior DIP Commitment or outside the Approved Budget (including permitted variances), including, without limitation, in connection with the Carve Out.

18. Notwithstanding anything to the contrary in this Final Order, (a) the failure of the Professional Fee Reserve to satisfy in full the fees of Estate Professionals shall not affect the priority of the Carve Out, and (b) the Professional Fee Reserve shall serve as a limitation only on the amount of Estate Professional fees that may be paid from such Professional Fee Reserve, and in no way shall the Approved Budget, the Carve Out, the Estimated Carve Out, the Professional Fee Reserve, or anything else herein be construed as a cap or limitation on the amount of Estate Professional fees that Estate Professionals may seek to be paid by the Debtors in these Chapter 11 Cases from funds other than the DIP Financing and Cash Collateral.

19. Notwithstanding any other provision of this Final DIP Order (including this paragraph), the Court retains and shall have all authority to consider and approve all applications for fees and expenses by any Estate Professionals, including for reasonableness thereof, or on any other basis under the Bankruptcy Code or Bankruptcy Rules, or otherwise under applicable law, and all funds that may be set aside for or applied to any such amounts or obligations shall remain fully subject to disgorgement or reallocation, based on the Court's orders exercising such reserved rights as described previously in this sentence. All professionals described in the preceding sentence shall be and remain subject to the jurisdiction of this Court for the purposes described in the preceding sentence.

20. Notwithstanding the foregoing, none of the Carve Out, proceeds from the DIP Financing or Cash Collateral may be used (a) to investigate or challenge in any respect to the validity, perfection, priority, extent or enforceability of the Priming DIP Liens, Prepetition Liens, or Adequate Protection Liens except the professionals of a committee appointed pursuant to section 1102 of the Bankruptcy Code shall be entitled to payment of up to \$75,000 of allowed professional fees and expenses (aggregated among all such professionals) from the Carve Out, proceeds from the DIP Financing or Cash Collateral incurred in connection with any review and investigation of the validity, perfection, priority, extent or enforceability of the Prepetition Secured Lenders Obligations or the Prepetition Liens or the Debtors' stipulations, admissions, agreements, and releases contained in this Final DIP Order, (b) to delay, challenge or impede any rights of the DIP Lenders under any of the DIP Documents, or the DIP Orders or the Prepetition Secured Lenders under the Prepetition Loan Documents, or (c) to pursue any claims or causes of action of any kind against the DIP Lenders or the Prepetition Secured Lenders (except for purposes of enforcement of the DIP Orders or the DIP Notes). Nothing herein shall restrict the ability of any other party to investigate or object to a disclosure statement or a plan of reorganization.

21. Effect of Debtors' Stipulations on Third Parties.

- (i) Binding on Debtors. The Debtors' stipulations, admissions, agreements and releases contained in this Final DIP Order, including, without limitation, in Paragraph K of this Final DIP Order, shall be binding upon the Debtors in all circumstances and for all purposes.
- (ii) Binding on Third Parties. The Debtors' stipulations, admissions, agreements and releases contained in this Final DIP Order, including, without limitation, in

Paragraph K of this Final DIP Order, shall be binding upon their estates and all other parties in interest, including, without limitation, any other person or entity acting or seeking to act on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for the Debtors, in all circumstances and for all purposes unless the following criteria under subparagraphs a, b, and c below are satisfied:

- a. Challenge Period. Any party in interest (subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to do so, a "Challenge Party") with requisite standing granted by the Court (which motion for such standing may be filed concurrently with an adversary proceeding or contested matter), has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein), within the earlier of: (i) 80 days from the date of entry of the Interim DIP Order, (ii) 60 days from the appointment of the Committee, or (iii) such earlier date upon which the Court enters an order confirming the Plan (the "Challenge Period"); *provided, however*, if these Chapter 11 Cases convert to chapter 7 cases, or if a chapter 11 trustee is appointed prior to the end of the Challenge Period, any such trustee shall have the benefit of any remaining portion of the Challenge Period, and in any event 10 days from the appointment of such trustee, to file such an adversary proceeding or contested matter, without prejudice for such trustee to file a motion with the Court requesting a further extension of the deadline. For the avoidance of doubt,

only a motion seeking standing need be filed within the Challenge Period, and an order granting such motion may be entered following the Challenge Period.

- b. Challenge Proceeding. Such adversary proceeding or contested matter (A) objects to or challenges the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Secured Lenders Obligations or the Prepetition Liens, or any portion thereof, or (B) otherwise asserts or prosecutes any action for preferences, fraudulent transfers or conveyances, other avoidance power claims, or any other claims, counterclaims or causes of action, objections, contests, or defenses (collectively, a “Challenge Proceeding”) against the Prepetition Secured Lenders, or their subsidiaries, affiliates, officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof, in each case in their respective capacity as such, in connection with matters related to the Prepetition Loan Documents, the Prepetition Secured Lenders Obligations, the Prepetition Liens or the Prepetition Secured Lenders Collateral.
- c. Final Non-Appealable Order. A final non-appealable order is entered in favor of the plaintiff in any such Challenge Proceeding; *provided* that any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be deemed forever waived, released and barred.

- (iii) Agreement to Not Assert a Challenge. Notwithstanding the foregoing, the DIP Lenders hereby agree not to (and hereby waive any right to) take any action to contest or challenge (or assist or support any other person in contesting or challenging), directly or indirectly, the extent, validity, priority, enforceability or perfection of the Prepetition Secured Lenders Obligations or the Prepetition Liens.
- (iv) Failure to File Challenge Proceeding. If no Challenge Proceeding is timely and properly filed during the Challenge Period with respect to the Prepetition Secured Lenders Obligations or Prepetition Liens: (i) the Debtors' stipulations, admissions, agreements and releases contained in this Final DIP Order relating thereto, including, without limitation, those contained in Paragraph K of this Final DIP Order shall be binding on all parties in interest; (ii) the obligations owing to the Prepetition Secured Lenders under the Prepetition Loan Documents shall constitute allowed claims not subject to defense, claim, counterclaim, recharacterization, subordination, offset, or avoidance for all purposes in these Chapter 11 Cases and any subsequent chapter 7 cases; (iii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance or other defense; (iv) the Prepetition Secured Lenders Obligations and the Prepetition Liens shall not be subject to any other or further claim or challenge by any non-statutory committees appointed or formed in these Chapter 11 Cases or any other party in interest acting or seeking to act on behalf of the Debtors' estates; and (v) any defenses, claims, causes of action,

counterclaims and offsets by any non-statutory committees appointed or formed in these Chapter 11 Cases, or any other party acting or seeking to act on behalf of the Debtors' estates, whether arising under the Bankruptcy Code or otherwise, against the Prepetition Secured Lenders arising out of or relating to the Prepetition Loan Documents shall be deemed forever waived, released and barred. If any such Challenge Proceeding is timely filed during the Challenge Period, the applicable stipulations, admissions, agreements and releases contained in this Final DIP Order, including, without limitation, those contained in Paragraph J of this Final DIP Order, shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any other person or entity, except to the extent that such stipulations, admissions, agreements and releases were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Final DIP Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee or any non-statutory committees appointed or formed in these Chapter 11 Cases, standing or authority to pursue any claim or cause of action belonging to the Debtors or their estates, including, without limitation, Challenge Proceedings with respect to the Prepetition Loan Documents, the Prepetition Secured Lenders Obligations or the Prepetition Liens. Any motion seeking standing shall attach a draft complaint or other pleading that sets forth such claim or cause of action or other Challenge Proceedings, and any claim or cause of action or other Challenge

Proceeding not included therein shall be deemed forever waived, released and barred.

22. Subject to the terms of this Final DIP Order and any interim compensation order entered by the Court, the DIP Lenders shall be obligated to fund, and the Debtors shall be permitted to pay, compensation and reimbursement of reasonable fees and expenses of the Estate Professionals allowed and payable under sections 328, 330, or 331 of the Bankruptcy Code, as the same may be due and payable, that constitute pre-Termination Date expenses and such payments shall not reduce or be deemed to reduce the post-Termination Date fees and expenses.

23. Liens to Secure the DIP Obligations. As security for the DIP Obligations, effective and perfected upon the date of this Final DIP Order and without the necessity of the execution, recordation of filings by the Borrowers or any DIP Lender of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by any DIP Lender of or over any DIP Collateral (as defined below), the following security interests and liens (such security interests and liens with respect to the Senior DIP Facility, the “Senior DIP Priming Liens,” such security interests and liens with respect to the Junior DIP Facility, the “Junior DIP Priming Liens,” and, together, the “Priming DIP Liens”), subject only to the payment of the Carve Out (and, in the case of the Junior DIP Priming Liens, the Senior DIP Priming Liens), are hereby granted by the Borrowers to (i) the Senior DIP Lender for its benefit and (ii) the Junior DIP Lender for its benefit, in each case, pursuant to this Final DIP Order and the DIP Documents (all property identified in clauses (a) and (b) below being collectively referred to as the “DIP Collateral”):

(a) *First Lien on All Property.* Subject to the priority of the Carve Out, pursuant to sections 364(c)(1), 364(c)(2), and 364(d)(1) of the Bankruptcy Code, a valid, binding,

continuing, enforceable, fully perfected first priority senior security interest in and lien upon all pre and postpetition property of the Borrowers or their estates, whether existing on the Petition Date or thereafter acquired (collectively, “Property”), including, without limitation, any such encumbered cash of the Borrowers and any investment of such cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property; and, subject to the entry of a Final DIP Order, the proceeds of the claims and causes of action of the Borrowers’ estates under sections 502(d), 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code, commercial tort claims, equity interests, and the proceeds of all the foregoing (collectively, the “Avoidance Action Proceeds”); *provided, however*, the DIP Lenders shall only avail themselves of the Avoidance Action Proceeds on a “last look” basis, and only if all other DIP Collateral is inadequate to repay or satisfy the DIP Obligations in full, following the full or partial satisfaction of the DIP Obligations through the DIP Lenders’ retention of such other DIP Collateral or commercially reasonable efforts by the DIP Lenders to liquidate such other DIP Collateral; *provided, further*, subject to entry of the Final DIP Order, the Priming DIP Liens shall be subject and subordinate to any inchoate governmental claims or statutory liens in existence as of the Petition Date and to any valid, perfected, unavoidable liens or security interests in existence as of the Petition Date, or that are perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b), other than the Prepetition Liens (as the Prepetition Secured Lenders are consenting to the priming of the Prepetition Liens by the Priming DIP Liens). Notwithstanding anything herein to the contrary and subject to the priority of the Carve Out, (i)

the Senior DIP Priming Liens shall be senior in all respects to the Junior DIP Priming Liens and the Prepetition Liens and (ii) the Junior DIP Priming Liens shall be subject and subordinate in all respects to the Senior DIP Priming Liens.

(b) *Liens Senior to Certain Other Liens.* Other than the Carve Out, the Priming DIP Liens shall not be subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of the Borrowers' estates under section 551 of the Bankruptcy Code, (ii) any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Borrowers to the extent permitted by applicable non-bankruptcy law, except, subject to entry of the Final DIP Order, for liens perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b), or (iii) any intercompany or affiliate liens of the Borrowers.

24. Perfection of Priming DIP Liens. The Priming DIP Liens shall be, and hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, landlord or warehousemen lien waivers, or other third party consents or other act, shall be required to effect such perfection; *provided, however*, notwithstanding the provisions of section 362 of the Bankruptcy Code, (a) the DIP Lenders, may, at their sole option, file or record or cause the Borrowers to obtain any such landlord or warehousemen lien waivers or other third party consents or execute, file, or record any such UCC financing statements, notices of liens and security interests, mortgages, amendments to mortgages, and/or other similar documents or instruments as such DIP Lender may require, and (b) the DIP Lenders may require the Borrowers to deliver to the DIP Lenders any chattel paper, instruments, or securities evidencing or

constituting any DIP Collateral, and the Borrowers shall cooperate and comply therewith. If the DIP Lenders, in their reasonable discretion, shall elect for any reason to cause to be obtained any landlord or warehouse lien waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages, amendments to mortgages, or other documents or instruments with respect to such security interests and liens, or if the DIP Lenders, in accordance with the DIP Documents or this Final DIP Order, elect to take possession of any DIP Collateral, all such landlord or warehouse lien waivers or other third party consents, financing statements, mortgages, amendments to mortgages, or similar documents or instruments or such taking of possession shall be deemed to have been filed, recorded, or taken in these Chapter 11 Cases as of the commencement of these Chapter 11 Cases but with the priorities set forth herein. The DIP Lenders may (in their reasonable discretion), but shall not be required to, file a certified copy of this Final DIP Order in any filing or recording office in any county or other jurisdiction in which the Borrowers have real or personal Property and such filing or recording shall constitute further evidence of the DIP Lenders' interest in the DIP Collateral.

25. Indemnity. Subject to applicable Fifth Circuit law, the Borrowers agree to indemnify, defend, and hold harmless each DIP Lender (strictly in its capacity as such), each of its affiliates, and each of their respective officers, directors, employees, agents, advisors, attorneys, and representatives from and against all losses, claims, liabilities, damages, and expenses (including, without limitation, fees and expenses of counsels) for any actions, omissions, or events arising from or directly related to the DIP Financing, except to the extent resulting from such DIP Lender's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

26. Protection of DIP Lenders' Rights.

(a) So long as there are any DIP Obligations outstanding, the Prepetition Secured Lenders shall: (A) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Prepetition Loan Documents or this Final DIP Order or otherwise seek to exercise or enforce any rights or remedies against the DIP Collateral (including without limitation, in connection with the Adequate Protection Liens or settling any insurance policy with respect thereto) or take any action to frustrate the lawful exercise of remedies by the Senior DIP Lender with respect to the Senior DIP Obligations or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender; (B) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, any DIP Collateral (but not any proceeds of such transfer, disposition, sale or release) to the extent such transfer, disposition, sale or release is authorized under the DIP Documents or consented to thereunder; (C) not file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral other than solely as to this clause (C), (x) to perfect the liens granted pursuant to this Final DIP Order, or (y) as may be required by applicable state or foreign law to complete a previously commenced process of perfection or to continue the perfection of valid and nonavoidable liens or security interests existing as of the Petition Date; and (D) deliver or cause to be delivered any termination statements, releases and/or assignments in favor of the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of the DIP Collateral subject to any sale or disposition permitted by the DIP Documents and this Final DIP Order.

(b) So long as there are any Senior DIP Obligations outstanding, the Junior DIP Lender shall: (A) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Junior DIP Documents or this Final DIP Order or otherwise seek to exercise or enforce any rights or remedies against the DIP Collateral (including without limitation, settling any insurance policy with respect thereto), including in connection with the Junior DIP Priming Liens, or take any action to frustrate the lawful exercise of remedies by the Senior DIP Lender with respect to the Senior DIP Obligations, (B) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, any DIP Collateral to the extent such transfer, disposition, sale or release is authorized under the Senior DIP Documents or consented to thereunder, (C) not file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral other than (x) to perfect the liens granted pursuant to this Final DIP Order or (y) as may be required by applicable state or foreign law to complete a previously commenced process of perfection or to continue the perfection of valid and non-avoidable liens or security interests existing as of the Petition Date; or (D) deliver or cause to be delivered any termination statements, releases and/or assignments in favor of the Senior DIP Lender or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of the DIP Collateral subject to any sale or disposition permitted by the Senior DIP Documents and this Final DIP Order.

(c) To the extent, at any time, any Prepetition Lender has possession of, or control over, any Prepetition Secured Lenders' Collateral or DIP Collateral, or has been listed as a secured party on any certificate of title for a titled good constituting Prepetition Secured Lenders'

Collateral or DIP Collateral, such Prepetition Lender shall be deemed to have such possession or be so listed or have such possession or control as a gratuitous bailee and/or gratuitous agent for the benefit of the DIP Lenders (subject to the terms set forth in this Final DIP Order and the DIP Documents), and such Prepetition Lender shall comply with the instructions of the Senior DIP Lender, or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, with respect to any of the foregoing. Each applicable DIP Lender is hereby authorized to take any of the actions described in this paragraph (c) on behalf of the Prepetition Secured Lenders and/or the Junior DIP Lenders (as applicable), and such authorization is coupled with an interest and is irrevocable.

