Docket #0018 Date Filed: 4/10/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC. *et al.*,[1]	)	Case No. 26-90440 (ARP)
Debtors.	)	(Joint Administration Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION FOR THE USE OF CASH COLLATERAL, (III) SCHEDULING A FINAL HEARING, AND (IV) GRANTING RELATED RELIEF

Emergency relief has been requested. Relief is requested not later than 4:00 P.M. (prevailing Central Time) on April 10, 2026.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on April 10, 2026, at 4:00 P.M. (prevailing Central Time) in Courtroom 400, 515 Rusk St., Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Pérez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Pérez's homepage. The meeting code is "JudgePerez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Pérez'shomepage. Select the case name, complete the required fields and click

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

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"Submit" to complete your appearance.

The above-captioned debtors and debtors in possession (collectively, the "Debtors") state the following in support of this emergency motion (this "Motion"):

Relief Requested

1. The Debtors seek entry of an interim order and a final order, substantially in the forms attached hereto (respectively, the "Interim Order" and the "Final Order",[2] and together, the "Cash Collateral Orders"): (a) authorizing the Debtors' emergency use of "cash collateral," as such term is defined in section 363(a) of the Bankruptcy Code (as defined below), in which any of the Prepetition Secured Parties (as defined below) have or purport to have an interest (the "Cash Collateral"), (b) granting adequate protection to the Prepetition Secured Parties to the extent of any Diminution in Value (as defined in the Interim Order) of their interests in any Cash Collateral, and (c) granting related relief. The Debtors also request that the Court schedule a final hearing approximately twenty-one (21) days after the commencement of these chapter 11 cases, or as soon thereafter as practicable, to consider approval of this Motion on a final basis.

2. In support of this Motion, the Debtors submit the (a) *Declaration of Linh Austin in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), and (b) *Declaration of Adam Titus in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection for the Use of Cash Collateral, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the "Titus Declaration" and together with the First Day Declaration, the "Declarations."). Each of the Declarations is incorporated herein by reference.

[2] The Debtors will file the form of Final Order prior to the Final Hearing (as defined in the Interim Order).

3. The Debtors require immediate access to Cash Collateral to stabilize operations and provide the breathing room necessary to explore and effectuate a value maximizing transaction or other restructuring alternative for the benefit of all stakeholders. The relief sought in this Motion is intended to fund reduced but essential operations in the interim period and the administrative costs of these chapter 11 cases while the Debtors pursue a value-maximizing transaction, and continue to seek out potential debtor-in-possession financing (a "DIP Facility").

4. The requisite Prepetition Secured Parties (as defined below) have agreed to the Debtors' continued use of cash on hand, substantially all of which constitutes the Prepetition Secured Parties' Cash Collateral, according to the terms set forth in the Interim Order. The Debtors submit that terms of the Interim Order adequately protect the Prepetition Secured Parties while balancing the Debtors' need for immediate liquidity so that they may maintain limited operations and preserve the value of their assets while marketing their businesses to obtain the most value-maximizing outcome possible for the Debtors and their stakeholders under the circumstances.

Jurisdiction and Venue

5. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The bases for the relief requested herein are sections 105(a), 361, 362, 363, 506, and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rules 2002, 4001, 6003 and 6004, Rules 2002-1, 4001-1 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules"), and the Procedures for Complex Cases in the Southern District of Texas (the "Complex Case Procedures").

Background

I. Overview

8. The Debtors are in the business of recovering critical minerals from used lithium-ion batteries to create Black Mass – a valuable intermediate generated during the battery recycling process – and then using it to produce other materials, namely high-performance precursor cathode active material (pCAM) and lithium carbonate, both of which are crucial to the fast-growing battery industry. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors' chapter 11 cases, is set forth in the First Day Declaration, filed contemporaneously herewith on April 9, 2026 (the "Petition Date"). Capitalized terms that are not defined in the Motion shall have the meanings ascribed to them in the Declarations.

9. On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors have filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated as of the date hereof.

