

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

In re:)	Chapter 11
)	
PROTERRA INC, <i>et al.</i> , ¹)	Case No. 23-11120 (BLS)
)	
Debtors.)	(Jointly Administered)
)	Ref. Docket No. 44

**INTERIM ORDER (I) AUTHORIZING
THE DEBTORS TO USE CASH COLLATERAL,
(II) GRANTING ADEQUATE PROTECTION (III) MODIFYING
THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”) of the above-captioned debtors and debtors-in-possession (together, the “Debtors”)² seeking entry of an interim order (this “Interim Order”) and a final order, pursuant to sections 105, 361, 362, 363 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the “Bankruptcy Code”), Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) providing for:

(a) authorization for the Debtors to (1) use “cash collateral” (as such term is defined in section 363(a) of the Bankruptcy Code) pursuant to section 363 of the Bankruptcy Code (the “Cash Collateral”) and (2) provide adequate protection to the Prepetition Secured Parties (as defined below) with respect to the diminution in value, if any, of the interest of the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Proterra Inc (1379); and Proterra Operating Company, Inc. (8459). The location of the Debtors’ service address is: 1815 Rollins Road, Burlingame, California 94010.

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



First Lien Agent and Second Lien Agent (as defined below) in the Prepetition Collateral (as defined below), including Cash Collateral, on the terms described herein;

(b) scheduling, pursuant to Bankruptcy Rule 4001, a further interim hearing (the “Second Interim Hearing”) for this Court to consider the relief requested in the Motion on a further interim or final basis;

(c) modifying the automatic stay arising under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order; and

(d) granting related relief.

The Interim Hearing having been held by this Court on August 10, 2023, and upon the record made by the Debtors at the Interim Hearing, including without limitation, the admission into evidence of (i) the *Declaration of Gareth T. Joyce in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”) filed on the date hereof (the “Petition Date”), (ii) the *Declaration of Justin D. Pugh in Support of Debtors’ (I) Cash Collateral Motion and (II) Vendor Claimants’ Motion* (the “Pugh Declaration”), and (iii) *Declaration of John Kimm in Support of the Debtors’ Motion for Entry of: (I) an Order (A) Approving Bidding Procedures to Govern the Sale of All or Substantially All of the Debtors’ Assets Pursuant to Section 363 of the Bankruptcy Code, (B) Approving Procedures Regarding Entry into One or More Stalking Horse Agreements (C) Establishing Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Approving the Form and Manner of the Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases, (E) Schedule Auctions of for the Sales of the Company Assets and Hearings to Consider Approval of the Sales and Approving the Form and Manner of the Notice Thereof,*

(F) Approving Certain Wind-Down Procedures, and (G) Granting Related Relief; and (II) An Order (A) Authorizing and Approving the Debtors' Entry into One or More Asset Purchase Agreements, (B) Authorizing the Sale of All or Substantially All of the Debtors' Assets Free and Clear of Liens, (C) Approving the Assumption and Assignment of the Assumed Executory Contracts and Unexpired Leases, and (D) Granting Related Relief (the "Kim Declaration"); and notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001 and 9014; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Second Interim Hearing, and this Court having found that authorization to use Cash Collateral as provided herein and the other terms of this Interim Order are otherwise fair and reasonable, in the best interests of the Debtors and their estates and essential for the continuation of the Debtors' business; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. Jurisdiction and Venue. This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the "Amended Standing Order"). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b).

B. Petition Date. On August 7, 2023, each of the Debtors filed a voluntary petition with this Court commencing cases under chapter 11 of the Bankruptcy Code (the "Chapter 11");

Cases”). The Debtors continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner in these Chapter 11 Cases.

C. Notice. Notice of the Motion and the Interim Hearing has been provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney’s Office for the District of Delaware; (d) the Internal Revenue Service; (e) the state attorneys general for states in which the Debtors conduct business; (f) the Securities and Exchange Commission; (g) counsel to the Second Lien Agent; (h) counsel to First Lien Agent; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. Under the circumstances, notice of the Motion, as it relates to this Order, complies with the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014.

D. Cash Collateral. The Debtors require the use of Cash Collateral to operate their business and pay certain obligations.

E. Committee Formation. Neither an official committee of unsecured creditors (the “Creditors’ Committee”) nor any other official committee (each, a “Committee”) has been appointed in these Chapter 11 Cases.