(d) To the extent, at any time, the Junior DIP Lender has possession of, or control over, any DIP Collateral, or has been listed as a secured party on any certificate of title for a titled good constituting DIP Collateral, the Junior DIP Lender shall be deemed to have such possession or be so listed or have such possession or control as a gratuitous bailee and/or gratuitous agent for the benefit of the Senior DIP Lender, and the Junior DIP Lender shall comply with the instructions of the Senior DIP Lender with respect to any of the foregoing, unless and until the Senior DIP Facility has been indefeasibly repaid in full in cash. This authorization is coupled with an interest and is irrevocable.

(e) Unless and until the DIP Facility has been indefeasibly repaid in full in cash, any proceeds of DIP Collateral received by the Prepetition Secured Lenders, whether in connection with the exercise of any right or remedy (including setoff) relating to the DIP Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, in the same form as received, with any necessary endorsements, or as a court

of competent jurisdiction may otherwise direct. The Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender, is hereby authorized to make any such endorsements as agent for the Prepetition Secured Lenders. This authorization is coupled with an interest and is irrevocable.

(f) Unless and until the Senior DIP Facility has been indefeasibly repaid in full in cash, any proceeds of DIP Collateral received by the Junior DIP Lender, whether in connection with the exercise of any right or remedy (including setoff) relating to the DIP Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Senior DIP Lender is hereby authorized to make any such endorsements as agent for the Junior DIP Lender. This authorization is coupled with an interest and is irrevocable.

(g) Except as set forth herein, any proceeds of Prepetition Secured Lenders' Collateral received by any Prepetition Lender, whether in connection with the exercise of any right or remedy (including setoff) relating to the Prepetition Secured Lenders Collateral or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Senior DIP Lender or, if the Senior DIP Facility has been indefeasibly repaid in full in cash, the Junior DIP Lender in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The applicable DIP Lender is hereby authorized to make any such endorsements as agent for the applicable Prepetition Secured Lenders. This authorization is coupled with an interest and is irrevocable.

27. If an order dismissing these Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is entered at any time prior to the DIP Obligations being Paid in

Full, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (a) subject to the Carve Out, the Superpriority Claims, Priming DIP Liens granted to the DIP Lenders, and the Adequate Protection Obligations (as defined below) granted to the Prepetition Secured Lenders shall continue in full force and effect and shall maintain their priorities as provided in the DIP Orders until all DIP Obligations shall have been indefeasibly Paid in Full and the Prepetition Secured Lenders Obligations shall have been indefeasibly paid in full (and that, subject to the Carve Out, such Superpriority Claims, Priming DIP Liens, and Adequate Protection Obligations, shall, notwithstanding such dismissal, remain binding on all parties in interest) and (b) to the extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (a) above.

28. If any or all of the provisions of this Final DIP Order are hereafter reversed or modified on appeal such reversal or modification on appeal shall not affect the validity of the DIP Obligations or any priority or lien granted hereby, whether or not the DIP Lenders or the Prepetition Secured Lenders knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal. To the extent permitted by applicable law, notwithstanding any reversal, stay, modification or vacation, any use of Cash Collateral or DIP Obligations incurred by the Borrowers or their estates prior to the actual receipt of written notice by the DIP Lenders of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by the original provisions of the DIP Orders, and the DIP Lenders and the Prepetition Secured Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in section 364(e) of the

Bankruptcy Code, this Final DIP Order and pursuant to the DIP Documents with respect to all uses of Cash Collateral and the DIP Obligations.

29. Except as expressly provided in the DIP Orders or in the DIP Documents, or until the DIP Obligations are Paid in Full, the Priming DIP Liens, the Superpriority Claims, the Adequate Protection Obligations and all other rights and remedies of the DIP Lenders and Prepetition Secured Lenders granted by the provisions of the DIP Orders and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (a) the entry of an order converting these Chapter 11 Cases to a case under chapter 7, or dismissing these Chapter 11 Cases or (b) the entry of an order confirming a plan of reorganization in these Chapter 11 Cases (other than a plan of reorganization which is consistent with the terms of the Plan) and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Borrowers waive any discharge as to any remaining DIP Obligations and Adequate Protection Obligations. The terms and provisions of the DIP Orders and the DIP Documents shall continue in these Chapter 11 Cases, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Priming DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, and all other rights and remedies of the DIP Lenders and Prepetition Secured Lenders granted by the provisions of this Final DIP Order and the DIP Documents shall continue in full force and effect until the DIP Obligations are Paid in Full and the Prepetition Lender Obligations are indefeasibly paid in full.

30. Treatment of DIP Obligations and Adequate Protection Obligations in the Plan. Notwithstanding anything to the contrary in the DIP Orders or in the DIP Documents, any plan of reorganization proposed by the Debtors shall provide for the treatment of the DIP Obligations, the Priming DIP Liens, the Superpriority Claims, and the Adequate Protection Obligations on terms that are consistent with the terms of the Plan and the RSA.

31. Right to Credit Bid. Subject to section 363(k) of the Bankruptcy Code, each of the DIP Lenders shall (i) have the right to “credit bid” the full amount of its respective DIP Obligations authorized pursuant to this Final DIP Order and (ii) have the right to “credit bid” the full amount of its claim, in each case, in connection with any sale of all or any portion of the Borrowers’ assets, including, without limitation, a sale transaction under section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. Subject to (i) section 363(k) of the Bankruptcy Code, (ii) the Challenge Period and (iii) the indefeasible payment in full in cash of the DIP Obligations or the consent of the DIP Lenders, the Prepetition Secured Lenders shall have the right to “credit bid” the full amount of their respective claims in connection with any sale of all or any portion of the Borrowers’ assets, including, without limitation, a sale transaction under section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. Notwithstanding anything contained in this Paragraph 31 to the contrary, the DIP Lenders and the Prepetition Secured Lenders shall only be entitled to exercise their respective credit bid rights in the event of an Alternative Transaction.

32. Adequate Protection of the Prepetition Secured Lenders. The consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens is limited to the DIP Financing presently before this Court and authorized by the DIP Orders (as amended, supplemented, or otherwise modified in accordance with the terms thereof and hereof), and shall not be deemed to extend to any other postpetition financing with any other party (other than any permitted successors and assigns of the DIP Lenders) or any increase in the total amount of the DIP Financing approved by the DIP Orders. Furthermore, the consent of the

Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens as provided in the DIP Orders does not constitute, and shall not be construed as constituting, an acknowledgment or stipulation by the Prepetition Secured Lenders that their interests in the Prepetition Secured Lenders Collateral are adequately protected pursuant to the DIP Orders or otherwise. Nothing in this Final DIP Order, including any of the provisions herein with respect to adequate protection, shall constitute, or be deemed to constitute, a finding that the interests of the Prepetition Secured Lenders are or will be adequately protected with respect to any non-consensual use of Cash Collateral or non-consensual priming of the Prepetition Liens.

(a) Adequate Protection Obligations. Until the indefeasible repayment in full in cash of the Prepetition Secured Lenders Obligations, as adequate protection for the interests of the Prepetition Secured Lenders in the Prepetition Secured Lenders Collateral, each of the Prepetition Secured Lenders is hereby granted the following (collectively, “Adequate Protection”):

a. Adequate Protection Liens. Pursuant to sections 361(2), 362, 363(c)(2), and 363(e) of the Bankruptcy Code, each of the Prepetition Secured Lenders is hereby granted a continuing valid, binding, enforceable and perfected, lien and security interest in and on all of the DIP Collateral and any proceeds thereof (the “Adequate Protection Liens”). The Adequate Protection Liens shall be subordinate only to (1) the Carve Out, (2) the Priming DIP Liens, and (3) subject to entry of the Final DIP Order, any valid, perfected, unavoidable liens or security interests in existence as of the Petition Date, or that are perfected subsequent to the Petition Date as permitted by Bankruptcy Code section 546(b). The Adequate Protection Liens shall be deemed legal, valid,

binding, enforceable, and perfected liens, not subject to subordination, impairment or avoidance, for all purposes in these Chapter 11 Cases and any successor case. Except as described above, no other liens or security interests, whether for adequate protection or otherwise, shall be senior, equal to or *pari passu* with the Adequate Protection Liens in these Chapter 11 Cases or any successor case without the prior written consent of the Prepetition Secured Lenders (which consent may be withheld in their sole and absolute discretion).

- b. Adequate Protection Claims. As and to the extent provided by section 507(b) of the Bankruptcy Code, each of the Prepetition Secured Lenders shall have an allowed superpriority administrative expense claim in these Chapter 11 Cases and any successor case (the “Adequate Protection Claim”) against the Borrowers and their estates, solely to the extent of any diminution in the value of the Prepetition Secured Lenders’ interests in the Prepetition Secured Lenders Collateral. The Adequate Protection Claim shall have the priority set forth in Section 507(b) of the Bankruptcy Code; provided that the Adequate Protection Claim shall be subordinate to (1) the Carve Out, (2) the Priming DIP Liens, and (3) the Superpriority Claims. Except as described above, no cost or expense of administration under any provision of the Bankruptcy Code (whether incurred in these Chapter 11 Cases or any successor case, whether for adequate protection, the lack of, or failure to provide, adequate protection, or otherwise), shall be senior to, equal to, or *pari passu* with, the Adequate Protection Claims.

- (b) Adequate Protection Obligations. The Adequate Protection Liens and Adequate Protection Claims shall secure the payment of the Prepetition Secured Lenders Obligations in an amount equal to any diminution in the value of the interests of the Prepetition Secured Lenders in the Prepetition Secured Lenders Collateral from and after the Petition Date (the amount of such diminution, the “Adequate Protection Obligations”).
- (c) Reservation of Rights of Prepetition Secured Lenders. Notwithstanding any other provision hereof, the relief granted hereby is without prejudice to the right of the Prepetition Secured Lenders to seek additional adequate protection of their interests. The Prepetition Secured Lenders acknowledges that the Priming DIP Liens securing the DIP Obligations are senior to the Prepetition Liens securing the Prepetition Secured Lenders Obligations, and the Superpriority Claims are senior to the Prepetition Secured Lenders Obligations. Except as expressly provided herein, nothing contained in this Final DIP Order shall impair or modify any rights, claims or defenses available in law or equity to the Prepetition Secured Lenders. The consent of the Prepetition Secured Lenders to the priming of the Prepetition Liens by the Priming DIP Liens and the Carve Out is limited to the Senior DIP Facility, Junior DIP Facility and the Carve Out and does not constitute, and shall not be construed as constituting, an acknowledgement or stipulation by the Prepetition Secured Lenders that, absent such consent, their interests in the Prepetition Secured Lenders Collateral would be adequately protected pursuant to this Final DIP Order.

33. As a further condition of the DIP Financing, any obligation of the DIP Lenders to make the loans under the DIP Financing, and the Debtors' authorization to use the Cash Collateral, the Borrowers (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the DIP Lenders, the Priming DIP Liens, the DIP Collateral, and solely with respect to the DIP Lenders, the Prepetition Liens or the Prepetition Secured Lenders Collateral. Except for the Carve Out, nothing contained in this Final DIP Order or in the other DIP Loan Documents shall be deemed a consent by the DIP Lenders to any charge, lien, assessment or claim against, or in respect of, the DIP Collateral or, solely with respect to the DIP Lenders, the Prepetition Secured Lenders Collateral under section 506(c) of the Bankruptcy Code or otherwise.

34. Effect of Stipulations on Third Parties. Each stipulation, admission and agreement contained in the DIP Orders shall be binding upon the Debtors and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for the Debtors) under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all claims against the DIP Lenders as of the date of entry of the applicable DIP Order. Subject to the Challenge Period, each stipulation, admission and agreement contained in the DIP Orders shall also be binding upon all other parties in interest under all circumstances and for all purposes.

35. Insurance and Taxes. The Debtors shall maintain insurance on all insurable Property now or hereafter owned against such risks and to the extent customary in their industry. The Debtors shall further maintain or cause to be maintained general liability and worker's

compensation insurance in amounts customary in their industry. The Debtors shall provide to the DIP Lenders the number(s) of any and all insurance policies in effect, the names, addresses, and contact persons of any entities issuing such insurance and a summary of the terms and payment arrangement for any such insurance policies. The DIP Lenders shall be named the loss payees on such insurance policies.

36. Financial Reporting. The Debtors shall provide any reporting provided for under the DIP Notes and the Prepetition Loan Documents to the DIP Lenders.

37. Covenants. Unless otherwise modified pursuant to this Final DIP Order, each of the Borrowers acknowledges and agrees that it shall cause the timely compliance with all of the covenants set forth in this Final DIP Order and the DIP Documents.

38. Approval of Roll-Up. Upon entry of this Final Order, the Prepetition Senior Bridge Loan and the Prepetition Junior Bridge Loan shall be rolled up and converted into the Senior DIP Facility and the Junior DIP Facility, respectively, as amounts are funded. Upon entry of the final order, all remaining Prepetition Junior Bridge Obligations shall be rolled up and converted into Junior DIP Obligations on a combination of new money and a cashless basis, with the Prepetition Junior Bridge Obligations being deemed indefeasibly paid. The cashless substitution and exchange of the Prepetition Junior Bridge Loan by “rolling up” such amount into Junior DIP Facility as described herein shall be authorized as compensation for, in consideration for, as a necessary inducement for, and on account of the agreement of the Junior DIP Lender to fund the Junior DIP Facility and not as adequate protection for, or otherwise on account of, the Prepetition Junior Bridge Obligations.

39. Texas Taxing Authorities. Notwithstanding any provisions in this Final Order, the statutory tax liens (the “Tax Liens”) held by the Texas Taxing Authorities<sup>5</sup> shall neither be primed by nor subordinated to any liens granted thereby or pursuant to this Final Order to the extent such Tax Liens are valid, senior, perfected, and unavoidable, and all parties’ rights to object to the priority, validity, amount, and extent of the claims and liens asserted by the Texas Taxing Authorities are fully preserved.

40. Binding Effect on Successors and Assigns. The DIP Documents and the provisions of the DIP Orders, including all findings herein, shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the Committee, if any, the Debtors, the Prepetition Secured Lenders, the DIP Lenders and each of their respective successors and assigns, including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the Debtors’ estates, an examiner appointed pursuant to section 1104 of the Bankruptcy Code or any other fiduciary appointed as a legal representative of the Debtors or with respect to the property of the Debtors’ estates) and shall inure to the benefit of the Prepetition Secured Lenders, the DIP Lenders, the Debtors, and each of their respective successors and assigns; *provided, however*, the DIP Lenders and the Prepetition Secured Lenders shall have no obligation to permit the use of Cash Collateral or to extend any financing to any chapter 7 or chapter 11 trustee or similar responsible person appointed for the estates of the Debtors. In determining to make any loan (whether under the DIP Notes or otherwise) or permit

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<sup>5</sup> “Texas Taxing Authorities” shall mean, collectively, Interstate Municipal Utility District, Montgomery County Municipal Utility District 006, Frisco Independent School District, Plano Independent School District, Grapevine-Colleyville Independent School District, Richardson Independent School District, Bexar County, Dallas County, City of Frisco, Harris County ESD # 48, City of Houston, Houston Community College System, Houston ISD, Irving ISD, Lewisville ISD, Montgomery County, Tarrant County, Denton County and Williamson County.

the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to the DIP Orders or the DIP Documents, the DIP Lenders shall not (i) be deemed to be in control of the operations of the Debtors, (ii) owe any fiduciary duty to the Debtors, their creditors, shareholders, or estates, or (iii) be deemed to be acting as a “responsible person” or “owner or operator” with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601, *et seq.*, as amended, or any similar federal or state statute).

41. Effectiveness. This Final DIP Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9024, any other Bankruptcy Rule or Rule 62(a) of the Federal Rules of Civil Procedure, the Final DIP Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final DIP Order.