II. Overview of the Debtors' Prepetition Capital Structure[3]

A. Convertible Notes

a. Senior Secured Convertible Notes

10. Debtor Ascend Elements is a party to that certain Senior Secured Convertible Note and Warrant Purchase Agreement, dated December 22, 2025, (as amended, restated, amended and restated supplemented or otherwise modified from time to time, the "Senior Notes Agreement") pursuant to which it agreed to sell and issue (i) convertible promissory notes (collectively, the "Senior Secured Convertible Notes") to certain identified Investors therein (the "Senior Secured Noteholders") in an aggregate principal amount not to exceed $39,999,950, and (ii) warrants to purchase 27,925,000 shares of the Company's common stock (the "Warrants") to certain identified Investors (the "Warrantholders") at an exercise price of .01 per share. The Senior Secured Convertible Notes mature on June 12, 2027 and are secured by first priority, senior liens and security interests (the "Senior Secured Liens") in substantially all of the Debtors' personal property, including cash and cash equivalents (the "Prepetition SSN Collateral"). The Warrants will expire on the earlier of (i) the 10th anniversary of the issuance or (ii) a Deemed Liquidation Event or IPO (as defined in and further set forth the Warrants).

11. The Senior Noteholders' liens are evidenced by certain security documents, including that certain Security Agreement, dated as of December 22, 2025 (the "Senior Security Agreement" and together with the Senior Notes Agreement, the "Prepetition SSN Documents") by and between Debtor Ascend Elements, Inc., the Investors (as defined therein), and Alter Domus

[3] The descriptions in this Motion of the Company's debt and other secured obligations, including any security in respect of such debt, are provided for the convenience of the Court and parties in interest. In certain cases, amounts stated are approximate. The descriptions are not intended to be comprehensive nor should they be construed as an admission with respect to terms, amount, validity or enforceability of any debt, any lien or security, or any other right or obligation. These descriptions are qualified in their entirety by the operative relevant debt and related documents. The Debtors and their advisors are continuing to review their debt obligations and related matters and expressly reserve all rights relating thereto.

(US), LLC as collateral agent for the Investors (in such capacity, the "SSN Collateral Agent" and together with the Senior Noteholders, the "Prepetition Senior Secured Parties").

12. As of the Petition Date, approximately $20.0 million, excluding accrued and unpaid interest thereon, remains outstanding on account of the Senior Secured Convertible Notes.

b. Junior Secured Convertible Notes

13. Debtor Ascend Elements is a party to that certain Subordinated Secured Convertible Note Purchase Agreement, dated as of June 13, 2025 (as amended, restated, amended and restated supplemented or otherwise modified from time to time, the "Junior Notes Agreement"), pursuant to which it agreed to sell and issue convertible promissory notes (collectively, the "Junior Secured Convertible Notes" and together with the Senior Secured Convertible Notes, the "Notes") to certain Investors identified therein (the "Junior Secured Noteholders" and together with the Senior Secured Noteholders, the "Secured Noteholders") in an aggregate principal amount not to exceed $150,000,000. The Junior Secured Convertible Notes mature on June 12, 2027 and are secured by second priority liens and security interests ("Junior Secured Liens" and together with the Senior Secured Liens, the "Prepetition Liens") in substantially all of the Debtors' personal property, including cash and cash equivalents (the "Prepetition JN Collateral" and together with Prepetition SSN Collateral, the "Prepetition Collateral").

14. The Junior Noteholders' liens are evidenced by certain security documents, including that certain Security Agreement, dated as of June 13, 2025 (the "Junior Security Agreement" and together with the Junior Note Purchase Agreement, the "Prepetition JN Documents" and together with the Prepetition SSN Documents, the "Prepetition Notes Documents") by and between Debtor Ascend Elements, Inc., the Investors (as defined therein), and Alter Domus (US), LLC as collateral agent for the Investors (in such capacity, the "JN Collateral Agent" and together with the Junior Secured Noteholders, the "Prepetition Junior

Secured Parties," and together with the Prepetition Senior Secured Parties, the "Prepetition Secured Parties").

15. As of the Petition Date, approximately $83.1 million, excluding accrued and unpaid interest thereon, remains outstanding on account of the Junior Secured Convertible Notes.

16. In connection with the Senior Notes Agreement, the Junior Secured Noteholders and Senior Secured Noteholders entered into that certain Subordination Agreement, dated December 22, 2025, and acknowledged and agreed by the Debtors, whereby the parties to the Subordination Agreement agreed and acknowledged that the payment and lien priority of the Secured Noteholders with respect to the Notes and the Collateral securing the Notes are governed by the terms and conditions set forth therein. Pursuant to the Subordination Agreement, if the Prepetition Senior Secured Parties consent to the use of cash collateral, the Prepetition Junior Secured Parties are restricted from opposing use of cash collateral on any ground.