F. Debtors’ Representations. The Debtors represent as follows:

(a) First Lien Credit Facility. As more fully described in the First Day Declaration and the Motion, on May 8, 2019, Debtor Proterra Operating Company, Inc. (f/k/a Proterra Inc) (“OpCo”) entered into that certain Loan, Guaranty and Security Agreement (as amended, amended and restated, supplemented or otherwise modified, the “Senior Credit

Agreement”), by and among OpCo, the lenders from time to time thereto (collectively, the “Prepetition First Lien Lenders”), the issuing bank(s) party thereto (the “Issuing Bank”), and Bank of America, N.A. (“Bank of America”), as administrative agent (the “First Lien Agent” and, together with the Prepetition First Lien Lenders and the Issuing Bank, the “Prepetition First Lien Secured Parties”), which provides for a revolving credit facility in the maximum principal amount of \$75.0 million, including a \$25.0 million letter of credit (the “First Lien Credit Facility”). As of the Petition Date, no amounts were outstanding under the First Lien Credit Facility, other than approximately \$21.9 million in face amount of issued and outstanding letters of credit (collectively, the “Prepetition Letters of Credit” and, together with the Senior Credit Agreement, the “Prepetition First Lien Loan Documents”). As security for OpCo’s obligations under, and pursuant to the terms of, the Senior Credit Agreement (the “Prepetition First Lien Obligations”), OpCo granted to the First Lien Agent for the benefit of the Prepetition First Lien Secured Parties valid and perfected first priority liens and security interests (the “Prepetition First Liens”) on substantially all of OpCo’s assets (collectively, the “Prepetition Collateral”), including OpCo’s cash, accounts receivable, and inventory, but excluding certain assets expressly excluded from “Collateral” under the terms of the Senior Credit Agreement, including fee-owned real property, any leasehold interests in real property and certain related assets and improvements thereon.

(b) Second Lien Convertible Notes. On August 4, 2020, OpCo entered into that certain Note Purchase Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, including by that certain Amendment No. 1 to Secured Convertible Promissory Notes and Note Purchase Agreement dated August 31, 2020 and that certain Amendment No. 2 to Secured Convertible Promissory Notes and Note Purchase

Agreement dated March 31, 2023 (together, the “Note Amendment”) the “Note Purchase Agreement”) by and among OpCo, the investors from time to time party thereto (the “Second Lien Convertible Noteholders”) and collectively with the Second Lien Agent (as defined below), the “Prepetition Second Lien Secured Parties”, together with the Prepetition First Lien Secured Parties, the “Prepetition Secured Parties”), the guarantors, if any, from time to time party thereto and CSI GP I LLC, as collateral agent (the “Second Lien Agent,” and together with the First Lien Agent, the “Agents”). As of the Petition Date, there is not less than \$177.2 million in principal amount of convertible notes (as amended by the Note Amendments, the “Second Lien Convertible Notes”) outstanding under the Note Purchase Agreement and Second Lien Convertible Notes.³

(c) Second Lien Security Agreement. In connection with the Note Purchase Agreement and to secure its obligations under the Second Lien Convertible Notes (the “Prepetition Second Lien Obligations”) and, together with the Prepetition First Lien Obligations, the “Prepetition Obligations”), OpCo entered into that certain Security Agreement, dated as of August 4, 2020 (as amended, amended and restated, supplemented or otherwise modified, the “Second Lien Security Agreement”) and, collectively with the Note Purchase Agreement, Second Lien Convertible Notes, and any documents executed in connection with the foregoing, the “Prepetition Second Lien Documents”) by and between OpCo, as Grantor, and the Second Lien Agent, as Collateral Agent under the Note Purchase Agreement. In accordance with the Second Lien Security Agreement, OpCo granted valid and perfected second priority liens and security

³ The Prepetition Second Lien Secured Parties believe that there may be in excess of \$265 million in principal amount of convertible notes outstanding under the Note Purchase Agreement and Second Lien Convertible Notes and continue to evaluate whether certain amounts have come due and owing under the Note Purchase Agreement and Second Lien Convertible Notes. The Debtors disagree. This Interim Order does not prejudice the ability of any party to argue whether the principal amount due and owing under the Note Purchase Agreement and Second Lien Convertible Notes is, or is not, in excess of \$177.2 million.

interests (the “Prepetition Second Liens”) to the Second Lien Agent, as security for the Prepetition Second Lien Obligations, in the Prepetition Collateral.

(d) Intercreditor Agreement. The First Lien Agent and the Second Lien Agent (collectively, the “Agents”) are parties to that certain Intercreditor Agreement, dated as of August 4, 2020 (as amended, amended and restated, supplemented or otherwise modified, the “Intercreditor Agreement” and, together with the Prepetition First Lien Loan Documents and Prepetition Second Lien Documents, the “Prepetition Loan Documents”), which governs the respective rights and remedies of the First Lien Agent and the Second Lien Agent with respect to the Prepetition Collateral.

G. Relief Requested. By the Motion, the Debtors requested authority to use Cash Collateral through the Termination Date (as defined below) on the terms and conditions set forth herein.