42. Waiver of any Applicable Stay. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Final DIP Order.

43. Timeliness. Time is of the essence with respect to all performance required by this Final DIP Order.

44. Objections Overruled or Withdrawn. All objections to the entry of the Final DIP Order have been withdrawn or are hereby overruled.

45. Controlling Effect of Final DIP Order. To the extent any provisions in this Final DIP Order conflict with any provisions of the Motion, or any DIP Document, the provisions of this Final DIP Order shall control.

46. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Final DIP Order according to its terms.

**###END OF ORDER###**

Submitted by:

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**PROPOSED COUNSEL TO DEBTORS  
AND DEBTORS IN POSSESSION**

**EXHIBIT 1 TO ORDER**

**Senior DIP Note**

**SENIOR SECURED SUPERPRIORITY**  
**DIP PROMISSORY NOTE**

**U.S. \$5,500,000**

**July [ ], 2025**

For value received, Higher Ground Education Inc., a Delaware corporation (the “Company”), Guidepost A LLC, a Delaware limited liability company, Prepared Montessorian LLC, a Delaware limited liability company, and Terra Firma Services LLC, a Delaware limited liability company, each a debtor and debtor (collectively, the “Debtors”), promise to pay to the order of YYYYY, LLC (“Five Y” or the “Senior DIP Lender”), the aggregate unpaid principal amount of all advances from time to time outstanding hereunder, together with interest and other amounts as provided herein.

WHEREAS, on June 17, 2025 (the “Petition Date”), the Debtors filed with the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) a voluntary petition for relief commencing cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);

WHEREAS, the Senior DIP Lender is committing hereby to provide postpetition financing (the “Senior DIP Financing”) on a senior secured, priming basis in an amount necessary to fund both the Debtor’s operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Senior DIP Lender, subject to Section 6 herein, in an amount not more than \$5,500,000 (the “Senior Maximum Commitment”), upon the terms and conditions set forth herein;

WHEREAS, Guidepost Global Education, Inc. (the “Junior DIP Lender”) has committed to provide postpetition financing (the “Junior DIP Financing”) on a junior secured, priming basis in an amount necessary to fund both the Debtor’s operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Junior DIP Lender, in an amount not less than \$2,500,000, upon the terms and conditions in the Junior DIP Note;

WHEREAS, the Debtors require financing in an amount necessary to fund the Debtors’ normal business operations, the administrative costs of these Chapter 11 Cases and pursuit of a confirmed plan of reorganization;

WHEREAS, the Debtors have requested that the Senior DIP Lender provide a secured, multiple draw term loan credit facility of up to \$5,500,000 (the “Senior DIP Financing”), including up to \$2,500,000 on an interim basis, including the roll-up of \$500,000 advanced to the Debtors in to the form of pre-bankruptcy bridge financing, to fund the day-to-day operating working capital needs and chapter 11 administrative costs of these Chapter 11 Cases, and the Senior DIP Lender is willing to extend such financing to the Debtors on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, the Debtors have entered into this debtor in possession promissory note (this “Senior DIP Note”) in favor of the Senior DIP Lender to evidence the Senior DIP Financing and pursuant to the *Interim Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Junior Secured*

*Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing and (V) Granting Related Relief [Docket No. 63] (as amended, supplemented or otherwise modified, the “Interim DIP Order” and including the Final DIP Order (as defined below), the “DIP Order”). Capitalized terms not otherwise defined herein have the meanings given thereto in the Interim DIP Order.*

**1. Advances; Increase in Principal Amount.**

(a) The Budget attached hereto as **Exhibit A** (as may be modified from time to time by the Debtors with the consent of the Senior DIP Lender in its sole and absolute discretion, subject to Section 6 herein, the “Budget”) is hereby approved.

(b) Subject to the terms and conditions set forth in this Senior DIP Note, the Senior DIP Lender shall make advances to the Debtors as follows (each individually a “Senior Loan” and collectively, the “Senior Loans”):

(i) on the first business day after entry of the Interim DIP Order, an amount equal to \$2,500,000 (the “Initial Senior Loan”); and

(ii) on every other Monday after the date of the Initial Senior Loan (unless such date is not a business day at which point funding shall occur on the next succeeding business day) (each, a “Funding Date”) an amount equal to the estimated “Disbursements” for the following two weeks (starting on the Funding Date) in the Budget plus \$100,000; *provided, further*, that amounts that were budgeted for a prior week but not spent in such week shall be added to the budgeted amounts for the immediately succeeding week without reduction of the amounts that would otherwise have been budgeted and acceptable to the Senior DIP Lender, and the Debtor will be allowed the Permitted Variance (as defined below).

(c) Except with respect to the Initial Senior Loan, which shall be automatically funded by the Senior DIP Lender, subject to satisfaction of the Draw Conditions (defined below), on the first business day after entry of the Interim DIP Order, by noon prevailing Eastern Time on two business days immediately prior to a Funding Date, the Debtors shall give the Senior DIP Lender written notice of their request for a draw and shall specify the Funding Date (which must provide at least two business days’ written notice) and the amount of the requested draw (a “Borrowing Notice”). The Borrowing Notice shall include (1) a calculation of the requested draw amount including reasonable detail regarding the cash on hand included in the calculation and the projected disbursements for the bi-weekly borrowing period, (2) an updated Budget including actuals for prior periods, and (3) a calculation of any variance from the Budget (a “Variance Report”). The Borrowing Notice shall also be accompanied by a comparison of actual weekly receipts to those set forth in the Budget. The obligation of the Senior DIP Lender to fund is subject to compliance with the terms and conditions of this Senior DIP Note, the Interim DIP Order and, subject to its entry, the *Final Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYY, LLC; (B) Utilize Cash Collateral; and (C) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition*

*Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* (as amended, modified or otherwise supplemented, the “Final DIP Order”). The Senior DIP Lender shall be obligated to fund under this Senior DIP Note and the DIP Orders, as applicable, all amounts set forth in the Borrowing Notice (except for a variance that is not a Permitted Variance, defined below), subject to the Budget.

Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the most recently ended period of two (2) weeks, up to ten percent (10%) of the amount of the Budget (each, a “Permitted Variance”); *provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors cash needs under the Approved Budget remain “on-balance” within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget. Unused amounts set forth in the Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week.

(d) Except for a draw to fund the Carve Out and Professional Fee Reserve, following the occurrence of the Termination Date or other such event triggering the funding of the Carve Out and Professional Fee Reserve (each, a “Back-Stop Draw”), the Senior DIP Lender shall not be obligated to make any Senior Loan (including the Initial Loan hereunder), or to take, fulfill or perform any other action hereunder or under the DIP Order unless the Debtors certify, in a writing signed by an officer of the Debtors, that the following conditions (each, a “Draw Condition”) are met as of the date of each draw:

- (i) All of the representations and warranties contained in the Senior DIP Documents are true and correct in all material respects as of that date.
- (ii) This Senior DIP Note and each other Senior DIP Document shall have been executed or entered, as applicable, and delivered, if applicable, to the Senior DIP Lender in form and substance reasonably acceptable to the Senior DIP Lender, subject to Section 6 herein, and shall be in full, force and effect in all material respects.
- (iii) The consummation of the transactions contemplated hereby or entered into in contemplation hereof shall not contravene, violate, or conflict with, nor involve the Senior DIP Lender in, a violation of applicable law or regulation in any material respect.
- (iv) All consents, authorizations and filings, if any, required in connection with the execution, delivery and performance by the Debtor, and the validity and enforceability against the Debtor, of the Senior DIP Note, shall have been obtained or made, and such consents, authorizations and filings shall be in full force and effect in all material respects.
- (v) Prior to the making of the Initial Senior Loan, the Senior DIP Lender shall have received a schedule describing all material insurance maintained by the Debtors.

- (vi) The Senior DIP Lender shall have received a copy of the applicable DIP Order, and such DIP Order shall have been entered by the Bankruptcy Court in form and substance acceptable to the Senior DIP Lender in its reasonable discretion, subject to Section 6 herein, and shall be in full force and effect and shall not have been vacated, stayed, reversed, modified, or amended.
- (vii) No event shall have occurred and be continuing, or would result from the Senior Loan requested thereby, that with the giving of notice or the passage of time or both, would constitute an Event of Default (as defined below) and no Event of Default shall be continuing.
- (viii) Except with respect to the Initial Senior Loan, the Debtors shall have timely delivered a Borrowing Notice related to such Loan that was in form and substance satisfactory to the Senior DIP Lender and consistent with the Budget. For the avoidance of doubt, the Debtors may not draw amounts under the Senior DIP Financing in excess of the Budget, and the amounts requested by the Debtors shall be used for an authorized purpose and in accordance with the Budget, subject to a Permitted Variance.
- (ix) The aggregate principal and amount of all Senior DIP Loans extended shall not exceed the Senior Maximum Commitment.
- (x) The Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the Senior DIP Lender, the Senior DIP Liens, or the DIP Collateral (as defined in the Interim DIP Order).
- (xi) All information, approvals, documents or other instruments as Senior DIP Lender may reasonably request, and which are customary for postpetition lenders or plan sponsors to request, shall have been received by Senior DIP Lender in all material respects.

If the Draw Conditions are met, the Senior DIP Lender shall make each properly authorized Senior Loan in immediately available funds by wire transfer to an account designated by the Debtors, as soon as practicable, but in no event later than the noon prevailing Eastern Time on the applicable Funding Date.

If the Senior DIP Lender will not fund because one of the foregoing conditions is not satisfied (a “Funding Condition Deficiency”), the Senior DIP Lender will provide the Debtors with notice of the Funding Condition Deficiency before the scheduled Funding Date, and provide the Debtors the reasonable opportunity to cure such Funding Condition Deficiency to the extent such Funding Condition Deficiency is capable of being cured prior to the scheduled Funding Date or by such later deadline as may otherwise be agreed in writing by Senior DIP Lender.

Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or

such other event triggering the funding of the Carve Out, the Debtors and Senior DIP Lender shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the “Estimated Carve Out”) and, if the amount of cash on hand with the Debtors is less than the Estimated Carve Out, the Senior DIP Lender shall fund a Back-Stop Draw under the Senior DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors’ cash on hand as of such date, automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and Professional Fee Reserve, the Debtors’ cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the Senior DIP Lender shall fund additional Back-Stop Draws automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw to cover any such shortfall.

## **2. Interest; Payments.**

(a) The Senior Loans shall bear interest on the unpaid principal amount thereof plus all obligations owing to the Senior DIP Lender pursuant to this Senior DIP Note, including without limitation, all interest, fees, and costs accruing thereon, and all the Senior DIP Lender’s other rights (collectively, the “Senior DIP Obligations”) from the applicable Funding Date (and, with respect to the Initial Loan, from the date hereof) to and including the Maturity Date (defined below), at a fixed rate per annum equal to nine percent (9%), calculated on the basis of a 360-day year for the actual number of days elapsed.

(b) Accrued, unpaid interest on the Senior Loans shall be compounded on the last day of each calendar month. After the Maturity Date and/or after the occurrence and during the continuance of an Event of Default (defined below), the Senior DIP Obligations shall bear interest at a rate equal to twelve percent (12%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed (the “Default Rate”).

(c) Notwithstanding anything to the contrary set forth in this Section 2, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the “Maximum Lawful Rate”), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate.

(d) Except as otherwise set forth herein or in the DIP Orders, or as otherwise contemplated by the terms of the Plan, the Senior DIP Obligations, including interest, shall be due and payable on the first to occur of the following (the “Maturity Date”): (i) the Effective Date; (ii) September 30, 2025; (iii) upon acceleration of the Senior DIP Note pursuant to the terms hereof; and (iv) a Termination Date. On the Maturity Date, the Senior DIP Lender’s obligation to provide Senior Loans shall terminate.

(e) The Senior DIP Lender’s claim on account of the Senior DIP Obligations (the “Senior DIP Lender Claim”) shall be allowed in full under the Plan. The Senior DIP Lender shall have the option, on account of being the holder of the Senior DIP Lender Claim, to exchange a total of up to 100% of the Senior DIP Lender Claim in satisfaction of such amount of

its allowed claim for up to a total of 60% of the shares of the issued equity of the reorganized debtor, at a rate of 10% of its Allowed DIP Lender Claim for 6% of the equity of the reorganized debtor (the “Subscription Option”). To the extent any amount of the Allowed DIP Lender Claim remains after the Senior DIP Lender exercises the Subscription Option, then (i) the Plan Sponsor shall repay such outstanding amount in Cash on the Effective Date, which Cash shall be separate from and in addition to the Consideration; or (ii) the Senior DIP Lender may (at its sole election) consent to the offset or other non-Cash satisfaction of the Senior DIP Lender Claim by the Plan Sponsor until the remaining unpaid amount of the DIP Financing Claim is reduced to \$0.

(f) The Senior DIP Obligations may not be prepaid in any amount, provided, for the sake of clarity, that the Debtors shall immediately repay the Senior DIP Obligations in full in cash in the event the Debtors proceed with an Alternative Transaction (as defined below) (subject to the terms of the RSA).

**3. Covenants** Unless otherwise agreed to by the Senior DIP Lender in writing, each of the Debtors covenants and agrees that it will:

(a) Use the proceeds of the Senior Loans solely for operating working capital purposes and chapter 11 administrative costs, including professional fees, in the amounts and otherwise in accordance with and for the purposes provided for in the Budget; *provided, however*, any unused fees from prior weeks may be rolled forward into subsequent weeks. Notwithstanding the then applicable Budget, the Debtor may exceed the budgeted amount during any weekly budget period up to the Permitted Variance; *provided, further*, (i) the total amount of the Senior DIP Loans do not exceed the Senior Maximum Commitment, and (ii) none of the proceeds of the Senior DIP Loans shall be used by any party in interest to take any action or to otherwise assert any claims or causes of action against the Senior DIP Lender in any capacity (except for the purposes of enforcement of the DIP Orders or this Senior DIP Note).

(b) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and property and all legal requirements in all material respects; and, upon the reasonable request and with reasonable frequency of the Senior DIP Lender, provide copies of, or access to, its books and records, and to discuss the business, operations, assets, and financial and other condition of the Debtor with officers and employees thereof and with their independent certified public accountants (but excluding privileged information) as is reasonably related to the Senior DIP Loan.

(c) Promptly give written notice to the Senior DIP Lender after becoming aware of the same: (i) of the occurrence of any Default or Event of Default; (ii) of any (A) default or event of default under any instrument or other material agreement, guarantee or document of the Debtor (including, without limitation, the Junior DIP Documents) or (B) litigation, investigation or proceeding that may exist at any time between the Debtor and any governmental authority after the date hereof; and (iii) of the commencement of any litigation or proceeding against the Debtor for acts occurring after the Petition Date (A) in which more than \$50,000 of the amount claimed is not covered by insurance or (B) in which injunctive or similar relief is sought.

(d) At all times, cause all of the Collateral (defined below) to be subject to a first priority perfected security interest in favor of the Senior DIP Lender in accordance with the DIP Orders, subject and subordinate only to the Carve Out and the Professional Fee Reserve.

(e) Promptly, from time to time, deliver such other information regarding the operations, business affairs, and financial condition of the Debtor as the Senior DIP Lender may reasonably request.

(g) To the extent practicable and legally permissible, at least two (2) business days prior to the date when the Debtor intends to file any such pleading, motion, or other document (and, if not reasonably practicable, as soon as reasonably practicable), provide copies of all material pleadings, motions, applications, judicial information, financial information, and other documents to be filed by the Debtor in these Chapter 11 Cases that may impact the Senior DIP Lender or the Senior DIP Financing.

(h) Promptly execute and deliver such documents, instruments and agreements, and take or cause to be taken such acts and actions, as the Senior DIP Lender may reasonably request from time to time to carry out the intent of this Senior DIP Note and the DIP Orders.