B. Other Secured Obligations

17. The Debtors do not believe that any of the following creditors have a security interest in cash collateral entitled to adequate protection under section 363 of the Bankruptcy Code:

a. Hopkinsville Industrial Foundation, Inc. In connection with that certain Amended and Restated Purchase and Sale Agreement, dated as of November 16, 2022 (as amended, restated, amended and restated supplemented or otherwise modified from time to time), Debtor Ascend Elements, Inc., as borrower, executed that certain Commercial Term Promissory Note, dated as of November 16, 2022, in favor of Hopkinsville Industrial Foundation, Inc., a Kentucky non-profit corporation in the original principal amount of $2.9 million, secured by a mortgage on certain real property located in the City of Hopkinsville, Kentucky, where the Debtors' Apex 1 facility is located. As of the Petition Date, the aggregate principal amount outstanding under the Commercial Term Promissory Note was approximately $0.4 million.

b. Statutory Lien Claims. As of the Petition Date, contractors, subcontractors, materialmen, and various suppliers (collectively, the "Contractors") had recorded or noticed mechanics, warehouse, and materialman's liens (collectively, the "M&M Lien Claims") in connection with services,

material, and other types of work and materials the Contractors claim to have provided for construction of the Debtor's Apex 0 and Apex 1 facilities in an aggregate amount exceeding approximately $145 million.[4]

III. Concise Statement Pursuant to Bankruptcy Rule 4001 and Complex Case Procedures[5]

18. Pursuant to Bankruptcy Rules 4001(b)(1)(B) and the Complex Case Procedures, the Debtors submit the following concise statement of the material terms of the Interim Order:

Summary of Material Terms		Location
Entities With an Interest in Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(i)*	The Prepetition Senior Secured Parties hold first priority, senior liens on substantially all of the Debtors' personal property, including Cash Collateral. The Prepetition Junior Secured Parties hold second priority, junior liens on substantially all of the Debtors' personal property, including Cash Collateral.	¶¶ E.(1)(c), E.(e)(c), E.(3)
Purposes for Use of Cash Collateral *Bankruptcy Rule 4001(b)(1)(B)(ii)*	To avoid immediate and irreparable harm to the Debtors and their estates, the Debtors request authorization to use Cash Collateral on an interim and final basis to bridge the Debtors to the entry of an order approving a DIP Facility, and in the interim to: (i) fund reduced but essential postpetition operations, (ii) pay the administrative costs of these chapter 11 cases, (iii) maintain the health and safety of the Debtors' employees and the public and the integrity of the Debtors' facilities, and (iv) provide a runway for the Debtors to pursue a value-maximizing section 363 sale or other restructuring transaction.	*See* ¶¶ G., J.
Budget Bankruptcy Rule *4001(b)(1)(B)(ii)*	The Debtors' use of Cash Collateral will be subject to an Approved Budget (subject to permitted variances). The Approved Budget shall set forth the Debtors' projected cash receipts and disbursements for the six-week period reflected on the initial Interim Budget attached as **Exhibit 1** to the Interim Order.	*See* ¶ 3(a)-(f)
Duration of Use of Cash	The Debtors' right to use Cash Collateral pursuant to the Interim Order shall terminate any of the events below (a) a	¶ 7

[4] The statutory lien claims against the Debtors are comprised primarily of an approximately $140 million lien claim by the prime contractor for the Apex 1 facility as well as lien claims by its various subcontracts and suppliers. Accordingly, the amount of such claims substantially exceeds the Debtors' alleged liability for the work, goods, and services allegedly provided.

[5] The summaries of the proposed Interim Order and the terms and conductions for the use of Cash Collateral contained in this Motion are qualified in their entirety by the provisions of the Interim Order. To extent anything in this Motion is inconsistent with the Interim Order, the Interim Order shall control. The Debtors reserve the right to supplement the statements made herein.