H. Necessity for Relief Requested; Immediate and Irreparable Harm. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). The Debtors’ access to sufficient liquidity through the use of Cash Collateral is critical to their ability to operate their business, maximize the value of their estates, and facilitate a successful reorganization, the absence of which would result in immediate and irreparable harm to the Debtors, their estates, and their creditors. Without the use of Cash Collateral, the Debtors would not have sufficient available sources of working capital to pay payroll and other operating expenses, maintain their assets, administer the Chapter 11 Cases or proceed with their reorganization or sale efforts, to the severe detriment of their estates and creditors. Accordingly, the relief requested in the Motion is necessary, essential, and appropriate to avoid immediate and

irreparable harm to the Debtors and for the continued operation of Debtors' business and the management and preservation of their assets.

I. Good Cause. Good cause has been shown for entry of this Interim Order, and the entry of this Interim Order is in the best interests of the Debtors and their estates and creditors. Among other things, the relief granted herein will minimize disruption of the Debtors' business and permit the Debtors to meet payroll and other expenses necessary to continue operations. The terms of the Debtors' use of Cash Collateral and proposed adequate protection arrangements, as set forth in this Interim Order, are fair and reasonable under the circumstances, and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties.

BASED UPON THE FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Approval of Motion. The relief requested in the Motion is granted on an interim basis as set forth herein. Except as otherwise expressly provided in this Interim Order, any objection to the entry of this Interim Order that has not been withdrawn, waived, resolved or settled, is hereby denied and overruled on the merits, but without prejudice to relief that may be granted on a final basis.

2. Authorization to Use Cash Collateral. Pursuant to the terms and conditions of this Interim Order, the Debtors are authorized to use Cash Collateral in a manner consistent with their ordinary course of business or as otherwise authorized by the Bankruptcy Court after notice and a hearing for the period (the "Specified Period") from the Petition Date through the Termination Date (as defined below).

3. Termination Date. The Debtors' authorization to use Cash Collateral (other than to fund the Carve-Out as provided below) pursuant to this Interim Order shall terminate upon the earliest to occur of (the "Termination Date"): (i) 5:00 p.m. (prevailing Eastern Time) on the 14th

day after entry of this Interim Order (the “Interim Period”), *provided* that if a further interim order or final order is entered prior thereto, the Debtors’ authorization to use Cash Collateral shall continue to the extent provided for therein; and (ii) the occurrence and continuance of an Event of Default (as defined below) beyond the Cure Period (as defined below), as applicable; *provided* that the Debtors can extend the Interim Period with the prior written consent of each of the Agents (which consent can be provided through email from counsel to the Agents); *provided* that if the Interim Period is extended in accordance with this Section 3, the Debtors shall file a notice of such extension on the docket of these Chapter 11 Cases reasonably promptly.

4. Adequate Protection. The Prepetition Secured Parties are hereby granted the following (collectively, the Adequate Protection Obligations):

(a) Senior Adequate Protection Liens. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection for any postpetition diminution in value of the First Lien Agent’s interest (solely to the extent that such interests are valid, binding, enforceable, non-avoidable, and perfected as of the Petition Date) in the Prepetition Collateral (including the Cash Collateral) to the fullest extent provided for in the Bankruptcy Code (the “First Lien Diminution in Value”), the First Lien Agent for the benefit of the Prepetition First Lien Secured Parties is hereby granted additional and replacement liens (the “Senior Adequate Protection Liens”) on any and all presently owned and hereafter acquired personal property, real property, and all other assets of the Debtors, together with any proceeds thereof (collectively, the “Post-Petition Collateral”), having the priority set forth in paragraph 4(c) below. Notwithstanding the foregoing, the Post-Petition Collateral shall not include any causes of action under chapter 5 of the Bankruptcy Code or the proceeds thereof (collectively, “Avoidance Actions”).

(b) Junior Adequate Protection Liens. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection for any postpetition diminution in value of the Second Lien Agent's interests (solely to the extent that such interests are valid, binding, enforceable, non-avoidable, and perfected as of the Petition Date) in the Prepetition Collateral (including the Cash Collateral) to the fullest extent permitted by the Bankruptcy Code (the "Second Lien Diminution in Value"), the Second Lien Agent for the benefit of the Prepetition Second Lien Secured Parties is hereby granted additional and replacement liens (the "Junior Adequate Protection Liens," and collectively with the Senior Adequate Protection Liens, the "Adequate Protection Liens") on the Post-Petition Collateral, having the priority set forth in paragraph 4(c) below.

(c) Priority of Adequate Protection Liens.

(i) The Senior Adequate Protection Liens on the Post-Petition Collateral shall be junior only to (A) any lien that was validly perfected and unavoidable as of the Petition Date (or subsequently perfected in accordance with section 546 of the Bankruptcy Code) and senior in priority to the Prepetition Liens (collectively, the "Senior Permitted Liens") and (B) the Carve-Out (as defined below). Subject to the Intercreditor Agreement, the Senior Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the Post-Petition Collateral.