(g) Not create, incur, assume, or suffer to exist any indebtedness other than (i) indebtedness outstanding on the date hereof; (ii) indebtedness in connection with the Senior Loans or the Junior DIP Financing; (iii) indebtedness in respect of fees and expenses owed to professionals retained by the Debtor, any official committee in these Chapter 11 Cases, or U.S. Trustee fees up to the amounts set forth in the Budget; and (iv) subject in all respects to the Budget, any ordinary course unsecured indebtedness of the Debtor of the type ordinarily incurred in connection with a chapter 11 bankruptcy case.

(h) Not create, incur, assume, or suffer to exist any lien upon any of its assets, whether now owned or hereafter acquired, except for liens that are permitted by the DIP Orders (including the liens securing the Prepetition Secured Lenders Obligations and the Junior DIP Obligations) and shall not cause, or permit to be caused, any direct or indirect subsidiary of the Debtor to create, incur, assume, or suffer to exist any such liens.

(i) Not enter into any merger or consolidation or amalgamation or other change of control transaction or engage in any type of business other than of the same general type now conducted by it.

(j) Not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any assets or property (including, without limitation, tax benefits), other than the sale of inventory or the licensing of intellectual property in the ordinary course of business.

(k) Not make any advance, investment, acquisition, loan, extension of credit, or capital contribution to, in, or for the benefit of any person outside the ordinary course of business.

(l) Subject in all respects to the Budget, not enter into any transaction, including, without limitation, any purchase, sale, lease, or exchange of property or the rendering of any service, with any affiliate, except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction.

(m) Not incur or apply to the Bankruptcy Court for authority to incur, or suffer to exist, any indebtedness having the priority afforded by section 364(c) of the Bankruptcy Code or (d) (including any superpriority claims) other than the financing provided for under this Senior DIP Note, unless the Senior DIP Obligations hereunder are to be irrevocably paid in full, in cash with the proceeds thereof.

(n) Not limit, affect, or modify, or apply to the Bankruptcy Court to limit, affect, or modify, any of the rights of the Senior DIP Lender with respect to the Senior DIP Obligations, including rights with respect to DIP Collateral and the priority thereof.

(o) Except with respect to the Carve Out or the Professional Fee Reserve, not incur, create, assume, suffer, or permit any claim to exist or apply to the Bankruptcy Court for the authority to incur, create, assume, suffer or permit any claim to exist against the Debtor's estate or any of its assets which is to be *pari passu* with, or senior to, the Senior DIP Obligations, unless the Senior DIP Obligations are being irrevocably repaid in full, in cash with the proceeds thereof.

Notwithstanding the foregoing, and for the avoidance of doubt, any payments permitted by the Budget will not be deemed to violate any of the foregoing covenants.

#### **4. Event of Default.**

(a) Event of Default. Each of the following events shall constitute an "Event of Default":

- (i) the Debtors (A) fails to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Senior DIP Note or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in the Senior DIP Note (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in the Senior DIP Note or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender five (5) business days following written notice to the Debtor of the occurrence of such event of default);
- (ii) any representation, warranty, or statement made by the Debtor herein or in the Senior DIP Note or in any certificate delivered in connection with the Senior DIP Note proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been

remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);

- (iii) the security interest granted to the Senior DIP Lender ceases to be in full force and effect, or ceases to create a perfected security interest in, and lien on, the DIP Collateral purported to be created thereby;
- (iv) unless otherwise agreed to by the Senior DIP Lender, the Senior DIP Note is or becomes invalid, ineffective, or unenforceable against the Debtor in any material respect, in whole or in part, or the Debtors so assert or at any time deny the liability or the Senior DIP Obligations under the Senior DIP Note;
- (v) the Court enters an order dismissing any of the Chapter 11 Cases or converting any of them to cases under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtor's business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the consent of the Senior DIP Lender in its sole and absolute discretion;
- (vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code and authorizing an action by a lienholder (other than the Senior DIP Lender) with respect to assets of the Debtors on which the lienholder has a lien with an aggregate value in excess of \$50,000;
- (vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the Senior DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);
- (viii) a debtor in possession financing order is entered in form and substance that is not acceptable to the Senior DIP Lender in its reasonable discretion or from and after the date of entry thereof, the Interim DIP Order or the Final DIP Order, as applicable, ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the Senior DIP Lender in its sole and absolute discretion;
- (ix) any of the orders approving the Plan or the disclosure statement to the Plan (the "Disclosure Statement") are vacated, stayed, reversed, modified, or amended without the consent of the Senior DIP Lender;

- (x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Budget or otherwise without the unanimous consent of the DIP Lenders in their its sole and absolute discretion;
- (xi) the Debtors fails to obtain an order from the Court approving the Debtors' motion for authority to assume the Restructuring Support Agreement dated as of June 17, 2025 (the "RSA") entered into by, among others, the Debtor, the DIP Lenders, the Prepetition Secured Lenders, and 2HR Learning, Inc., as the proposed plan sponsor of the Plan ("Plan Sponsor") within sixty (60) days of the Petition Date;
- (xii) a Company Termination Event, Consenting Party Termination Event or a GG Termination Event (each as defined in the RSA) shall have occurred, including prior to the Debtor's assumption of the RSA;
- (xiii) the Debtors take any action, or as to insiders, permits any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;
- (xiv) the Debtors fail to provide the Senior DIP Lender and its agents with reasonable access to the Debtors' books, records, and management through the Effective Date;
- (xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) motion of the Debtor seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the Senior DIP Financing, or (f) any other document or exhibit related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;
- (xvi) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;
- (xvii) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;
- (xviii) any of the Chapter 11 Milestones (attached hereto as **Exhibit B**) are not satisfied (as the same may be modified from time to time);
- (xix) one or more judgments or decrees is entered against any Debtor or its estate involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of \$50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed, or bonded pending appeal;

- (xx) the DIP Notes or any other DIP Documents ceases, for any reason, to be in full force and effect or the Debtor shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material item of DIP Collateral described therein with the priority purported to be created by the DIP Documents;
- (xxi) the Debtors fail to provide in any material respect all information, approvals, documents, or other instruments as the Senior DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;
- (xxii) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtor (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an “Alternative Transaction”);
- (xxiii) the Court approves an Alternative Transaction;
- (xxiv) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is inconsistent with the Plan or the RSA;
- (xxv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on any of the Senior DIP Lender’s collateral without the written consent of the Senior DIP Lender in its sole and absolute discretion;
- (xxvi) the Court enters an order terminating the right of the Debtors to use the DIP Financing;
- (xxvii) the Debtors fail to comply with the Approved Budget; *provided, however*, for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Approved Budget of up to 10% of the amount of the Approved Budget are permitted (*provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors’ cash needs under the Approved Budget remain “on-balance” within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget; *provided further*, that the variances shall not include or otherwise require a test of payment on fees of Estate Professionals; and *provided further* that payment on

Professional Fees shall not vary unfavorably from the applicable Approved Budget on a cumulative four-week-basis per Estate Professional fee line item for that portion of the Approved Budget period then ending), and unused amounts set forth in the Approved Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week;

- (xxviii) without the consent of the Senior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Senior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender may be entitled to indemnification by the Debtors; or
- (xxiv) The Debtors, without the Senior DIP Lender's prior written consent (which shall be given or refused in the Senior DIP Lender's sole and absolute discretion) seek to modify, vacate or amend the DIP Orders or any DIP Documents.
- (xxv) (a) The Debtors fail to make any payment (whether of principal, interest or any other amount) in respect of the Junior DIP Documents, when and as the same shall become due and payable or (b) any event or condition occurs that results in any indebtedness under the Junior DIP Documents becoming due prior to its scheduled maturity or that enables or permits (with or without notice the giving of notice, the lapse of time, or both) the holder or holders of any indebtedness under the Junior DIP Documents or any trustee or agent on its or their behalf to cause any Junior DIP Obligations to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity.
- (b) Upon the occurrence of an Event of Default and after five (5) business days' written notice by the Senior DIP Lender to the Notice Parties (the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the Senior DIP Lender shall be permitted to exercise any remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Bankruptcy Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court determines during the Default Notice Period that an Event of Default has not occurred:
  - (i) declare all or any portion of the outstanding Senior DIP Obligations due and payable, whereupon the same shall become forthwith due and payable

without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Debtors;

- (ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the Senior DIP Lender);
- (iii) enforce all liens and security interests in the DIP Collateral;
- (iv) institute proceedings to enforce payment of such Senior DIP Obligations;
- (v) terminate the obligation of the Senior DIP Lender to make Senior Loans; and
- (vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the Senior DIP Note, the Bankruptcy Code, other applicable law or pursuant to the DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

*provided, however*, the Senior DIP Lender shall continue to fund the Debtor's operations, pursuant to the Budget, through the Default Notice Period.

(c) The Debtors and the Committee (if any), and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period, then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

(c) Subject to Section 4(b) above, if any Event of Default shall occur and be continuing, the Senior DIP Lender may exercise in addition to all other rights and remedies granted to it in this Senior DIP Note and the DIP Orders, all rights and remedies of a secured party under the UCC (as defined below) or other applicable law. Without limiting the generality of the foregoing, each of the Debtors, on behalf of their estates, expressly agrees that in any such event the Senior DIP Lender, without demand of performance or other demand, advertisement, or notice of any kind (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) to or upon the Debtor or any other person (all and each of which demands, advertisements, and/or notices (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate, and realize upon the DIP Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said DIP Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Senior DIP Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Senior DIP Lender shall have the right upon any such public sale or sales to purchase for cash or by credit bidding all or a part of the Senior DIP Obligations the whole or any part of said DIP Collateral so sold, free of

any right or equity of redemption, which equity of redemption the Debtor hereby releases. Each of the Debtors, on behalf of its estate, further agrees, at the Senior DIP Lender's request, to assemble the DIP Collateral constituting movable tangible personal property and make it available to the Senior DIP Lender at places that the Senior DIP Lender shall reasonably select. The Senior DIP Lender shall apply the proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Senior DIP Obligations in the order reasonably deemed appropriate by the Senior DIP Lender, the Debtors' estates remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Senior DIP Lender of any other amount required by any provision of law, including section 9-608(a)(1)(C) of the UCC, shall the Senior DIP Lender account for and pay over the surplus, if any, to the Debtor. To the maximum extent permitted by applicable law, the Debtors waive all claims, damages, and demands against the Senior DIP Lender arising out of the repossession, retention, or sale of the DIP Collateral except such as arise out of the gross negligence or willful misconduct of the Senior DIP Lender. The Debtors agrees that the Senior DIP Lender need not give more than five (5) business days' notice to the Debtors (which notification may run concurrently with any notice required under the DIP Orders and shall be deemed given when mailed, electronically delivered or delivered on an overnight basis, postage prepaid, addressed to the Debtors at the address set forth below) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Debtors' estates shall remain liable for any deficiency if the proceeds of any sale or disposition of the DIP Collateral are insufficient to pay all amounts to which the Senior DIP Lender is entitled.

(d) Subject to Section 4(b) above, except as otherwise expressly provided herein and in the DIP Orders, the Debtors hereby waive presentment, demand, protest, or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Senior DIP Note or any DIP Collateral. The Debtors' estates shall also pay all of the Senior DIP Lender's reasonable costs of collection if any Senior DIP Obligations are not paid when due, including, without limitation, court costs, collection expenses, reasonable out-of-pocket attorneys' fees, and other expenses which the Senior DIP Lender may incur or pay in the prosecution or defense of its rights hereunder, whether in judicial proceedings, including bankruptcy court and appellate proceedings, or whether out of Court.

(d) Except with respect to the payment of the Carve Out, the Senior DIP Lender's agreement to provide the Senior DIP Financing in accordance with the Senior DIP Documents and the Debtor's authorization to use Cash Collateral shall immediately and automatically terminate (except as the Senior DIP Lender may otherwise agree in writing in its reasonable discretion), upon the earliest to occur of any of the following (each, a "Termination Date"):

- (i) September 30, 2025;
- (ii) the date of final indefeasible payment and satisfaction in full in cash of the Senior DIP Obligations;
- (iii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than Senior DIP Lender under

section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the Senior DIP Obligations or unless such financing is subordinate to the Senior DIP Obligations and consented to in writing by the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion);

(iv) the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(v) the DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion);

(vi) the Effective Date; or

(vii) upon expiration of the Default Notice Period.

## **5. Security.**

(a) To induce the Senior DIP Lender to make the Senior Loans, each Debtor hereby grants to the Senior DIP Lender, as security for the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Senior DIP Obligations, a continuing first priority lien and security interest (subject and subordinate only to the Carve Out) in and to any and all right, title or interest of the Debtor in and to all of the following, whether presently existing or at any time hereafter acquired, whether owned, leased or otherwise possessed, (capitalized terms used in clauses (i) through (xix) and not otherwise defined herein shall have the meanings provided for such term in the Uniform Commercial Code in effect on the date hereof in the State of Delaware (the "UCC")):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Deposit Accounts, including any monies or other property held therein;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles, including all intellectual property, including any trademarks or tradenames, and any licenses;

(vii) all Goods;

(viii) all Instruments;

(ix) all Inventory;

- (x) all Investment Property;
- (xi) all Letter-of-Credit Rights;
- (xii) all real property;
- (xiii) all motor vehicles;
- (xiv) all Commercial Tort Claims;
- (xv) all books and records pertaining to the Debtor, its business and any property described herein;
- (xvi) all other personal property and other assets of the Debtor, whether tangible or intangible, wherever located, including money, letters of credit, and all rights of payment or performance under letters of credit;
- (xvii) to the extent not otherwise included, all monies and other property of any kind that is received by the Debtor in connection with any refunds with respect to taxes, assessments and other governmental charges;
- (xviii) all insurance claims; and
- (xix) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits, and products of, each of the foregoing, and any proceeds of insurance, indemnity, warranty or guaranty payable to the Debtors' estates from time to time with respect to any of the foregoing.

(b) The granting clause herein is intended to supplement (not supersede) that which is provided for in the DIP Orders and the Senior Loans and any other indebtedness or obligations, contingent or absolute (including, without limitation, the principal thereof, interest thereon, and costs and expenses owing in connection therewith) which may now or from time to time hereafter be owing by the Debtors to the Senior DIP Lender under the Senior DIP Note shall be secured as set forth herein, in the DIP Orders.

(c) The DIP Orders provide for the perfection, maintenance, protection, and enforcement of the Senior DIP Lender's security interest in the DIP Collateral. Upon the request of the Senior DIP Lender, the Debtors shall deliver to the Senior DIP Lender those Senior DIP Documents necessary or desirable to perfect the Senior DIP Lender's lien, including in letters of credit on which the Debtors are named as beneficiary and all acceptances issued in connection therewith. The Debtors shall take such other reasonable steps as are deemed necessary or desirable to maintain the Senior DIP Lender's security interest in the DIP Collateral.

(d) The Debtor hereby authorizes the Senior DIP Lender to execute and file financing statements or continuation statements, and amendments thereto, on the Debtor's behalf covering the DIP Collateral. The Senior DIP Lender may file one or more financing statements disclosing the Senior DIP Lender's security interest under this Senior DIP Note without the signature of the

Debtors appearing thereon. The Senior DIP Lender shall pay the costs of, or incidental to, any recording or filing of any financing statements concerning the DIP Collateral. The Debtors agree that a carbon, photographic, photostatic, or other reproduction of this Senior DIP Note or of a financing statement is sufficient as a financing statement.

(e) Except as otherwise provided for in this Senior DIP Note or in any DIP Order, or as otherwise contemplated by the terms of the RSA, until all Senior DIP Obligations have been fully satisfied in cash and the Senior DIP Lender shall have no further obligation to make any Senior Loans hereunder, the Senior DIP Lender's security interest in the DIP Collateral, and all proceeds and products thereof, shall continue in full force and effect.

(f) Notwithstanding the preceding paragraphs, or any failure on the part of the Debtors to take any of the actions set forth therein, the liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the final DIP Order. No financing statement, notice of lien, mortgage, deed of trust or similar instrument in any jurisdiction or filing office need be filed or any other action taken in order to validate and perfect the liens and security interests granted by or pursuant to this DIP Note and the DIP Orders.