Collateral/Termination Events *Bankruptcy Rule 4001(b)(1)(B)(iii)*	Final Order acceptable to the Debtors and the Senior Secured Holders is not entered by the Court by 11:59 p.m. on the date that is 30 days after the Petition Date, (b) the violation of any material term of the Interim Order by the Debtors that is not cured within three business days of receipt after written notice of default by the Senior Secured Holders; (c) Entry of an order modifying, reversing, revoking, staying for a period in excess of five (5) business days, rescinding, vacating, or amending this Interim Order in a manner adverse to the rights, interest, priorities, or entitlements of the Prepetition Secured Parties without the express prior written consent of the Senior Secured Holders; (d) (i) dismissal or conversion of any of these chapter 11 cases to a case under chapter 7, (ii) appointment of a trustee or examiner with expanded powers under chapter 11, (iii) change of venue or transfer, or (iv) the Debtors file any motion or pleading seeking the foregoing relief, in each case without the consent of the Senior Secured Holders; (e) the voluntary creation of any lien or other interest *pari passu* with or senior to any of the Prepetition Liens, Adequate Protection Liens, or Adequate Protection Superpriority Liens; (f) the Debtors' filing of any motion or pleading seeking or consenting to a lien described in (e) above or challenging the liens of the Prepetition Secured Parties; (g) The Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to the granting of, or an order is entered granting, relief that could reasonably be expected to result in a material impairment of the rights or interests of the Prepetition Secured Parties (except any motion or other pleading otherwise permitted by the Interim Order); (h) the entry of an order lifting the automatic stay with respect to Prepetition or Adequate Protection Collateral in excess of $250,000 or authorizing any party to proceed against any asset of the Debtors which would adversely affect the Debtors' ability to operate their business; (i) the entry of an order terminating the Debtors' use of Cash Collateral or authorizing the use of Cash Collateral by a non-Debtor affiliate; (j) the failure of the Debtors to make any payment pursuant to the Interim Order, with a three business day cure period; (k) the Debtors' failure to provide any document or information to the Senior Secured Holders or their advisors as required by the Interim Order, with a three business day cure period; (l) the failure by the Debtors to comply with the Budget Provisions set forth in ¶ 3 of the Interim Order; (m) The Debtors seek approval of any sale or bidding procedures or designate any stalking horse bidder or winning bidder without the prior written consent of the Senior Secured Holders; (n) the failure by the Debtors to conduct their business in the ordinary course, except as consented by the Senior Secured Holders; (o) the entry of any post-petition judgment against the Debtors in excess of $750,000 if such judgment is not stayed by the Bankruptcy Code; (p) the	

	termination of the Debtors' Chief Restructuring Officer; (q) an injunction preventing the Debtors from conducting any material portion of their business; (r) the Debtors' filing of any motion or pleading seeking or consenting to a modification of the period in which the Debtors may exclusively file a chapter 11 plan or if such period terminates; (s) the failure by the Debtors to meet any of the milestones set forth in **Exhibit 2** to the Interim Order.	
Carve Out *Bankruptcy Rule 4001(b)(1)(B)(iii)*	The Interim Order provides a carve out of certain statutory fees and allowed professional fees of the Debtors and any committee appointed in the chapter 11 cases pursuant to section 1103 of the Bankruptcy Code.	¶ 5
Proposed Adequate Protection *Bankruptcy Rule 4001(b)(1)(B)(iv)*	As adequate protection for their proposed use of Cash Collateral as set forth above, the Debtors propose to provide the following to the Prepetition Secured Parties: Prepetition Senior Secured Parties: As adequate protection for any Diminution in Value of the Prepetition SSN Collateral, and as consideration for the Prepetition Senior Secured Parties' consent to the Debtors' use of Cash Collateral (subject to the terms of the Interim Order), the Debtors propose that the Prepetition Senior Secured Parties receive: (i) first-priority senior liens on all prepetition collateral of the Debtors and on all now-owned and hereafter-acquired real and personal property, junior and subordinate to the Carve-Out; (ii) superpriority administrative expense claims under section 507(b) of the Bankruptcy Code to the extent of any Diminution in Value; (iii) payment of all reasonable and documented professional fees and expenses of the Senior Secured Holder Advisors; and (iv) reporting and information rights, all as more fully set forth in the proposed Interim Order. Prepetition Junior Secured Parties: As adequate protection for any Diminution in Value of the Prepetition JN Collateral, the Debtors propose that the Prepetition Junior Secured Parties receive: (i) second-priority senior liens on all prepetition collateral of the Debtors and on all now-owned and hereafter-acquired real and personal property, junior and subordinate to the Carve-Out; and (ii) superpriority administrative expense claims under section 507(b) of the Bankruptcy Code to the extent of any actual Diminution in Value, junior to any adequate protection claims granted to the Prepetition Senior Secured Parties. In addition to the above, the Debtors acknowledge that in the event a DIP Facility is approved, the Prepetition Secured Parties may be entitled to additional or modified adequate protection as part of the DIP Orders.	¶ 4