(ii) Subject to the Intercreditor Agreement, the Junior Adequate Protection Liens on the Post-Petition Collateral shall be junior only to the (A) Prepetition First Liens, (B) Senior Adequate Protection Liens, (C) Prepetition Second Liens, (D) Senior Permitted Liens, and (E) the Carve-Out. The Junior Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, and claims against any of the Post-Petition Collateral.

(iii) The Adequate Protection Liens shall be automatically perfected, valid, and enforceable against and binding upon the Debtors, their estates, and any successors thereto, and the parties shall not be required to enter into any additional security agreements to create, memorialize, and/or perfect any such liens, or to file financing statements, mortgages, or other instruments with any other filing authority or take any other action to perfect any such Adequate Protection Liens. If, however, the First Lien Agent or Second Lien Agent, in their sole and absolute discretion shall elect for any reason to enter into, file, record or serve any such financing statements or other documents with respect to any such Adequate Protection Liens, then the Debtors shall execute same upon request and the filing, recording or service thereof (as the case may be) shall be deemed to have been made at the time and on the date of the docket entry of this Interim Order.

(d) Adequate Protection Superpriority Claims.

(i) Senior Adequate Protection Superpriority Claim. As further adequate protection, the First Lien Agent for the benefit of the First Lien Secured Parties is hereby granted, to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, an allowed superpriority administrative expense claim in the Chapter 11 Cases to the extent of any postpetition First Lien Diminution in Value (the "Senior Adequate Protection Superpriority Claim"), senior to all other administrative claims, other than the Carve-Out, and shall otherwise be subject to the Intercreditor Agreement.

(ii) Junior Adequate Protection Superpriority Claim. As further adequate protection, the Second Lien Agent is hereby granted, to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, an allowed superpriority administrative expense claim in the Chapter 11 Cases to the extent of any postpetition Second Lien Diminution in Value

(the “Junior Adequate Protection Superpriority Claim” and with the Senior Adequate Protection Superpriority Claim, the “Adequate Protection Superpriority Claims”), senior to all other administrative claims, other than the Senior Adequate Protection Superpriority Claim and the Carve-Out, and otherwise subject to the Intercreditor Agreement.

(e) Adequate Protection Payments. Solely until the Termination Date, the Debtors shall pay to the Second Lien Agent for the benefit of the Prepetition Second Lien Secured Parties all accrued and unpaid interest (including, for the avoidance of doubt, interest accruing and becoming due after the Petition Date) in the form of (i) periodic cash payments at the non-default rate and (ii) payment of interest in kind (“PIK Interest”) at the non-default rate,⁴ in each case ((i) and (ii)), when such payments would have been due under the Notes Purchase Agreement without regard to any acceleration of the Second Lien Convertible Notes on account of the commencement of these Chapter 11 Cases (the “Adequate Protection Payments”).

(f) Reporting.

(i) The “Initial Budget” is attached hereto as Exhibit A and constitutes the “Budget.” Not later than the last business day of the first full four-week period following the Petition Date (and each four-week period thereafter), the Debtors shall provide the Agents with the Debtors’ estimate of cash receipts and cash disbursements for the following thirteen (13) weeks, with detail consistent with the Initial Budget (each, a “Proposed Budget”). Upon approval by each of the Agents (not to be unreasonably withheld), such Proposed Budget shall become the “Budget”; *provided*, that such Proposed Budget shall automatically become the Budget if not expressly rejected by an Agent (email being sufficient) within three business days. In addition, not later than the third business day of the second full week following the Petition

⁴ Nothing in this Interim Order shall prejudice (a) any argument by the Prepetition Second Lien Secured Parties that their claims under the Note Purchase Agreement include claims for PIK Interest at the default rate calculated from the Petition Date or (b) any argument of the Debtors opposing any such claim.

Date and each week thereafter, the Debtors shall provide the Agents with a report, as of the preceding Saturday of each such week, comparing actual cash receipts and disbursements for such immediately preceding week (as well as cumulative to the Petition Date) to the estimated cash receipts and disbursements for such week or cumulative period reflected in the Budget (such reports, each a “Weekly Cash Report”). For the avoidance of doubt, the first Weekly Cash Report will be due on August 23, 2023.

(ii) Further, the Debtors shall provide: (a) reports to the First Lien Agent as required under Sections 8.1, 8.2.1, and 8.3.1 of the Senior Credit Agreement, (b) reports to the Second Lien Agent as required under the Prepetition Second Lien Documents to the extent the Debtors have been providing such reports on a regular basis prior to the Petition Date, (c) such other financial reports that are reasonably requested by any of the Agents or any of their representatives and agents, (d) the Debtors shall cause their representatives and agents to make themselves reasonably available to discuss the Debtors’ affairs, financial condition, properties, business, operations, and accounts with the representatives and agents of the Agents, and (e) the Debtors shall permit, on one occasion to be mutually agreed, representatives of the Agents to visit and inspect the Prepetition Collateral and tour the Debtors’ business premises and other properties during business hours, on reasonable advance notice, and subject to customary security and escort requirements.