(g) Other than with respect to the Carve Out and the Professional Fee Reserve, the priority of the Senior DIP Lender's liens on the DIP Collateral shall be senior to all liens existing as of the Petition Date and for so long as any Senior DIP Obligations shall be outstanding, the Debtors hereby irrevocably waive any right, pursuant to sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any lien of equal or greater priority than the liens securing the Senior DIP Obligations, or to approve a claim of equal or greater priority than the DIP Obligations, unless otherwise permitted or provided for in the DIP Orders or effective upon the granting of any such lien or priority, the DIP Obligations shall be irrevocably paid in full in cash and the obligation to make Senior DIP Loans hereunder terminated.

(h) Upon entry of, subject to and in accordance with the DIP Orders, the Senior DIP Obligations of the Debtor hereunder and under the other Senior DIP Documents and the DIP Orders, shall at all times constitute allowed superpriority claims pursuant to section 364(c)(1) of the Bankruptcy Code.

(i) It is expressly agreed by the Debtors that, anything herein to the contrary notwithstanding, the Debtors shall remain liable under their postpetition contractual obligations to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and the Senior DIP Lender shall not have any obligation or liability under any contractual obligations by reason of or arising out of this Senior DIP Note unless otherwise agreed to in writing by the Senior DIP Lender, and the Senior DIP Lender shall not be required or obligated in any manner to perform or fulfill any of the obligations of the debtors' estates under or pursuant to any contractual obligations, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any contractual obligations, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

(j) Each Debtor hereby appoints the Senior DIP Lender, or any other person who the Senior DIP Lender may designate, as the Debtors' attorney-in-fact (such appointment being coupled with an interest and being irrevocable until Senior DIP Lender's liens and claims shall have been satisfied), at any time after (i) termination of the automatic stay (A) to do any act which Debtor is obligated to do hereunder, or (B) to exercise any of the rights and remedies available under the UCC or other applicable law to a secured party with a lien having the same priority as the Senior DIP Lender's lien on the DIP Collateral (and all acts of such attorney in fact or designee taken pursuant to this section are hereby ratified and approved by the Debtor and said attorney or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law, except for gross negligence or willful misconduct); *provided, however*, the Senior DIP Lender shall provide prior or contemporaneous telephonic and electronic notice to the Debtors and any creditor entitled to notice with respect to any affected DIP Collateral of the exercise of any or all of its above-stated rights and powers.

#### **6. Treatment of the Plan Sponsor and Senior DIP Lender.**

Notwithstanding anything to the contrary contained herein, the form and substance of any and all legal and economic rights and treatment of the Plan Sponsor and the Senior DIP Lender in the Plan, the DIP Orders, the Senior DIP Note and any other orders entered by the Bankruptcy Court, or any other operative document, shall be subject to the consent of the Plan Sponsor and the Senior DIP Lender, in their respective reasonable discretion; provided that the terms of the Budget shall be mutually agreed upon by the Debtors and the DIP Lenders in an aggregate amount not to exceed \$8,000,000, as may be modified from time to time by the Debtors with the consent of the DIP Lenders in their sole and absolute discretion, but without need for further Court approval. The order confirming the Plan shall be in a form and substance reasonably acceptable to the Senior DIP Lender in its reasonable discretion, and subject to the Subscription Option, shall provide for the Senior DIP Lender to be issued 100% of the equity of the reorganized Debtors free and clear of all liens, claims, rights, interests, security interests, and encumbrances of any kind (other than those expressly identified in writing as acceptable to the Senior DIP Lender in its sole and absolute discretion).

#### **7. Miscellaneous.**

(a) No course of action or delay or omission of Senior DIP Lender in exercising any right or remedy hereunder or under any other agreement or undertaking securing or related to this Senior DIP Note shall constitute or be deemed to be a waiver of any such right or remedy, and a waiver on the one occasion shall not operate as a bar to or waiver of any such right or remedy on any future occasion. The rights and remedies of Senior DIP Lender as provided herein shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Senior DIP Lender, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

(b) Subject to and limited by the DIP Orders, the Debtors agree to pay or reimburse the Senior DIP Lender for all of its reasonable costs and expenses incurred in connection with the collection, enforcement or preservation of any rights under this Senior DIP Note and the

other Senior DIP Documents, including, without limitation, the fees and disbursements of counsel for the Senior DIP Lender, including reasonable attorneys' fees out of court, in trial, on appeal, in bankruptcy proceedings, or otherwise.

(c) This Senior DIP Note shall be binding upon and inure to the benefit of the Debtor and the Senior DIP Lender and their respective administrators, personal representatives, legal representatives, heirs, successors and assigns, except that no Debtor shall assign or transfer any of its rights and/or obligations hereunder, and any such assignment or transfer purported to be made by Debtor shall be null and void. The Senior DIP Lender may at any time transfer or assign (or grant a participation in) any or all of its rights and/or obligations hereunder without the consent of the Debtors.

(d) If any provision of this Senior DIP Note is invalid, illegal, or unenforceable, the balance of this Senior DIP Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(e) This Senior DIP Note shall be governed by and construed in all respects under the laws of the State of New York (except as governed by the Bankruptcy Code), without reference to its conflict of laws rules or principles. Each of the parties submits to the exclusive jurisdiction of the Bankruptcy Court for the Northern District of Texas or (if the Bankruptcy Court lacks or declines jurisdiction) any state or federal court sitting in the State of Texas, in any action or proceeding arising out of or relating to the Senior DIP Note, and each party agrees that all claims in respect of the action or proceeding may be heard and determined in any such court and agrees not to bring any action or proceeding arising out of or relating to the Senior DIP Note in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Each party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such party by sending or delivering a copy of the process to the party to be served at the address of the party and in the manner provided for the giving of notices in Section 7(h) below. Each party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law.

**(f) THE SENIOR DIP LENDER AND THE DEBTORS HEREBY KNOWINGLY VOLUNTARILY, INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREIN, OR ARISING OUT OF UNDER OR IN CONNECTION WITH THIS SENIOR DIP NOTE AND THE OTHER SENIOR DIP DOCUMENTS.**

(g) The Debtors, at their own expense, which shall be provided for in the Budget, shall take any lawful actions and execute, deliver, file and register any documents that the Senior DIP Lender may, in its discretion, deem reasonably necessary or appropriate in order to further the purposes of this Senior DIP Note.

(h) All notices hereunder shall be deemed given if in writing and delivered, if sent by email, courier, or by registered or certified mail (return receipt requested) to the following addresses and email addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

(i) If to the Debtors:

Higher Ground Education, Inc.  
1321 Upland Dr. PMB 20442  
Houston, Texas 77043  
Attn: Jon McCarthy  
Email: [board@tohigherground.com](mailto:board@tohigherground.com)

and

FOLEY & LARDNER LLP  
2021 McKinney Avenue, Suite 1600  
Dallas, TX 75201  
Attention: Holland N. O'Neil, Esq.  
Email: [honeil@foley.com](mailto:honeil@foley.com)

and

1144 15th Street, Ste. 2200  
Denver, CO 80202  
Attention: Tim Mohan  
Email: [tmohan@foley.com](mailto:tmohan@foley.com)

(ii) If to the Senior DIP Lender:

YYYYYY, LLC  
2028 E Ben White Blvd, Ste 240-2650  
Austin, TX 78741  
Attention: Andrew Price, Chief Financial Officer  
Email: [andy.price@trilogy.com](mailto:andy.price@trilogy.com)

and

Cozen O'Connor  
3 WTC, 175 Greenwich Street  
55<sup>th</sup> Floor  
New York, New York 10007  
Attention: Trevor R. Hoffmann; David Kirchblum  
Email: [thoffmann@cozen.com](mailto:thoffmann@cozen.com); [dkirchblum@cozen.com](mailto:dkirchblum@cozen.com)  
Phone: 212-453-3735; 215-665-6907

or to such other address as any party hereto shall notify the other parties hereto (as provided above) from time to time.

**IN WITNESS WHEREOF**, the Debtors have executed this Senior DIP Note as of the date first written above.

**BORROWERS:**

**HIGHER GROUND EDUCATION INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GUIDEPOST A LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PREPARED MONTESSORIAN LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TERRA FIRMA SERVICES LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO DIP NOTE**

**BUDGET**

HCE Weekly DIP Budget - DRAFT

July 18, 2025

	Week of Forecast														Post-Petition Total	
	Week Ending															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		After September 19
	6/20/2025	6/27/2025	7/4/2025	7/11/2025	7/18/2025	7/25/2025	8/1/2025	8/8/2025	8/15/2025	8/22/2025	8/29/2025	9/5/2025	9/12/2025	9/19/2025	September 19	
	Est.	Est.	Est.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	Fest.	
Tuition Receipts - Closed Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Receipts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Warehouse Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
School Operations - Refunds <sup>1</sup>	(19,302)	(36,783)	(19,147)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(20,000)	
School Operations - Payroll	(3,891)	(283,046)	(9,184)	(330,138)	-	-	-	-	-	-	-	-	-	-	-	
School Operations - Other Expenses	(28,269)	(16,377)	(22,305)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	(35,715)	
School Operations - Ex-North America <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
School Operation Costs - Total	(51,463)	(336,207)	(50,637)	(475,853)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	(145,715)	
D&O Tail & Other Insurance	-	-	-	(169,755)	-	-	-	-	-	-	-	-	-	-	(43,970)	
Other Disbursements	-	(399,121)	-	(169,755)	-	-	-	-	-	-	-	-	-	-	(612,846)	
<b>Operating Cash Flow</b>	<b>(51,463)</b>	<b>(735,327)</b>	<b>(50,637)</b>	<b>(645,608)</b>	<b>(145,715)</b>	<b>(145,715)</b>	<b>(145,715)</b>	<b>(145,715)</b>	-	-	-	-	-	-	<b>(2,081,865)</b>	
Publication Notice Costs	-	-	-	(12,500)	-	-	-	(12,500)	-	-	-	-	-	-	(25,000)	
Adequate Protection Payments	-	-	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(130,000)	
Professional Fees - Reverse TSA Payments	-	-	-	-	(75,000)	-	-	-	(75,000)	-	-	-	-	-	(50,000)	
Professional Fees - Debtor	-	-	-	(652,500)	(125,000)	(125,000)	(150,000)	(150,000)	(150,000)	(125,000)	(150,000)	(155,860)	(155,860)	(200,000)	(2,427,486)	
Professional Fees - UCC	-	-	-	-	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(58,333)	(700,000)	
Professional Fees - Tax & Other OCPs	-	-	-	-	-	-	-	(10,000)	-	-	(10,000)	-	-	-	(60,000)	
Total Restructuring Fees	-	-	-	(675,000)	(268,333)	(193,333)	(218,333)	(240,833)	(293,333)	(193,333)	(228,333)	(224,193)	(224,193)	(268,333)	(3,542,486)	
<b>Total Disbursements</b>	<b>(51,463)</b>	<b>(735,327)</b>	<b>(50,637)</b>	<b>(1,320,608)</b>	<b>(414,048)</b>	<b>(339,048)</b>	<b>(364,048)</b>	<b>(386,548)</b>	<b>(293,333)</b>	<b>(193,333)</b>	<b>(228,333)</b>	<b>(224,193)</b>	<b>(224,193)</b>	<b>(268,333)</b>	<b>(5,652,351)</b>	
<b>Net Cash Flow</b>	<b>(51,463)</b>	<b>(735,327)</b>	<b>(50,637)</b>	<b>(1,320,608)</b>	<b>(414,048)</b>	<b>(339,048)</b>	<b>(364,048)</b>	<b>(386,548)</b>	<b>(293,333)</b>	<b>(193,333)</b>	<b>(228,333)</b>	<b>(224,193)</b>	<b>(224,193)</b>	<b>(268,333)</b>	<b>(5,624,351)</b>	
Opening Cash Balance	-	(51,463)	1,213,210	1,162,574	641,965	227,917	463,869	99,820	388,272	94,939	326,605	98,272	324,079	99,885	556,552	
Net Cash Flow	(51,463)	(735,327)	(50,637)	(1,320,608)	(414,048)	(339,048)	(364,048)	(386,548)	(293,333)	(193,333)	(228,333)	(224,193)	(224,193)	(268,333)	(530,903)	
DIP Facilities Draw / (Repayment)	-	2,000,000	-	800,000	-	575,000	-	675,000	-	425,000	-	450,000	-	725,000	-	
<b>Closing Cash Balance (Books)<sup>3</sup></b>	<b>(51,463)</b>	<b>\$1,213,210</b>	<b>\$1,162,574</b>	<b>\$641,965</b>	<b>\$227,917</b>	<b>\$463,869</b>	<b>\$99,820</b>	<b>\$388,272</b>	<b>\$94,939</b>	<b>\$326,605</b>	<b>\$98,272</b>	<b>\$324,079</b>	<b>\$99,885</b>	<b>\$556,552</b>	<b>\$25,649</b>	
Senior DIP Facility Availability	5,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,625,000	1,950,000	1,950,000	1,950,000	1,525,000	1,525,000	1,075,000	1,075,000	350,000	350,000	
Junior DIP Facility Availability	1,000,000	1,000,000	1,000,000	200,000	200,000	-	-	-	-	-	-	-	-	-	-	
<b>Total Liquidity</b>	<b>\$6,000,000</b>	<b>\$5,213,210</b>	<b>\$5,162,574</b>	<b>\$3,841,965</b>	<b>\$3,427,917</b>	<b>\$3,088,869</b>	<b>\$2,724,820</b>	<b>\$2,338,272</b>	<b>\$2,044,939</b>	<b>\$1,851,605</b>	<b>\$1,623,272</b>	<b>\$1,399,079</b>	<b>\$1,174,885</b>	<b>\$906,552</b>	<b>\$375,649</b>	
<b>DIP Facilities</b>																
<b>Senior DIP Facility</b>																
Balance - Beginning of Period	500,000	500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,875,000	2,875,000	3,550,000	3,550,000	3,975,000	3,975,000	4,425,000	4,425,000	5,150,000	
Operating Draws	-	2,000,000	-	-	-	150,000	-	150,000	-	-	-	-	-	-	-	
Restructuring Draws	-	-	-	-	-	225,000	-	525,000	-	425,000	-	450,000	-	725,000	-	
(Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance - End of Period</b>	<b>\$500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,875,000</b>	<b>\$2,875,000</b>	<b>\$3,550,000</b>	<b>\$3,550,000</b>	<b>\$3,975,000</b>	<b>\$3,975,000</b>	<b>\$4,425,000</b>	<b>\$4,425,000</b>	<b>\$5,150,000</b>	<b>\$5,150,000</b>	
<b>Junior DIP Facility</b>																
Balance - Beginning of Period	1,500,000	1,500,000	1,500,000	1,500,000	2,300,000	2,300,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	
Draws	-	-	-	800,000	-	200,000	-	-	-	-	-	-	-	-	-	
(Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance - End of Period</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$2,300,000</b>	<b>\$2,300,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	

(1) Statutory limit of \$3,800 per creditor.

(2) France entity commenced local insolvency proceedings on Monday, June 30, 2025.

(3) Comdata/Corpay currently holding \$150,000 of estate cash as collateral. This is listed on the financial statements as Restricted Cash.

**EXHIBIT B TO SENIOR DIP NOTE**

**CHAPTER 11 MILESTONES**

The obligations of the Senior DIP Lender to advance the DIP Loans shall be subject to the Debtors satisfying, or causing the satisfaction of, the milestones listed below (collectively, the “**Chapter 11 Milestones**”) by the specified deadline (after taking into account any applicable cure period, the “**Specified Deadlines**”). The non-satisfaction of any Chapter 11 Milestone by the applicable Specified Deadline (and the non-waiver of such non-satisfaction by the Senior DIP Lender and Borrower in their sole and absolute discretion) shall be an Event of Default under the DIP Loan Documentation.