Section 506(c) Waiver *Bankruptcy Rule 4001(b)(1)(B)(iii)*	Except to the extent of the Carve Out, no costs or expenses, including any costs or expenses of administration of the Cases or any Successor Cases or any future proceeding that may result therefrom, shall be charged against or recovered from the Adequate Protection Collateral (including Cash Collateral) or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law; *provided* that the foregoing waiver shall be without prejudice to any provision of the Final Order with respect to costs or expenses incurred following the entry of the Final Order	¶ 10
Section 552(b)(1) Waiver *Bankruptcy Rule 4001(b)(1)(B)(iii)*	The Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to any of the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral or the Adequate Protection Collateral; provided that the foregoing waiver shall be without prejudice to any provisions of the Final Order.	¶ 23
Stipulations of the Debtors *Bankruptcy Rule 4001(b)(1)(B)(iii)*	The Interim Order contains stipulations of fact by the Debtors, including those related to the validity and enforceability of the Debtors' prepetition secured obligations.	¶ E
Waiver or Modification of the Automatic Stay *Bankruptcy Rule 4001(b)(1)(B)(iii)*	The 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 entry hereof. Notwithstanding Bankruptcy Rule 6004(h), 6006(d), 7062, 9014, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, the Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of the Interim Order.	¶ 23

IV. Statement Regarding Significant Provisions

19. The Debtors' Interim Order authorizing use of Cash Collateral includes provisions (the "Significant Provisions") that are required to be identified in accordance with Section C, paragraph 8 of the Complex Case Procedures.[6]

[6] Significant Provisions refer to those provisions that contain: (a) sale or plan confirmation milestones; (b) cross-collateralization; (c) roll ups; (d) liens on avoidance actions or proceeds of avoidance actions; (e) default provisions and remedies that are self-executing or preclude court oversight, including (i) provisions terminating the automatic stay without further order, (ii) provisions waiving rights to challenge Lender' ability to exercise post-default remedies, and (iii) provisions limiting required proof or altering the burden of proof at post-default hearings; (f) releases of claims; (g) limitations on the use of cash collateral or DIP proceeds (other than general "carve-outs") to pay approved fees and expenses of advisors to official committees or future trustees; (h) nonconsensual priming liens; or (i) any other provision that limits the ability of estate fiduciaries to fulfill their duties under the Bankruptcy Code and

Interim Order Term	Relief Requested
Milestones Complex Case Procedures ¶ 8(a)	The Interim Order provides for the following chapter 11 milestones as part of its Exhibit 2: (a) Commencement of Marketing Process. On the Petition Date, the Debtors shall have commenced a marketing process for the sale of their assets and/or financing. (b) First Day Hearing. On the date that is two (2) calendar days after the Petition Date, the First Day Hearing shall have occurred. (c) Cash Collateral Order. At or prior to 11:59 p.m. Central Time on the date that is two (2) calendar days after the Petition Date, the Court shall have entered this Interim Order. At or prior to 11:59 p.m. Central Time on the date that is thirty (30) days after the Petition Date, the Court shall have entered the Final Order. (d) Filing of Bidding Procedures Motion. At or prior to 11:59 p.m. Central Time on the date that is two (2) calendar days following the Petition Date, the Debtors shall have filed the Bidding Procedures Motion. The Bidding Procedures Motion shall seek approval of the Debtors' proposed marketing and sale process, including an Indication of Interest deadline of May 1, 2026 and a Bid Deadline of May 9, 2026. (e) Bidding Procedures Order. At or prior to 11:59 p.m. Central Time on April 16, 2026, the Court shall have entered the Bidding Procedures Order. (f) Sale Order. At or prior to 11:59 p.m. Central Time on May 17, 2026, the Court shall have entered the Sale Order.
Cross-Collateralization Complex Case Procedures ¶ 8(b)	The Interim Order does not provide for cross-collateralization.
Roll-Up Loans Complex Case Procedures ¶ 8(c)	None
Liens on Avoidance Actions or Proceeds of Avoidance Actions Complex Case Procedures ¶ 8(d)	The Interim Order provides that the Adequate Protection Liens shall attach to the proceeds of Avoidance Actions subject to entry of the Final Order. *See* Interim Order ¶ 4(a).
Default Provisions and Remedies	Each of the following shall constitute a "Termination Event" and trigger the exercise of rights and remedies by the Prepetition Secured Parties:

applicable law. The following summary of the Significant Provisions is qualified in its entirety by, and subject to, the DIP Documents. To the extent there is any conflict between this summary of terms and the DIP Documents, the terms of the DIP Documents shall control.