(g) Insurance. The Debtors shall maintain casualty and loss insurance coverage for the Prepetition Collateral no less favorable to the Prepetition Secured Parties than the coverage maintained prepetition.

(h) Postpetition Fees & Expenses.

(i) As further adequate protection, but subject in all respects to Paragraph 4(g)(ii) below, solely until the Termination Date, the Debtors shall pay or reimburse (i) the First Lien Agent for all reasonable and documented fees and out-of-pocket expenses incurred by it (including the reasonable and documented fees and out-of-pocket expenses of counsel to the First Lien Agent) in connection with the Chapter 11 Cases and (ii) the Second Lien Agent for all reasonable and documented fees and out-of-pocket expenses incurred by it (including the reasonable and documented fees and out-of-pocket expenses of counsel and a financial advisor (collectively, the “Second Lien Advisors”) to the Second Lien Agent in connection with these Chapter 11 Cases).

(ii) None of the fees and expenses payable pursuant to this Paragraph 4(h) shall be subject to separate approval by this Court, but the Agents shall provide copies of any such invoices to the U.S. Trustee, the Debtors, and the Committee (the “Notice Parties”). The invoices for such fees and expenses may be in summary form only (provided that they include sufficient detail to demonstrate reasonableness), and shall not be subject to application or allowance by the Court. The Notice Parties may object to the reasonableness of such fees and expenses within ten (10) Business Days of the receipt of an invoice detailing such fees and expenses, and this Court shall resolve any dispute as to the reasonableness of any such fees and expenses that cannot be consensually resolved, and any professionals retained by the First Lien Agent and Second Lien Agent, as applicable, in connection herewith shall not be required to file any interim or final fee application with respect thereto. Promptly following the completion of the ten (10) Business Day objection period (the “Fee Objection Period”), if no objection is made or following the resolution of any dispute regarding the fees and expenses

payable pursuant to this paragraph, the Debtor shall pay the professional fees and expenses provided for in this paragraph within two (2) Business Days. To the extent any of the Notice Parties in good faith believe an invoice for fees and expenses is unreasonable (the disputed portion of any such invoice, a “Disputed Invoice”), the Debtors, the applicable Notice Party, and the applicable Agent shall meet and confer regarding the Disputed Invoice. If the parties are unable to resolve any dispute regarding a Disputed Invoice within five (5) Business Days after meeting and conferring, any such party may request that this Court adjudicate the dispute. For the avoidance of doubt, the undisputed portion of any Disputed Invoice shall be paid within five (5) Business Days after the completion of the Fee Objection Period regardless of any ongoing dispute resolution pertaining to such Disputed Invoice.

(i) Letters of Credit. As soon as practicable, the Debtors shall cash collateralize the Prepetition Letters of Credit by depositing funds in an amount equal to 103% of the face amount of the Prepetition Letters of Credit into a segregated account with the First Lien Agent on customary terms that are reasonably acceptable to the First Lien Agent (the “L/C Cash Collateral”). The First Lien Agent shall be authorized to draw upon such L/C Cash Collateral and apply the L/C Cash Collateral to the obligations under the First Lien Credit Facility if there is a corresponding draw upon the Prepetition Letters of Credit (and to pay letter of credit fees that come due in accordance with the Senior Credit Agreement), in either case, without the need for any further order of this Court (including to modify the automatic stay).

5. Events of Default. The occurrence of any of the following events during the Interim Period, unless waived by the First Lien Agent and the Second Lien Agent in writing, shall constitute an event of default hereunder (each, an “Event of Default”):

(a) The Debtors' failure to perform, in any material respect, any of their obligations under the Interim Order;

(b) Upon the Debtors' delivery of each Weekly Cash Report in accordance with Section 4(f)(i) of this Interim Order, the amount of the Debtors' actual aggregate operating disbursements for the period commencing on the Petition Date and ending on the last date reflected in the last Weekly Cash Report (the "Testing Period"), as reflected in the Weekly Cash Reports, exceeds the amount of the projected aggregate operating disbursements set forth in the Budget for the Testing Period by more than fifteen percent (15%) (any variance not exceeding such maximum permitted variance, a "Permitted Variance");

(c) Dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases to chapter 7 or the Debtors' application for any such dismissal or conversion (and such application is not withdrawn within five (5) days of the filing thereof);

(d) The appointment of a chapter 11 trustee or examiner with expanded powers in any of the Chapter 11 Cases unless the Court orders otherwise;

(e) The failure of the Debtors to make any payment under this Interim Order to either Agent when due;

(f) The Court shall have entered an order reversing, amending, supplementing, staying, vacating, or otherwise modifying this Interim Order in a manner materially adverse to the Prepetition Secured Parties without the consent of each of the Agents;