	<b><u>Chapter 11 Milestone</u></b>	<b><u>Specified Deadline</u></b>
1	Commencement of these Chapter 11 Cases (the “ <b><u>Petition Date</u></b> ”).	No later than June 30, 2025
2	The Debtors shall file: <ul style="list-style-type: none"> <li>• A motion seeking the Bankruptcy Court’s approval of the DIP Financing</li> <li>• An application to retain a claims agent</li> <li>• A motion to continue cash management</li> <li>• Such other first day papers as may be approved or requested by the Debtor or Plan Sponsor</li> </ul>	No later than one (1) business day after the Petition Date.
3	The Debtors shall file: <ul style="list-style-type: none"> <li>• The Disclosure Statement, Plan, solicitation procedures motion</li> <li>• A motion seeking the Bankruptcy Court’s approval of assumption of the RSA</li> <li>• A motion for approval of bar dates</li> <li>• A motion to extend time to file schedules</li> </ul>	No later than five (5) business days after the Petition Date.
4	The Bankruptcy Court shall enter an order approving the DIP Financing on an interim basis	No later than five (5) business days after the Petition Date.
5	The Debtor shall file schedules and statements of financial affairs and the Bankruptcy Court.	No later than twenty-one (21) days after the Petition Date.

6	The Bankruptcy Court shall enter orders: <ul style="list-style-type: none"><li>• Approving the DIP Financing on a final basis</li><li>• Authorizing the Debtor to assume the RSA</li><li>• Approving the bar date motion</li><li>• Approving the Disclosure Statement on a conditional or final basis</li><li>• Scheduling a hearing to confirm the Plan and setting an objection deadline with respect thereto</li></ul>	No later than sixty 60 days after the Petition Date.
7	The general bar date	No later than ninety 90 days after the Petition Date.
8	The Bankruptcy Court shall enter an order approving the Disclosure Statement and the Plan	No later than 105 days after the Petition Date.
9	The effective date of the Plan	No later than September 30, 2025

**EXHIBIT 2 TO ORDER**

**Junior DIP Note**

**JUNIOR SECURED SUPERPRIORITY**  
**DIP PROMISSORY NOTE**

**U.S. \$2,500,000**

**July [ ], 2025**

For value received, Higher Ground Education Inc., a Delaware corporation (the “Company”), Guidepost A LLC, a Delaware limited liability company, Prepared Montessorian LLC, a Delaware limited liability company, and Terra Firma Services LLC, a Delaware limited liability company, each a debtor and debtor (collectively, the “Debtors”), promise to pay to the order of Guidepost Global Education, Inc. (“GGE” or the “Junior DIP Lender”), the aggregate unpaid principal amount of all advances from time to time outstanding hereunder, together with interest and other amounts as provided herein.

WHEREAS, on June 17, 2025 and June 18, 2025 (together, the “Petition Date”), the Debtors filed with the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) a voluntary petition for relief commencing cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);

WHEREAS, YYYYYY, LLC (the “Senior DIP Lender”) has committed to provide postpetition financing (the “Senior DIP Financing”) on a senior secured, priming basis in an amount necessary to fund both the Debtor’s operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Senior DIP Lender, in an amount not more than \$5,500,000, upon the terms and conditions in the Senior DIP Note;

WHEREAS, the Junior DIP Lender is committing hereby to provide postpetition financing (the “Junior DIP Financing”) on a secured, priming basis, subject only to the priority of the Senior DIP Financing, in an amount necessary to fund both the Debtor’s operations and the administrative costs of these Chapter 11 Cases as set forth on an agreed-upon budget submitted by the Debtor and reasonably acceptable to Junior DIP Lender, subject to Section 6 herein, in an amount of at least \$2,500,000 (the “Junior Commitment”), upon the terms and conditions set forth herein;

WHEREAS, the Debtors require financing in an amount necessary to fund the Debtors’ normal business operations, the administrative costs of these Chapter 11 Cases and pursuit of a confirmed plan of reorganization;

WHEREAS, the Debtors have requested that the Junior DIP Lender provide a secured, multiple draw term loan credit facility of up to \$2,500,000 (the “Junior DIP Financing”), including up to \$800,000 on an interim basis, including the roll-up of \$1,500,000 advanced to the Debtors in to the form of pre-bankruptcy bridge financing, to fund the day-to-day operating working capital needs and chapter 11 administrative costs of these Chapter 11 Cases, and the Junior DIP Lender is willing to extend such financing to the Debtors on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, the Debtors have entered into this debtor in possession promissory note (this “Junior DIP Note”) in favor of the Junior DIP Lender to evidence the Junior DIP Financing and pursuant to the *Interim Order (I) Authorizing the Debtor To (A) Obtain*

*Postpetition Secured Financing from YYYYY, LLC; (B) Obtain Postpetition Junior Secured Financing from Guidepost Global Education, Inc.; (C) Utilize Cash Collateral; and (D) Pay Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing and (V) Granting Related Relief [Docket No. 63] (as amended, supplemented or otherwise modified, the “Interim DIP Order” and including the Final DIP Order (as defined below), the “DIP Order”). Capitalized terms not otherwise defined herein have the meanings given thereto in the Interim DIP Order.*

**1. Advances; Increase in Principal Amount.**

(a) The Budget attached hereto as **Exhibit A** (as may be modified from time to time by the Debtors with the consent of the Senior DIP Lender in its sole and absolute discretion, and with written notice to the Junior DIP Lender, subject to Section 6 herein, the “Budget”) is hereby approved.

(b) Subject to the terms and conditions set forth in this Junior DIP Note, the Junior DIP Lender shall make advances to the Debtors as follows (each individually a “Junior Loan” and collectively, the “Junior Loans”):

(i) on the first business day after entry of the Interim DIP Order, an amount equal to \$800,000 (the “Initial Junior Loan”); and

(ii) on every other Monday after the date of the Initial Junior Loan (unless such date is not a business day at which point funding shall occur on the next succeeding business day) (each, a “Funding Date”) an amount equal to the estimated “Disbursements” for the following two weeks (starting on the Funding Date) in the Budget plus \$100,000; *provided, further*, that amounts that were budgeted for a prior week but not spent in such week shall be added to the budgeted amounts for the immediately succeeding week without reduction of the amounts that would otherwise have been budgeted and acceptable to the Junior DIP Lender, and the Debtors will be allowed the Permitted Variance (as defined below).

(c) Except with respect to the Initial Junior Loan, which shall be automatically funded by the Junior DIP Lender, subject to satisfaction of the Draw Conditions (defined below), on the first business day after entry of the Interim DIP Order, by noon prevailing Eastern Time on two business days immediately prior to a Funding Date, the Debtors shall give the Junior DIP Lender written notice of their request for a draw and shall specify the Funding Date (which must provide at least two business days’ written notice) and the amount of the requested draw (a “Borrowing Notice”). The Borrowing Notice shall include (1) a calculation of the requested draw amount including reasonable detail regarding the cash on hand included in the calculation and the projected disbursements for the bi-weekly borrowing period, (2) an updated Budget including actuals for prior periods, and (3) a calculation of any variance from the Budget (a “Variance Report”). The Borrowing Notice shall also be accompanied by a comparison of actual weekly receipts to those set forth in the Budget. The obligation of the Junior DIP Lender to fund is subject to compliance with the terms and conditions of this Junior DIP Note, the Interim DIP Order and, subject to its entry, the *Final Order (I) Authorizing the Debtor To (A) Obtain Postpetition Secured Financing from YYYYY, LLC; (B) Utilize Cash Collateral; and (C) Pay*

*Certain Related Fees and Charges; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* (as amended, modified or otherwise supplemented, the “Final DIP Order”). The Junior DIP Lender shall be obligated to fund under this Junior DIP Note and the DIP Orders, as applicable, all amounts set forth in the Borrowing Notice (except for a variance that is not a Permitted Variance, defined below), subject to the Budget.

Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the most recently ended period of two (2) weeks, up to ten percent (10%) of the amount of the Budget (each, a “Permitted Variance”). Unused amounts set forth in the Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week.

(d) Except for a draw to fund the Carve Out and Professional Fee Reserve, following the occurrence of the Termination Date or other such event triggering the funding of the Carve Out and Professional Fee Reserve (each, a “Back-Stop Draw”), the Junior DIP Lender shall not be obligated to make any Junior Loan (including the Initial Loan hereunder), or to take, fulfill or perform any other action hereunder or under the DIP Order unless the Debtors certify, in a writing signed by an officer of the Debtors, that the following conditions (each, a “Draw Condition”) are met as of the date of each draw:

- (i) All of the representations and warranties contained in the Junior DIP Documents are true and correct in all material respects as of that date.
- (ii) This Junior DIP Note and each other Junior DIP Document shall have been executed or entered, as applicable, and delivered, if applicable, to the Junior DIP Lender in form and substance reasonably acceptable to the Junior DIP Lender, subject to Section 6 herein, and shall be in full, force and effect in all material respects.
- (iii) The consummation of the transactions contemplated hereby or entered into in contemplation hereof shall not contravene, violate, or conflict with, nor involve the Junior DIP Lender in, a violation of applicable law or regulation in any material respect.
- (iv) All consents, authorizations and filings, if any, required in connection with the execution, delivery and performance by the Debtors, and the validity and enforceability against the Debtors, of the Junior DIP Note, shall have been obtained or made, and such consents, authorizations and filings shall be in full force and effect in all material respects.
- (v) Prior to the making of the Initial Junior Loan, the Junior DIP Lender shall have received a schedule describing all material insurance maintained by the Debtors.
- (vi) The Junior DIP Lender shall have received a copy of the applicable DIP Order, and such DIP Order shall have been entered by the Bankruptcy Court in form and substance acceptable to the Junior DIP Lender in its

reasonable discretion, subject to Section 6 herein, and shall be in full force and effect and shall not have been vacated, stayed, reversed, modified, or amended.

- (vii) No event shall have occurred and be continuing, or would result from the Junior Loan requested thereby, that with the giving of notice or the passage of time or both, would constitute an Event of Default (as defined below) and no Event of Default shall be continuing.
- (viii) Except with respect to the Initial Junior Loan, the Debtors shall have timely delivered a Borrowing Notice related to such Loan that was in form and substance satisfactory to the Junior DIP Lender and consistent with the Budget. For the avoidance of doubt, the Debtors may not draw amounts under the Junior DIP Financing in excess of the Budget, and the amounts requested by the Debtors shall be used for an authorized purpose and in accordance with the Budget, subject to a Permitted Variance.
- (ix) The Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in these Chapter 11 Cases or any successor case) shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the Junior DIP Lender, the Junior DIP Liens, or the DIP Collateral (as defined in the Interim DIP Order).
- (x) All information, approvals, documents or other instruments as Junior DIP Lender may reasonably request, and which are customary for postpetition lenders or plan sponsors to request, shall have been received by Junior DIP Lender in all material respects.

If the Draw Conditions are met, the Junior DIP Lender shall make each properly authorized Junior Loan in immediately available funds by wire transfer to an account designated by the Debtors, as soon as practicable, but in no event later than the noon prevailing Eastern Time on the applicable Funding Date.

If the Junior DIP Lender will not fund because one of the foregoing conditions is not satisfied (a “Funding Condition Deficiency”), the Junior DIP Lender will provide the Debtors with notice of the Funding Condition Deficiency before the scheduled Funding Date, and provide the Debtors the reasonable opportunity to cure such Funding Condition Deficiency to the extent such Funding Condition Deficiency is capable of being cured prior to the scheduled Funding Date or by such later deadline as may otherwise be agreed in writing by the Junior DIP Lender.

Notwithstanding anything herein to the contrary, upon the occurrence of the Termination Date or such other event triggering the funding of the Carve Out, the Debtors and Junior DIP Lender shall confer in good faith regarding the estimated amounts necessary to fund the Carve Out and Professional Fee Reserve (the “Estimated Carve Out”) and, if the amount of cash on hand with the Debtors is less than the Estimated Carve Out, the Junior DIP Lender shall fund a Back-Stop Draw under the Junior DIP Financing in the amount equal to the sum of (a) the Estimated Carve Out *less* (b) the Debtors’ cash on hand as of such date, automatically without any obligation of

the Debtors to meet the Draw Conditions or any other conditions precedent to such draw. If at any time after the occurrence of the Termination Date or such other event triggering the funding of the Carve Out and Professional Fee Reserve, the Debtors' cash on hand is less than the actual amounts necessary to fully fund the Carve Out and Professional Fee Reserve, the Junior DIP Lender shall fund additional Back-Stop Draws automatically without any obligation of the Debtors to meet the Draw Conditions or any other conditions precedent to such draw to cover any such shortfall.

## **2. Interest; Payments.**

(a) The Junior Loans shall bear interest on the unpaid principal amount thereof plus all obligations owing to the Junior DIP Lender pursuant to this Junior DIP Note, including without limitation, all interest, fees, and costs accruing thereon, and all the Junior DIP Lender's other rights (collectively, the "Junior DIP Obligations") from the applicable Funding Date (and, with respect to the Initial Loan, from the date hereof) to and including the Maturity Date (defined below), at a fixed rate per annum equal to nine percent (9%), calculated on the basis of a 360-day year for the actual number of days elapsed.

(b) Accrued, unpaid interest on the Junior Loans shall be compounded on the last day of each calendar month. After the Maturity Date and/or after the occurrence and during the continuance of an Event of Default (defined below), the Junior DIP Obligations shall bear interest at a rate equal to twelve percent (12%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed (the "Default Rate").

(c) Notwithstanding anything to the contrary set forth in this Section 2, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate.

(d) Except as otherwise set forth herein or in the DIP Orders, or as otherwise contemplated by the terms of the Plan, the Junior DIP Obligations, including interest, shall be due and payable on the first to occur of the following (the "Maturity Date"): (i) the Effective Date; (ii) September 30, 2025; (iii) upon acceleration of the Junior DIP Note pursuant to the terms hereof; and (iv) a Termination Date. On the Maturity Date, the Junior DIP Lender's obligation to provide Junior Loans shall terminate.

(e) The Junior DIP Lender's claim on account of the Junior DIP Obligations (the "Junior DIP Lender Claim") shall be allowed in full under the Plan. The Junior DIP Lender shall have the option, on account of being the holder of the Junior DIP Lender Claim, to exchange a total of up to 100% of the Junior DIP Lender Claim in satisfaction of such amount of its allowed claim for up to a total of 60% of the shares of the issued equity of the reorganized debtor, at a rate of 10% of its Allowed DIP Lender Claim for 6% of the equity of the reorganized debtor (the "Subscription Option"). To the extent any amount of the Allowed DIP Lender Claim remains after the Junior DIP Lender exercises the Subscription Option, then (i) the Plan Sponsor shall repay such outstanding amount in Cash on the Effective Date, which Cash shall be separate from and in addition to the Consideration; or (ii) the Junior DIP Lender may (at its sole election)

consent to the offset or other non-Cash satisfaction of the Junior DIP Lender Claim by the Plan Sponsor until the remaining unpaid amount of the DIP Financing Claim is reduced to \$0.

(f) The Junior DIP Obligations may not be prepaid in any amount, provided, for the sake of clarity, that the Debtors shall immediately repay the Junior DIP Obligations in full in cash in the event the Debtors proceed with an Alternative Transaction (as defined below) (subject to the terms of the RSA).

**3. Covenants** Unless otherwise agreed to by the Senior DIP Lender in writing, with written notice of the Junior DIP Lender, each of the Debtors covenants and agrees that it will:

(a) Use the proceeds of the Junior Loans solely for operating working capital purposes and chapter 11 administrative costs, including professional fees, in the amounts and otherwise in accordance with and for the purposes provided for in the Budget; *provided, however*, any unused fees from prior weeks may be rolled forward into subsequent weeks. Notwithstanding the then applicable Budget, the Debtor may exceed the budgeted amount during any weekly budget period up to the Permitted Variance; *provided, further*, none of the proceeds of the Junior DIP Loans shall be used by any party in interest to take any action or to otherwise assert any claims or causes of action against the Junior DIP Lender in any capacity (except for the purposes of enforcement of the DIP Orders or this Junior DIP Note).

(b) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and property and all legal requirements in all material respects; and, upon the reasonable request and with reasonable frequency of the Junior DIP Lender, provide copies of, or access to, its books and records, and to discuss the business, operations, assets, and financial and other condition of the Debtor with officers and employees thereof and with their independent certified public accountants (but excluding privileged information) as is reasonably related to the Junior DIP Loan.