Complex Case Procedures ¶ 8(e)	(a) a Final Order acceptable to the Debtors and the Senior Secured Holders is not entered by the Court by 11:59 p.m. on the date that is 30 days after the Petition Date; (b) the violation of any material term of the Interim Order by the Debtors that is not cured within three business days of receipt after written notice of default by the Senior Secured Holders; (c) Entry of an order modifying, reversing, revoking, staying for a period in excess of five (5) business days, rescinding, vacating, or amending this Interim Order in a manner adverse to the rights, interest, priorities, or entitlements of the Prepetition Secured Parties without the express prior written consent of the Senior Secured Holders; (d) (i) dismissal or conversion of any of these chapter 11 cases to a case under chapter 7, (ii) appointment of a trustee or examiner with expanded powers under chapter 11, (iii) change of venue or transfer, or (iv) the Debtors file any motion or pleading seeking the foregoing relief, in each case without the consent of the Senior Secured Holders; (e) the voluntary creation of any lien or other interest *pari passu* with or senior to any of the Prepetition Liens, Adequate Protection Liens, or Adequate Protection Superpriority Liens; (f) the Debtors' filing of any motion or pleading seeking or consenting to a lien described in (e) above or challenging the liens of the Prepetition Secured Parties; (g) The Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to the granting of, or an order is entered granting, relief that could reasonably be expected to result in a material impairment of the rights or interests of the Prepetition Secured Parties (except any motion or other pleading otherwise permitted by the Interim Order); (h) the entry of an order lifting the automatic stay with respect to Prepetition or Adequate Protection Collateral in excess of $250,000 or authorizing any party to proceed against any asset of the Debtors which would adversely affect the Debtors' ability to operate their business; (i) the entry of an order terminating the Debtors' use of Cash Collateral or authorizing the use of Cash Collateral by a non-Debtor affiliate; (j) the failure of the Debtors to make any payment pursuant to the Interim Order, with a three business day cure period; (k) the Debtors' failure to provide any document or information to the Senior Secured Holders or their advisors as required by the Interim Order, with a three business day cure period; (l) the failure by the Debtors to comply with the Budget Provisions set forth in ¶ 3 of the Interim Order;

	(m) The Debtors seek approval of any sale or bidding procedures or designate any stalking horse bidder or winning bidder without the prior written consent of the Senior Secured Holders; (n) the failure by the Debtors to conduct their business in the ordinary course, except as consented by the Senior Secured Holders; (o) the entry of any post-petition judgment against the Debtors in excess of $750,000 if such judgment is not stayed by the Bankruptcy Code; (p) the termination of the Debtors' Chief Restructuring Officer; (q) an injunction preventing the Debtors from conducting any material portion of their business; (r) the Debtors' filing of any motion or pleading seeking or consenting to a modification of the period in which the Debtors may exclusively file a chapter 11 plan or if such period terminates; (s) the failure by the Debtors to meet any of the milestones set forth in **Exhibit 2** to the Interim Order. *See* Interim Order ¶ 7 The Interim Order provides for a five-business-day Remedies Notice Period following any Termination Date, during which the Debtors may seek an emergency hearing before the Court to contest whether a Termination Event has occurred and/or to seek non-consensual use of the Cash Collateral. *See* Interim Order ¶ 8(b).
Releases of Claims Complex Case Procedures ¶ 8(f)	Subject to and effective upon the Interim Order and subject to paragraph 18 of the Interim Order, the Debtors will provide customary releases to the Prepetition Secured Parties with respect to or relating to the Senior Secured Notes, the Prepetition Liens, the Prepetition Secured Indebtedness, the Prepetition SSN Documents, or the Interim Order. *See* Interim Order ¶ 15.
Limitations on the Use Cash Collateral Complex Case Procedures ¶ 8(g)	The Interim Order provides that no Cash Collateral may be used: (a) to investigate (including by way of examinations or discovery proceedings), initiate, assert, prosecute, join, commence, support, or finance the initiation or prosecution of any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, adversary proceeding, or other litigation of any type (excluding any proceedings contemplated by paragraph 8 of the Interim Order) (i) against any of the Prepetition Secured Parties (in their capacities as such) or any of their respective affiliates, officers, directors, employees, agents, representatives, attorneys, consultants, financial advisors, affiliates, assigns, or successors in such capacity, with respect to any transaction, occurrence, omission, action, or other matter (including formal discovery proceedings in anticipation thereof), including, without limitation, any so-called "lender liability"