(g) This Interim Order ceases, for any reason (other than by reason of the express written agreement by the Agents or the supersession of this Interim Order by the Final Order), to be in full force and effect in any material respect, or any Debtor so asserts in writing, or the Adequate Protection Liens or Adequate Protection Superpriority Claims created by this

Interim Order cease in any material respect to be enforceable and of the same effect and priority purported to be created hereby or any Debtor so asserts in writing;

(h) The date of the Debtors' filing an application, motion, or other pleading for the approval of any superpriority claim or any lien in these Chapter 11 Cases that is *pari passu* with or senior to the Adequate Protection Superpriority Claims or the Adequate Protection Liens without the prior written consent of the Prepetition Secured Parties;

(i) The date any of the Debtors files any pleading or commences any action against the Prepetition Secured Parties challenging the validity or enforceability of the Prepetition Obligations or the Prepetition Liens or seeking to avoid, disallow, subordinate, or recharacterize any claim, lien, or interest held by any of the Prepetition Secured Parties arising under or related to the Prepetition Obligations (or if the Debtor supports any such motion, pleading, application or adversary proceeding commenced by any third party); *provided* that nothing herein shall prohibit the Debtors from filing any motion or pleading seeking authorization to use cash collateral and making any argument that the amount owed under the Prepetition Second Lien Documents as of the Petition Date is limited to \$177.2 million in connection therewith, and no such filing shall constitute an Event of Default hereunder; *provided, further*, nothing herein shall be deemed to be an acknowledgment by the Debtors of the Prepetition Secured Parties' liens or claims, other than, but subject in all respect to the entry of a further interim or final order, as expressly set forth in Paragraph F of the Interim Order (*Debtors' Representations*);

(j) The Court shall have entered an order terminating the Debtors' exclusivity under Bankruptcy Code section 1121, unless consented to in writing by the Agents; and

(k) The Court shall have entered an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any of the Prepetition Collateral or Adequate Protection Collateral which has an aggregate value in excess of \$500,000.

Upon the occurrence and during the continuation of any Event of Default other than an Event of Default under Paragraphs 5(c), (d), (f), (g), or (i) the First Lien Agent or the Second Lien Agent may deliver a written notice of an Event of Default (a "Default Notice"), which Default Notice shall be given by email to counsel to the Debtors, counsel to the First Lien Agent, counsel to the Second Lien Agent, the U.S. Trustee, and counsel to any Committee. The Debtors shall have five (5) business days from the date of delivery of such Default Notice to cure such Event of Default (the "Cure Period"), and the Debtors' authorization to use Cash Collateral pursuant to this Interim Order shall cease if the Event of Default is not cured by the end of the Cure Period (other than with respect to the Carve-Out), unless otherwise ordered by the Court. The Cure Period shall not apply to any Event of Default under Paragraphs 5(c), (d), (f), (g), or (i).

6. Carve-Out. (a) For purposes of this Order, the "Carve-Out" shall mean: (i) fees owing to the United States Trustee incurred in connection with the Chapter 11 Case, (ii) fees and expenses of a chapter 7 trustee in an amount not to exceed \$25,000, (iii) professional fees, expenses and disbursements incurred by professional persons employed by the Debtors or any Committee (including any fees and expenses of the members of any Committee) ("Professional Fees") at any time prior to the Termination Date (the "Pre-Trigger Carve-Out") and (iv) Professional Fees incurred after the Termination Date in an amount not to exceed \$4,000,000 (the "Post-Trigger Date Carve-Out").

(b) The Debtors shall be authorized to transfer cash-on-hand from time to time in the amount equal to the total budgeted fees and expenses of the Estate Professionals for the subsequent two-week period in the Budget (plus any true-up necessary for prior periods) into a segregated account not subject to the control of the Prepetition Secured Parties (the “Professional Fee Escrow”). The Debtors shall be authorized to use funds held in the Professional Fee Escrow to pay Professional Fees as they become allowed and payable pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any applicable interim or final orders of this Court; *provided*, that the Debtors’ obligations to pay allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fee Escrow. Upon the delivery of a Default Notice (or upon the occurrence of any Event of Default under Paragraphs 5(c), (d), (f), (g) or (i)), the Debtors shall utilize all cash on hand, to transfer into the Professional Fee Escrow cash in an amount equal to all accrued but unpaid Allowed Professional Fees as of the first business day following delivery of the Default Notice (or such occurrence of an Event of Default under Paragraphs 5(c), (d), (f), (g) or (i), as applicable) plus an amount sufficient to ensure that the Professional Fee Escrow is equal to the Pre-Trigger Carve-Out and the Post-Trigger Date Carve-Out (collectively, the “Estate Professionals Carve Out Amount”). Funds in the Professional Fee Escrow shall be held in trust and available solely to pay Professional Fees.