(c) Promptly give written notice to the Junior DIP Lender after becoming aware of the same: (i) of the occurrence of any Default or Event of Default; (ii) of any (A) default or event of default under any instrument or other material agreement, guarantee or document of the Debtor (including, without limitation, the Junior DIP Documents) or (B) litigation, investigation or proceeding that may exist at any time between the Debtor and any governmental authority after the date hereof; and (iii) of the commencement of any litigation or proceeding against the Debtor for acts occurring after the Petition Date (A) in which more than \$50,000 of the amount claimed is not covered by insurance or (B) in which injunctive or similar relief is sought.

(d) At all times, cause all of the Collateral (defined below) to be subject to a priority perfected security interest in favor of the Junior DIP Lender, subject only to the priority of the Senior DIP Lender, in accordance with the DIP Orders, subject and subordinate only to the Carve Out and the Professional Fee Reserve.

(e) Promptly, from time to time, deliver such other information regarding the operations, business affairs, and financial condition of the Debtor as the Junior DIP Lender may reasonably request.

(g) To the extent practicable and legally permissible, at least two (2) business days prior to the date when the Debtor intends to file any such pleading, motion, or other document (and, if not reasonably practicable, as soon as reasonably practicable), provide copies of all material pleadings, motions, applications, judicial information, financial information, and other documents to be filed by the Debtor in these Chapter 11 Cases that may impact the Junior DIP Lender or the Junior DIP Financing.

(h) Promptly execute and deliver such documents, instruments and agreements, and take or cause to be taken such acts and actions, as the Junior DIP Lender may reasonably request from time to time to carry out the intent of this Junior DIP Note and the DIP Orders.

(g) Not create, incur, assume, or suffer to exist any indebtedness other than (i) indebtedness outstanding on the date hereof; (ii) indebtedness in connection with the Senior Loans or the Junior DIP Financing; (iii) indebtedness in respect of fees and expenses owed to professionals retained by the Debtor, any official committee in these Chapter 11 Cases, or U.S. Trustee fees up to the amounts set forth in the Budget; and (iv) subject in all respects to the Budget, any ordinary course unsecured indebtedness of the Debtor of the type ordinarily incurred in connection with a chapter 11 bankruptcy case.

(h) Not create, incur, assume, or suffer to exist any lien upon any of its assets, whether now owned or hereafter acquired, except for liens that are permitted by the DIP Orders (including the liens securing the Prepetition Secured Lenders Obligations and the Junior DIP Obligations) and shall not cause, or permit to be caused, any direct or indirect subsidiary of the Debtor to create, incur, assume, or suffer to exist any such liens.

(i) Not enter into any merger or consolidation or amalgamation or other change of control transaction or engage in any type of business other than of the same general type now conducted by it.

(j) Not convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation) any assets or property (including, without limitation, tax benefits), other than the sale of inventory or the licensing of intellectual property in the ordinary course of business.

(k) Not make any advance, investment, acquisition, loan, extension of credit, or capital contribution to, in, or for the benefit of any person outside the ordinary course of business.

(l) Subject in all respects to the Budget, not enter into any transaction, including, without limitation, any purchase, sale, lease, or exchange of property or the rendering of any service, with any affiliate, except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction.

(m) Not incur or apply to the Bankruptcy Court for authority to incur, or suffer to exist, any indebtedness having the priority afforded by section 364(c) of the Bankruptcy Code or (d) (including any superpriority claims) other than the financing provided for under this Junior

DIP Note, unless the both the Senior DIP Obligations and the Junior DIP Obligations hereunder are to be irrevocably paid in full, in cash with the proceeds thereof.

(n) Not limit, affect, or modify, or apply to the Bankruptcy Court to limit, affect, or modify, any of the rights of the Junior DIP Lender with respect to the Junior DIP Obligations, including rights with respect to DIP Collateral and the priority thereof.

(o) Except with respect to the Carve Out or the Professional Fee Reserve, not incur, create, assume, suffer, or permit any claim to exist or apply to the Bankruptcy Court for the authority to incur, create, assume, suffer or permit any claim to exist against the Debtor's estate or any of its assets which is to be *pari passu* with, or senior to, the Junior DIP Obligations, subject only to the Senior DIP Obligations, unless both the Senior DIP Obligations and the Junior DIP Obligations are being irrevocably repaid in full, in cash with the proceeds thereof.

Notwithstanding the foregoing, and for the avoidance of doubt, any payments permitted by the Budget will not be deemed to violate any of the foregoing covenants.

#### **4. Event of Default.**

(a) Event of Default. Each of the following events shall constitute an "Event of Default":

- (i) the Debtors (A) fails to make any payment (whether principal, interest, or otherwise) when such amount becomes due and payable under the Junior DIP Note or (B) default in any material respect in the due performance or observance of any other term, covenant, or agreement contained in the Junior DIP Note (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in the Junior DIP Note or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Junior DIP Lender five (5) business days following written notice to the Debtor of the occurrence of such event of default);
- (ii) any representation, warranty, or statement made by the Debtor herein or in the Junior DIP Note or in any certificate delivered in connection with the Junior DIP Note proves to be untrue in any material respect on the date on which made or deemed made (and, if such default is capable of being remedied, it has not been remedied within the cure period set forth in such DIP Document or, if no such cure period is provided, it has not been remedied to the reasonable satisfaction of the Senior DIP Lender or Junior DIP Lender, as applicable, five (5) business days following written notice to the Debtors of the occurrence of such event of default);
- (iii) the security interest granted to the Junior DIP Lender ceases to be in full force and effect, or ceases to create a perfected security interest in, and lien on, the DIP Collateral purported to be created thereby;

- (iv) unless otherwise agreed to by the Junior DIP Lender, the Junior DIP Note is or becomes invalid, ineffective, or unenforceable against the Debtors in any material respect, in whole or in part, or the Debtors so assert or at any time deny the liability or the Junior DIP Obligations under the Junior DIP Note;
- (v) the Court enters an order dismissing any of the Chapter 11 Cases or converting any of them to a case under Chapter 7 or any other chapter of the Bankruptcy Code, or appointing a trustee or other responsible officer or an examiner with enlarged powers relating to the operation of the Debtors' business (beyond those set forth in sections 1106(a)(3) or (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code, in each case, without the consent of the Senior DIP Lender in its sole and absolute discretion;
- (vi) the Court enters an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code and authorizing an action by a lienholder (other than the Senior DIP Lender) with respect to assets of the Debtors on which the lienholder has a lien with an aggregate value in excess of \$50,000;
- (vii) the Debtors seek to, advocate, or otherwise support any other person's motion to disallow, in whole or in part, the Junior DIP Obligations or to challenge the validity, priority, or enforceability of the Priming DIP Liens and superpriority claims hereunder (for avoidance of doubt, complying with document requests shall not constitute a breach of the foregoing);
- (viii) a debtor in possession financing order is entered in form and substance that is not acceptable to both the Senior DIP Lender and the Junior DIP Lender in their reasonable discretion or from and after the date of entry thereof, the Interim DIP Order or the Final DIP Order, as applicable, ceases to be in full force and effect or is vacated, stayed, reversed, modified, or amended (or the Debtors take any step to accomplish any of the foregoing) without the consent of the Senior DIP Lender in its sole and absolute discretion, with written notice to be provided to the Junior DIP Lender;
- (ix) any of the orders approving the Plan or the disclosure statement to the Plan (the "Disclosure Statement") are vacated, stayed, reversed, modified, or amended without the consent of the Senior DIP Lender, with written notice to the Junior DIP Lender;
- (x) the Debtors make any payments on any indebtedness that arose before the Petition Date other than as provided in the Budget or otherwise without the unanimous consent of the DIP Lenders in their its sole and absolute discretion;

- (xi) the Debtors fails to obtain an order from the Court approving the Debtors' motion for authority to assume the Restructuring Support Agreement dated as of June 17, 2025 (the "RSA") entered into by, among others, the Debtor, the DIP Lenders, the Prepetition Secured Lenders, and 2HR Learning, Inc., as the proposed plan sponsor of the Plan ("Plan Sponsor") within sixty (60) days of the Petition Date;
- (xii) a Company Termination Event, Consenting Party Termination Event or a GG Termination Event (each as defined in the RSA) shall have occurred, including prior to the Debtor's assumption of the RSA;
- (xiii) the Debtors take any action, or as to insiders, permits any action, that would result in an "ownership change" as such term is used in section 382 of title 26 of the United States Code;
- (xiv) the Debtors fail to provide the Junior DIP Lender and its agents with reasonable access to the Debtors' books, records, and management through the Effective Date;
- (xv) the (a) Plan, (b) Disclosure Statement, (c) order confirming the Plan, (d) motion of the Debtor seeking authorization from the Court to assume the RSA, (e) the DIP Orders, the related motions, or the documentation evidencing, or otherwise entered into in connection with, the Senior DIP Financing and the Junior DIP Financing, or (f) any other documents or exhibits related to or contemplated in the foregoing clauses (a) through (e), contains terms and conditions materially inconsistent with the RSA or the Restructuring Transaction;
- (xvi) the Court grants relief that is materially inconsistent with the RSA, or would reasonably be expected to materially frustrate the purpose of the RSA;
- (xvii) the Debtors breach or fail to comply with the terms of the DIP Orders or the Plan, in any material respect;
- (xviii) any of the Chapter 11 Milestones (attached hereto as **Exhibit B**) are not satisfied (as the same may be modified from time to time);
- (xix) one or more judgments or decrees is entered against any Debtor or its estate involving in the aggregate a postpetition liability (not paid or fully covered by insurance or otherwise considered permitted indebtedness) of \$50,000 or more, and all such judgments or decrees are not vacated, discharged, stayed, or bonded pending appeal;
- (xx) the DIP Notes or any other DIP Documents ceases, for any reason, to be in full force and effect or the Debtor shall so assert in writing, or the Priming DIP Liens cease to be effective and perfected with respect to any material

item of DIP Collateral described therein with the priority purported to be created by the DIP Documents;

- (xxi) the Debtors fail to provide in any material respect all information, approvals, documents, or other instruments as the Junior DIP Lender may reasonably request, and as are customary for postpetition lenders or plan sponsors to request;
- (xxii) any of the Debtors announces its intention to proceed with any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, financing (whether debt, including any debtor in possession financing other than the DIP Financing, or equity), recapitalization, workout, or restructuring of the Debtors (including, for the avoidance of doubt, a transaction premised on a chapter 11 plan or a sale of a material portion of assets under section 363 of the Bankruptcy Code), other than the Restructuring Transaction (an “Alternative Transaction”);
- (xxiii) the Court approves an Alternative Transaction;
- (xxiv) the Debtors file a plan of reorganization, liquidating plan, or disclosure statement that is inconsistent with the Plan or the RSA;
- (xxv) the Debtors file an application or motion for the approval of postpetition financing from any party other than the DIP Lenders, including financing that provides for superpriority claims or priming liens on any of the Senior DIP Lender’s collateral, or the Junior DIP Lender’s collateral, without the written consent of the Senior DIP Lender or the Junior DIP Lender, as applicable, in their sole and absolute discretion;
- (xxvi) the Court enters an order terminating the right of the Debtors to use the DIP Financing;
- (xxvii) the Debtors fail to comply with the Approved Budget; *provided, however*, for each period of two (2) weeks (or, if shorter, since the Petition Date), for the period from the Petition Date, in each case measured on a cumulative basis, adverse variances under the Approved Budget of up to 10% of the amount of the Approved Budget are permitted (*provided* that adverse variances shall be offset by positive variances in subsequent weeks to ensure that the Debtors’ cash needs under the Approved Budget remain “on-balance” within any given four week period; *provided further* that in no event shall the DIP Lenders be required to fund amounts exceeding the aggregate of the Approved Budget; *provided further*, that the variances shall not include or otherwise require a test of payment on fees of Estate Professionals; and *provided further* that payment on Professional Fees shall not vary unfavorably from the applicable Approved Budget on a cumulative four-week-basis per Estate Professional

fee line item for that portion of the Approved Budget period then ending), and unused amounts set forth in the Approved Budget for any disbursement line item may be carried forward and used to fund such line item in any subsequent week;

- (xxviii) without the consent of the Senior DIP Lender, and written notice to the Junior DIP Lender, any claim or lien having a priority superior to or *pari passu* with those granted by the DIP Orders to the Senior DIP Lender is granted or allowed prior to the occurrence of (a) the payment in full in cash of immediately available funds of all of the Senior DIP Obligations and Junior DIP Obligations, (b) the termination or expiration of all commitments to extend credit to the Debtors under the Senior DIP Documents and the Junior DIP Documents, and (c) the cash collateralization in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages for which the Senior DIP Lender or Junior DIP Lender, as applicable, may be entitled to indemnification by the Debtors; or
- (xxiv) The Debtors, without the Senior DIP Lender's prior written consent (which shall be given or refused in the Senior DIP Lender's sole and absolute discretion), and without written notice to the Junior DIP Lender, seek to modify, vacate or amend the DIP Orders or any DIP Documents.
- (xxv) (a) The Debtors fail to make any payment (whether of principal, interest or any other amount) in respect of the Junior DIP Documents, when and as the same shall become due and payable or (b) any event or condition occurs that results in any indebtedness under the Junior DIP Documents becoming due prior to its scheduled maturity or that enables or permits (with or without notice the giving of notice, the lapse of time, or both) the holder or holders of any indebtedness under the Junior DIP Documents or any trustee or agent on its or their behalf to cause any Junior DIP Obligations to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity.
- (c) Upon the occurrence of an Event of Default and after five (5) business days' written notice by the Senior DIP Lender to the Notice Parties (the "Default Notice Period"), and an opportunity to seek an expedited hearing before the Court, the automatic stay shall terminate, and the Senior DIP Lender and Junior DIP Lender shall be permitted to exercise any of their respective remedies permitted by law, including any of the following actions, without application or motion to, or further orders from, the Bankruptcy Court or any other court, and without interference from the Debtors or any other party in interest, unless the Court determines during the Default Notice Period that an Event of Default has not occurred:
  - (i) declare all or any portion of the outstanding Senior DIP Obligations or Junior DIP Obligations, as applicable, due and payable, whereupon the same shall become forthwith due and payable without presentment,

demand, protest or notice of any kind, all of which are hereby waived by the Debtors;

- (ii) set off any amounts held as Cash Collateral (including, without limitation, in any Cash Collateral account held for the benefit of the Senior DIP Lender or the Junior DIP Lender, as applicable);
- (iii) enforce all liens and security interests in the DIP Collateral;
- (iv) institute proceedings to enforce payment of such Senior DIP Obligations or the Junior DIP Obligations, as applicable;
- (v) terminate the obligation of the Junior DIP Lender to make Junior Loans; and
- (vi) exercise any other remedies and take any other actions available to it or them at law, in equity, under the Junior DIP Note, the Bankruptcy Code, other applicable law or pursuant to the DIP Order, including, without limitation, exercising any and all rights and remedies with respect to the DIP Collateral or any portion thereof;

*provided, however,* the Junior DIP Lender shall continue to fund the Debtors' operations, pursuant to the Budget, through the Default Notice Period.

(c) The Debtors and the Committee (if any), and any other party in interest shall be entitled to an emergency hearing before this Court within the Default Notice Period. If an emergency hearing is requested to be heard prior to the expiration of the Default Notice Period, then the Default Notice Period shall automatically be extended until the Court hears and rules with respect thereto.