	claims and causes of action, or seeking relief against any of the Prepetition Secured Parties or that that would otherwise impair the rights and remedies of the Prepetition Secured Parties hereunder, under the Prepetition SSN Documents, including, without limitation, for the payment of any services rendered by the professionals retained by the Debtors or any Committee appointed (if any) in these Cases in connection with the assertion of or joinder in any such claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, adversary proceeding, or other contested matter, the purpose of which is to seek, or the result of which would be to obtain, any order, judgment, determination, declaration, or similar relief that would impair the ability of any of the Prepetition Secured Parties to recover on the Prepetition Collateral or the Adequate Protection Collateral or seeking affirmative relief against any of the Prepetition Secured Parties related to the Prepetition Secured Indebtedness; (ii) invalidating, setting aside, avoiding, or subordinating, in whole or in part, the Prepetition Secured Indebtedness or the Prepetition Secured Parties' Prepetition Liens or security interests in the Prepetition Collateral or the Adequate Protection Collateral, as applicable; or (iii) for monetary, injunctive, or other affirmative relief against any of the Prepetition Secured Parties, or with respect to the Prepetition Secured Parties' respective liens on or security interests in the Prepetition Collateral or the Adequate Protection Collateral that would impair the ability of any of the Prepetition Secured Parties to assert or enforce any lien, claim, right, or security interest or to realize or recover on the Prepetition Secured Indebtedness, to the extent applicable (b) for objecting to or challenging in any way the legality, validity, priority, perfection, or enforceability of the claims, liens, or interests (including, without limitation, the Prepetition Liens) held by or on behalf of each of the Prepetition Secured Parties related to the Prepetition Secured Indebtedness; (c) for asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any Avoidance Actions related to or in connection with the Prepetition Secured Indebtedness or the Prepetition Liens, including any cause of action seeking to invalidate, set aside, avoid, or subordinate, in whole or in part, the Prepetition Secured Indebtedness, the Prepetition Liens, or Adequate Protection Liens; (d) for prosecuting an objection to, contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Prepetition Liens or any other rights or interests of any of the Prepetition Secured Parties related to the Prepetition Secured Indebtedness or the Prepetition Liens; or (e) for monetary, injunctive, or other affirmative relief against any of the Prepetition Secured Parties relating in any way to the Prepetition Secured Indebtedness;

	provided that no more than $50,000 of the proceeds of the Adequate Protection Collateral, or the Prepetition Collateral, including the Cash Collateral, in the aggregate, may be used solely by any Committee appointed in these Cases solely to investigate, prior to the Challenge Period Termination Date, any potential Challenge, including claims, causes of action, adversary proceedings, or other litigation against the Prepetition Secured Parties solely concerning the legality, validity, priority, perfection, enforceability, or extent of the Prepetition Secured Indebtedness and/or the Prepetition Liens. *See* Interim Order ¶ 19.
Priming Liens Complex Case Procedures ¶ 8(h)	None.
No Provisions that Limit the Ability of Estate Fiduciaries to Fulfill Their Duties Complex Case Procedures ¶ 8(i)	None.

V. The Debtors' Need to Use Cash Collateral

20. The Debtors seek authority for the emergency use of Cash Collateral on a limited basis to stabilize their day-to-day operations and preserve the value of their assets while the Debtors implement a process to pursue a value maximizing transaction or other restructuring alternatives and simultaneously seek potential postpetition financing. As of the Petition Date, the Debtors do not have sufficient unencumbered cash to maintain their business operations and have not yet obtained postpetition financing. Therefore, they have an immediate and critical need for the use of Cash Collateral to provide a runway for a value-maximizing sale or other restructuring transaction for the benefit of all stakeholders on an expedited timeline.