(c) The Prepetition Secured Parties shall retain an automatically perfected and continuing security interest in any residual interest in the Professional Fee Escrow available following satisfaction in full of all obligations benefiting from the Carve-Out.

(d) For the avoidance of doubt and notwithstanding anything to the contrary, the Carve Out shall be senior to all liens and claims (other than any applicable Senior Permitted

Liens), any liens and claims granted as adequate protection (including the Adequate Protection Liens and Adequate Protection Superpriority Claims), and all liens and claims under the First Lien Credit Facility and Note Purchase Agreement.

(e) Until the Prepetition Obligations have been indefeasibly paid in full, without further order of the Court, the payment of Professional Fees and the Professional Fee Escrow Carve Out Amount shall not be paid out of the Prepetition Collateral for any fees and expenses, if any, incurred in connection with the initiation, joinder, or prosecution of any action contesting the indebtedness owed to the Prepetition Secured Parties or the validity of any liens granted to any of such parties, other than to assert that the amount owed under the Prepetition Second Lien Documents as of the Petition Date is limited to \$177.2 million.

7. Subject to the entry of the Final Order, effective as of the time of commencement of the Debtors' bankruptcy case on the Petition Date, the Debtors waive irrevocably all claims and rights, if any, it or its estates might otherwise assert against the Prepetition Collateral of the Prepetition Secured Parties pursuant to Bankruptcy Code section 506(c).

8. Reversal, Modification, Vacatur, or Stay. Any reversal, modification, vacatur, or stay of any or all of the provisions of this Interim Order (other than in accordance with an order entered at a hearing approving the Motion on a final basis, the "Final Order") shall not affect the validity, priority, or enforceability of any Adequate Protection Liens or superpriority claims granted hereunder, in each case, which has incurred prior to the effective date of such reversal, modification, vacatur, or stay. Notwithstanding any reversal, modification, vacatur, or stay (other than in accordance with a Final Order), (a) this Interim Order shall govern, in all respects, any use of Cash Collateral or Adequate Protection Lien incurred by the Debtors prior to the effective date of such reversal, modification, vacatur, or stay and (b) the Agents shall be entitled

to all benefits and protections granted by this Interim Order with respect to any such use of Cash Collateral or such Adequate Protection Lien incurred by the Debtors prior to such reversal, vacatur or stay.

9. Reservation of Rights. Except as otherwise expressly set forth herein, this Interim Order and the transactions contemplated hereby shall be without prejudice to the Debtors' right to seek the continuing use of Cash Collateral, including following a Termination Event, and/or the approval of any debtor-in-possession financing. Nothing herein shall alter, limit, modify, or impair the rights of the Debtors' sureties under any of their bonds, bonded contracts, in any proceeds of the bonded contracts, and/or any other surety collateral, and/or under any of their respective indemnity agreements, or otherwise, and all such rights and interests are reserved and preserved.

10. Findings of Fact and Conclusions of Law. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon the entry thereof. To the extent that any findings of fact are determined to be conclusions of law, such findings of fact shall be adopted as such; and to the extent that any conclusions of law are determined to be findings of fact, such conclusions of law shall be adopted as such.

11. No third-party rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, third party or incidental beneficiary.

12. Second Interim Hearing. A Second Interim Hearing on the relief requested in the Motion may be scheduled for a date and time to be determined by this Court. In accordance with the Local Rules, the Debtors shall serve, or cause to be served, by first class mail or other

appropriate method of service, a copy of the Motion (to the extent the Motion was not previously served on a party) and this Interim Order on (i) the Notice Parties, (ii) any party that has filed a request for notices with this Court, and (iii) counsel to any Creditors' Committee. Any responses or objections to further interim approval of the Motion shall be made in writing, conform to the applicable Bankruptcy Rules and Local Rules, be filed with this Court, set forth the name of the objecting party, the basis for the objection, and the specific grounds therefor and be served on the following parties: (a) proposed counsel for the Debtors, (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn. Paul Basta (pbasta@paulweiss.com) and Robert Britton (rbritton@paulweiss.com), and (ii) Young Conaway Stargatt & Taylor, LLP, 1000 North Street, Wilmington, Delaware, 19801 Attn: Pauline K. Morgan (pmorgan@ycst.com) and Andrew L. Magaziner (amagaziner@ycst.com); (b) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Linda J. Casey (linda.casey@usdoj.gov); (c) counsel to the Second Lien Agent, Sidley Austin LLP, 787 Seventh Ave, New York, NY 10019, Attn: Thomas R. Califano (tom.califano@sidley.com) and Dennis M. Twomey (dtwomey@sidley.com), and (d) counsel to the First Lien Agent, Holland & Knight, One Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, Texas 75201 Attn: Robert Jones (robert.jones@hklaw.com) and Brent McIlwain (brent.mcilwain@hklaw.com) by the objection deadline that may be established in a notice of Second Interim Hearing. To the extent a Second Interim Hearing is not necessary, the Court may enter an order approving the relief requested in the Motion without further notice or a hearing.