(c) Subject to Section 4(b) above, if any Event of Default shall occur and be continuing, the Junior DIP Lender, subject to the rights of the Senior DIP Lender, may exercise in addition to all other rights and remedies granted to it in this Junior DIP Note and the DIP Orders, all rights and remedies of a secured party under the UCC (as defined below) or other applicable law. Without limiting the generality of the foregoing, each of the Debtors, on behalf of their estates, expressly agrees that in any such event the Junior DIP Lender, without demand of performance or other demand, advertisement, or notice of any kind (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale and subject to the rights of the Senior DIP Lender) to or upon the Debtors or any other person (all and each of which demands, advertisements, and/or notices (except the notice required by the DIP Orders or the notice specified below of time and place of public or private sale) are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate, and realize upon the DIP Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said DIP Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Junior DIP Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Subject to the rights of the

Senior DIP Lender, the Junior DIP Lender shall have the right upon any such public sale or sales to purchase for cash or by credit bidding all or a part of the Junior DIP Obligations the whole or any part of said DIP Collateral so sold, free of any right or equity of redemption, which equity of redemption the Debtor hereby releases. Each of the Debtors, on behalf of its estate and subject to the rights of the Senior DIP Lender, further agrees, at the Junior DIP Lender's request, to assemble the DIP Collateral constituting movable tangible personal property and make it available to the Junior DIP Lender at places that the Junior DIP Lender shall reasonably select. The Junior DIP Lender shall apply the proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Junior DIP Obligations in the order reasonably deemed appropriate by the Junior DIP Lender, the Debtors' estates remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Junior DIP Lender of any other amount required by any provision of law, including section 9-608(a)(1)(C) of the UCC, shall the Junior DIP Lender account for and pay over the surplus, if any, to the Debtors. To the maximum extent permitted by applicable law, the Debtors waive all claims, damages, and demands against the Junior DIP Lender arising out of the repossession, retention, or sale of the DIP Collateral except such as arise out of the gross negligence or willful misconduct of the Junior DIP Lender. The Debtors agree that the Junior DIP Lender need not give more than five (5) business days' notice to the Debtors (which notification may run concurrently with any notice required under the DIP Orders and shall be deemed given when mailed, electronically delivered or delivered on an overnight basis, postage prepaid, addressed to the Debtors at the address set forth below) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Debtors' estates shall remain liable for any deficiency if the proceeds of any sale or disposition of the DIP Collateral are insufficient to pay all amounts to which the Junior DIP Lender is entitled.

(d) Subject to Section 4(b) above, except as otherwise expressly provided herein and in the DIP Orders, the Debtors hereby waive presentment, demand, protest, or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Junior DIP Note or any DIP Collateral. The Debtors' estates shall also pay all of the Junior DIP Lender's reasonable costs of collection if any Junior DIP Obligations are not paid when due, including, without limitation, court costs, collection expenses, reasonable out-of-pocket attorneys' fees, and other expenses which the Junior DIP Lender may incur or pay in the prosecution or defense of its rights hereunder, whether in judicial proceedings, including bankruptcy court and appellate proceedings, or whether out of Court.

(d) Except with respect to the payment of the Carve Out, the Junior DIP Lender's agreement to provide the Junior DIP Financing in accordance with the Junior DIP Documents and the Debtors' authorization to use Cash Collateral shall immediately and automatically terminate (except as the Senior DIP Lender may otherwise agree in writing in its reasonable discretion and with written notice to the Junior DIP Lender), upon the earliest to occur of any of the following (each, a "Termination Date"):

- (i) September 30, 2025;
- (ii) the date of final indefeasible payment and satisfaction in full in cash of both the Senior DIP Obligations and the Junior DIP Obligations;

- (iii) the entry of an order by the Court granting a motion by the Debtors to obtain additional financing from a party other than Senior DIP Lender and the Junior DIP Lender under section 363 or 364 of the Bankruptcy Code unless the proceeds from such financing are used to immediately repay in cash the Senior DIP Obligations and the Junior DIP Obligations or unless such financing is subordinate to both the Senior DIP Obligations and the Junior DIP Obligations and consented to in writing by both the Senior DIP Lender and the Junior DIP Lender (which consent may be withheld in each of their sole and absolute discretion);
- (iv) the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;
- (v) the DIP Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Senior DIP Lender (which consent may be withheld in its sole and absolute discretion) and with written notice to the Junior DIP Lender;
- (vi) the Effective Date; or
- (vii) upon expiration of the Default Notice Period.

## **5. Security.**

(a) To induce the Junior DIP Lender to make the Junior Loans, each Debtor hereby grants to the Junior DIP Lender, as security for the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Junior DIP Obligations, a continuing first priority lien and security interest (subject and subordinate only to the Carve Out and to the lien of the Senior DIP Lender) in and to any and all right, title or interest of the Debtors in and to all of the following, whether presently existing or at any time hereafter acquired, whether owned, leased or otherwise possessed, (capitalized terms used in clauses (i) through (xix) and not otherwise defined herein shall have the meanings provided for such term in the Uniform Commercial Code in effect on the date hereof in the State of Delaware (the “UCC”)):

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Deposit Accounts, including any monies or other property held therein;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all General Intangibles, including all intellectual property, including any trademarks or tradenames, and any licenses;
- (vii) all Goods;

- (viii) all Instruments;
- (ix) all Inventory;
- (x) all Investment Property;
- (xi) all Letter-of-Credit Rights;
- (xii) all real property;
- (xiii) all motor vehicles;
- (xiv) all Commercial Tort Claims;
- (xv) all books and records pertaining to the Debtor, its business and any property described herein;
- (xvi) all other personal property and other assets of the Debtor, whether tangible or intangible, wherever located, including money, letters of credit, and all rights of payment or performance under letters of credit;
- (xvii) to the extent not otherwise included, all monies and other property of any kind that is received by the Debtor in connection with any refunds with respect to taxes, assessments and other governmental charges;
- (xviii) all insurance claims; and
- (xix) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits, and products of, each of the foregoing, and any proceeds of insurance, indemnity, warranty or guaranty payable to the Debtors' estates from time to time with respect to any of the foregoing.

(b) The granting clause herein is intended to supplement (not supersede) that which is provided for in the DIP Orders and the Junior DIP Loans and any other indebtedness or obligations, contingent or absolute (including, without limitation, the principal thereof, interest thereon, and costs and expenses owing in connection therewith) which may now or from time to time hereafter be owing by the Debtors to the Junior DIP Lender under the Junior DIP Note shall be secured as set forth herein, in the DIP Orders.

(c) The DIP Orders provide for the perfection, maintenance, protection, and enforcement of the Junior DIP Lender's security interest in the DIP Collateral. Upon the request of the Junior DIP Lender, the Debtors shall deliver to the Junior DIP Lender those Junior DIP Documents necessary or desirable to perfect the Junior DIP Lender's lien, including in letters of credit on which the Debtors are named as beneficiary and all acceptances issued in connection therewith. The Debtors shall take such other reasonable steps as are deemed necessary or desirable to maintain the Junior DIP Lender's security interest in the DIP Collateral.

(d) The Debtors hereby authorize the Junior DIP Lender to execute and file financing statements or continuation statements, and amendments thereto, on the Debtors' behalf covering the DIP Collateral. The Junior DIP Lender may file one or more financing statements disclosing the Junior DIP Lender's security interest under this Junior DIP Note without the signature of the Debtors appearing thereon. The Junior DIP Lender shall pay the costs of, or incidental to, any recording or filing of any financing statements concerning the DIP Collateral. The Debtors agree that a carbon, photographic, photostatic, or other reproduction of this Junior DIP Note or of a financing statement is sufficient as a financing statement.

(e) Except as otherwise provided for in this Junior DIP Note or in any DIP Order, or as otherwise contemplated by the terms of the RSA, until all Senior DIP Obligations and Junior DIP Obligations have been fully satisfied in cash and the Junior DIP Lender shall have no further obligation to make any Junior Loans hereunder, the Junior DIP Lender's security interest in the DIP Collateral, and all proceeds and products thereof, shall continue in full force and effect.

(f) Notwithstanding the preceding paragraphs, or any failure on the part of the Debtors to take any of the actions set forth therein, the liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the final DIP Order. No financing statement, notice of lien, mortgage, deed of trust or similar instrument in any jurisdiction or filing office need be filed or any other action taken in order to validate and perfect the liens and security interests granted by or pursuant to this DIP Note and the DIP Orders.

(g) Other than with respect to the Carve Out and the Professional Fee Reserve, the priority of the Junior DIP Lender's liens on the DIP Collateral shall be senior to all liens existing as of the Petition Date, subject solely to the interest of the Senior DIP Lender, and for so long as any Junior DIP Obligations shall be outstanding, the Debtors hereby irrevocably waive any right, pursuant to sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any lien of equal or greater priority than the liens securing the Junior DIP Obligations, or to approve a claim of equal or greater priority than the DIP Obligations, unless otherwise permitted or provided for in the DIP Orders or effective upon the granting of any such lien or priority, the DIP Obligations shall be irrevocably paid in full in cash and the obligation to make Junior DIP Loans hereunder terminated.

(h) Upon entry of, subject to and in accordance with the DIP Orders, the Junior DIP Obligations of the Debtors hereunder and under the other Junior DIP Documents and the DIP Orders, shall at all times constitute allowed superpriority claims pursuant to section 364(c)(1) of the Bankruptcy Code.

(i) It is expressly agreed by the Debtors that, anything herein to the contrary notwithstanding, the Debtors shall remain liable under their postpetition contractual obligations to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and the Junior DIP Lender shall not have any obligation or liability under any contractual obligations by reason of or arising out of this Junior DIP Note unless otherwise agreed to in writing by both the Senior DIP Lender and the Junior DIP Lender, and the Junior DIP Lender shall not be required or obligated in any manner to perform or fulfill any of the obligations of the debtors' estates under or pursuant to any contractual obligations, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received

by it or the sufficiency of any performance by any party under any contractual obligations, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

(j) Each Debtor hereby appoints the Junior DIP Lender, or any other person who the Junior DIP Lender may designate, as the Debtors' attorney-in-fact (such appointment being coupled with an interest and being irrevocable until Junior DIP Lender's liens and claims shall have been satisfied), at any time after (i) termination of the automatic stay (A) to do any act which Debtor is obligated to do hereunder, or (B) to exercise any of the rights and remedies available under the UCC or other applicable law to a secured party with a lien having the same priority as the Junior DIP Lender's lien on the DIP Collateral (and all acts of such attorney in fact or designee taken pursuant to this section are hereby ratified and approved by the Debtors and said attorney or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law, except for gross negligence or willful misconduct); *provided, however*, the Junior DIP Lender shall provide prior or contemporaneous telephonic and electronic notice to the Debtors and any creditor entitled to notice with respect to any affected DIP Collateral of the exercise of any or all of its above-stated rights and powers.

#### **6. Treatment of the Plan Sponsor and Junior DIP Lender.**

Notwithstanding anything to the contrary contained herein, the form and substance of any and all legal and economic rights and treatment of the Plan Sponsor and the Junior DIP Lender in the Plan, the DIP Orders, the Junior DIP Note and any other orders entered by the Bankruptcy Court, or any other operative document, shall be subject to the consent of the Plan Sponsor, the Senior DIP Lender, and the Junior DIP Lender, in their respective reasonable discretion; provided that the terms of the Budget shall be mutually agreed upon by the Debtors and the DIP Lenders in an aggregate amount not to exceed \$8,000,000, as may be modified from time to time by the Debtors with the consent of the DIP Lenders in their sole and absolute discretion, but without need for further Court approval. The order confirming the Plan shall be in a form and substance reasonably acceptable to both the Senior DIP Lender and the Junior DIP Lender in their reasonable discretion, and subject to the Subscription Option, shall provide for the Senior DIP Lender to be issued 100% of the equity of the reorganized Debtors free and clear of all liens, claims, rights, interests, security interests, and encumbrances of any kind (other than those expressly identified in writing as acceptable to the Senior DIP Lender in its sole and absolute discretion).

#### **7. Miscellaneous.**

(a) No course of action or delay or omission of Junior DIP Lender in exercising any right or remedy hereunder or under any other agreement or undertaking securing or related to this Junior DIP Note shall constitute or be deemed to be a waiver of any such right or remedy, and a waiver on the one occasion shall not operate as a bar to or waiver of any such right or remedy on any future occasion. The rights and remedies of Junior DIP Lender as provided herein shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Junior DIP Lender, and may be exercised as often as occasion

therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

(b) Subject to and limited by the DIP Orders, the Debtors agree to pay or reimburse the Junior DIP Lender for all of its reasonable costs and expenses incurred in connection with the collection, enforcement or preservation of any rights under this Junior DIP Note and the other Junior DIP Documents, including, without limitation, the fees and disbursements of counsel for the Junior DIP Lender, including reasonable attorneys' fees out of court, in trial, on appeal, in bankruptcy proceedings, or otherwise.

(c) This Junior DIP Note shall be binding upon and inure to the benefit of the Debtors and the Junior DIP Lender and their respective administrators, personal representatives, legal representatives, heirs, successors and assigns, except that no Debtor shall assign or transfer any of its rights and/or obligations hereunder, and any such assignment or transfer purported to be made by Debtor shall be null and void. The Junior DIP Lender may at any time transfer or assign (or grant a participation in) any or all of its rights and/or obligations hereunder without the consent of the Debtors.

(d) If any provision of this Junior DIP Note is invalid, illegal, or unenforceable, the balance of this Junior DIP Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(e) This Junior DIP Note shall be governed by and construed in all respects under the laws of the State of New York (except as governed by the Bankruptcy Code), without reference to its conflict of laws rules or principles. Each of the parties submits to the exclusive jurisdiction of the Bankruptcy Court for the Northern District of Texas or (if the Bankruptcy Court lacks or declines jurisdiction) any state or federal court sitting in the State of Texas, in any action or proceeding arising out of or relating to the Junior DIP Note, and each party agrees that all claims in respect of the action or proceeding may be heard and determined in any such court and agrees not to bring any action or proceeding arising out of or relating to the Junior DIP Note in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Each party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such party by sending or delivering a copy of the process to the party to be served at the address of the party and in the manner provided for the giving of notices in Section 7(h) below. Each party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law.

**(f) THE JUNIOR DIP LENDER AND THE DEBTORS HEREBY KNOWINGLY VOLUNTARILY, INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREIN, OR ARISING OUT OF UNDER OR IN CONNECTION WITH THIS JUNIOR DIP NOTE AND THE OTHER JUNIOR DIP DOCUMENTS.**

(g) The Debtors, at their own expense, which shall be provided for in the Budget, shall take any lawful actions and execute, deliver, file and register any documents that the Junior DIP Lender may, in its discretion, deem reasonably necessary or appropriate in order to further the purposes of this Junior DIP Note.

(h) All notices hereunder shall be deemed given if in writing and delivered, if sent by email, courier, or by registered or certified mail (return receipt requested) to the following addresses and email addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

(i) If to the Debtors:

Higher Ground Education, Inc.  
1321 Upland Dr. PMB 20442  
Houston, Texas 77043  
Attn: Jon McCarthy  
Email: board@tohigherground.com

and

FOLEY & LARDNER LLP  
2021 McKinney Avenue, Suite 1600  
Dallas, TX 75201  
Attention: Holland N. O'Neil, Esq.  
Email: honeil@foley.com

and

1144 15th Street, Ste. 2200  
Denver, CO 80202  
Attention: Tim Mohan  
Email: tmohan@foley.com

(ii) If to the Junior DIP Lender:

Guidepost Global Education, Inc.  
1809 Pearl Street  
Austin, Texas 78701  
Attention: Greg Mauro  
Email: greg@learn.vc

and

Kane Russell Coleman Logan PC  
401 Congress Avenue  
Suite 2100  
Austin, Texas 78701  
Attention: Jason Binford

Email: jbinford@krcl.com  
Phone: 512-487-6566

or to such other address as any party hereto shall notify the other parties hereto (as provided above) from time to time.

[Signature page is next page]

**IN WITNESS WHEREOF**, the Debtors have executed this Junior DIP Note as of the date first written above.

**BORROWERS:**

**HIGHER GROUND EDUCATION INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GUIDEPOST A LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PREPARED MONTESSORIAN LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TERRA FIRMA SERVICES LLC**

By: Higher Ground Education Inc.  
Its: Sole Member and Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO JUNIOR DIP NOTE**

**BUDGET**

(Attached as Exhibit A to Senior DIP Note)

**EXHIBIT B TO JUNIOR DIP NOTE**

(Attached as Exhibit B to Senior DIP Note)