13. Order Effective Upon Entry. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

14. Retention of Jurisdiction. This Court has and will retain jurisdiction to enforce this Interim Order in accordance with its terms.

Dated: August 10th, 2023
Wilmington, Delaware



BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Initial Budget

Proterra, Inc.

Consolidated Cash Flows

Week ending: \$ in 000s	Week 1		Week 2		Week 3		Week 4		Week 5		Week 6		Week 7		Week 8		Week 9		Week 10		Week 11		Week 12		Week 13			
	Fct	8/13	Fct	8/20	Fct	8/27	Fct	9/3	Fct	9/10	Fct	9/17	Fct	9/24	Fct	10/1	Fct	10/8	Fct	10/15	Fct	10/22	Fct	10/29	Fct	11/5	Fct	
Receipts:																												
Receipts	8,465		14,349		12,982		6,577		5,862		15,142		6,417		5,016		9,339		7,074		7,074		7,074		9,718		9,873	
Other	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Total Receipts	8,465		14,349		12,982		6,577		5,862		15,142		6,417		5,016		9,339		7,074		7,074		7,074		9,718		9,873	
Disbursements:																												
Vendor Payments	(1,910)		(2,208)		(5,585)		(5,879)		(18,221)		(11,313)		(8,742)		(6,460)		(1,551)		(4,432)		(1,550)		(2,117)		(1,504)		(1,504)	
Payroll & Related	(517)		(5,639)		-		(5,957)		-		(5,957)		-		(5,957)		-		(4,960)		-		(4,901)		-		-	
Rent & Lease Payments	-		-		-		(864)		-		-		-		(825)		-		-		-		-		-		(823)	
Utilities	-		-		(8)		(84)		(39)		(53)		(16)		(53)		(16)		(53)		(16)		(53)		(53)		(16)	
Freight & Shipping	-		-		(74)		(295)		(258)		(147)		(147)		(147)		(147)		(147)		(147)		(147)		(147)		(147)	
Taxes	-		-		(5)		(1,044)		(17)		(10)		(10)		(10)		(10)		(10)		(10)		(10)		(10)		(10)	
Insurance	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
CAPEX	(35)		(928)		(503)		(208)		(900)		(900)		(900)		(900)		(900)		(900)		(900)		(900)		(900)		(900)	
TPI Payments	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
LG Payments	-		-		-		-		(6,380)		-		-		-		-		(6,380)		-		-		-		-	
Total Disbursements	(2,463)		(8,774)		(6,174)		(14,332)		(25,815)		(18,380)		(9,815)		(14,352)		(2,624)		(16,883)		(2,623)		(8,128)		(3,400)		(3,400)	
Net Operating Cash Flow	6,002		5,575		6,808		(7,755)		(19,952)		(3,238)		(3,398)		(9,336)		6,716		(9,809)		4,450		4,450		1,589		6,474	
Financing & Restructuring Activities:																												
Interest & Fees	-		-		-		74		-		-		-		(2,205)		-		-		-		-		-		14	
Professional Fees	-		-		-		-		(1,334)		-		-		(150)		(3,824)		(1,619)		-		-		-		(4,780)	
Other Restructuring	-		-		-		(1,250)		-		-		-		-		(316)		-		-		-		-		-	
Total Financing & Restruct.	-		-		-		(1,176)		(1,334)		-		-		(2,355)		(4,141)		(1,619)		-		-		-		(4,766)	
Net Cash Flow	6,002		5,575		6,808		(8,931)		(21,286)		(3,238)		(3,398)		(11,691)		2,575		(11,428)		4,450		4,450		1,589		1,708	
Cash Roll Forward																												
Bg. Cash Balance	137,882		143,884		149,459		156,267		147,337		126,051		122,813		119,414		107,723		110,299		98,870		103,320		104,910		104,910	
Net Operating Cash Flow	6,002		5,575		6,808		(7,755)		(19,952)		(3,238)		(3,398)		(9,336)		6,716		(9,809)		4,450		4,450		1,589		6,474	
Financing & Restruct.	-		-		-		(1,176)		(1,334)		-		-		(2,355)		(4,141)		(1,619)		-		-		-		(4,766)	
Actual to Frst Adj. (Estim. Float)	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Total Cash Held (Excludes Restricted)	143,884		149,459		156,267		147,337		126,051		122,813		119,414		107,723		110,299		98,870		103,320		104,910		106,617		106,617	
ABL Availability (Estim.)	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Total Cash & Liquidity	143,884		149,459		156,267		147,337		126,051		122,813		119,414		107,723		110,299		98,870		103,320		104,910		106,617		106,617	