21. The ability to use Cash Collateral will allow the Debtors to stabilize and maintain limited operations, including funding day-to-day payroll and vendor payments necessary to protect the health and safety of the Debtors' employees and the public, maintain the integrity of the

Debtors' facilities, and safely store equipment and other assets, while the Debtors explore a potential value-maximizing transaction and other available alternatives. The Debtors have determined that without the use of Cash Collateral they will be forced to almost immediately cease operations, terminate all staff, abandon their assets and property, resulting in not only a potential hazard to the health and safety of the public, but a near complete destruction of the value of their estates and significant harm to their creditors and other stakeholders, including the Prepetition Secured Parties. Accordingly, authority to use Cash Collateral is necessary to preserve and maximize the value of the Debtors' assets.

22. The Debtors, in consultation with their proposed financial advisor, Alvarez & Marsal North America LLC, reviewed and analyzed the Debtors' projected liquidity needs and developed an estimated budget (as such budget may be updated from time to time in accordance with the terms of the Interim Order, the "Interim Budget") of the reasonable, necessary, and foreseeable expenses to be incurred with the Debtors' business operations over the period covered by the Interim Budget. Importantly, the expenses set forth in the Interim Budget are limited to those necessary to preserve asset value and for maintaining health, safety, environmental, and site security needs while the Debtors implement a process for a potential transaction for the benefit of their estates and all stakeholders and do not contemplate payment of any prepetition obligations except as authorized by the Court. The Debtors believe the Interim Budget, which contains line items for cash flows anticipated to be received and disbursed, is an accurate reflection of their operating requirements and the anticipated administrative expenses of the chapter 11 cases during the identified period.

Basis for Relief

I. The Debtors Should be Authorized to Use Cash Collateral.

23. A debtor's use of property of the estate, including cash collateral, is governed by section 363 of the Bankruptcy Code, which provides in relevant part that:

> If the business of the debtor is authorized to be operated under section . . . 1108 . . of this title and unless the court orders otherwise, the [debtor] may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

11 U.S.C. § 363(c)(1).

24. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may not use cash collateral unless "(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section." 11 U.S.C. § 363(c)(2). Section 105(a) of the Bankruptcy Code also allows that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

25. The Prepetition Senior Secured Parties hold first priority, senior liens on substantially all of the Debtors' personal property, including Cash Collateral. The Prepetition Junior Secured Parties hold second priority liens on substantially all of the Debtors' personal property, including Cash Collateral. Pursuant to the terms of the Subordination Agreement the Prepetition Junior Secured Parties are prohibited from objecting to the Debtors' use of Cash Collateral in the event the Prepetition Senior Secured Parties consent to the Debtors' use of Cash Collateral. Prior to the filing of this Motion, the Debtors and their advisors engaged in good-faith discussions with the requisite Prepetition Senior Secured Parties and their counsel regarding the Debtors' anticipated need to use Cash Collateral, including pending further discussions regarding a DIP Facility. As a result of those discussions, the requisite Prepetition Senior Secured Parties

have consented to the Debtors' use of Cash Collateral, subject to appropriate adequate protection on the terms set forth in the Cash Collateral Orders.

26. Accordingly, the Debtors submit that the requirements of section 363(c)(2)(A) of the Bankruptcy Code are satisfied as to the Prepetition Secured Parties, and request that the Court authorize the Debtors' use of Cash Collateral on the terms and conditions set forth in the Interim Order, including the adequate protection package described below, which the Debtors believe adequately compensates both the Prepetition Senior Secured Parties and Prepetition Junior Secured Parties for any potential diminution in value of their respective collateral interests.

27. Here, the proposed use of Cash Collateral is necessary to preserve the Debtors' assets and property during the chapter 11 cases, and will avoid immediate and irreparable harm to the Debtors' estates and creditors. Without the authority to use the Cash Collateral, the Debtors would not have sufficient unencumbered cash to satisfy ordinary operating costs, make payments to employees and vendors, or fund the administrative costs of these chapter 11 cases, and therefore would need to immediately cease operations and liquidate. Such use affirmatively and directly benefits the estates and creditors (including the Prepetition Secured Parties) by affording the Debtors with the liquidity necessary to stabilize their businesses in a safe, orderly and value-maximizing manner.

II. The Debtors' Proposed Adequate Protection is Sufficient and Appropriate.

28. Section 363(e) of the Bankruptcy Code provides that "on request of an entity that has an interest in property . . . to be used, sold or leased, by the trustee, the court . . . shall prohibit or condition such use, sale or lease as is necessary to provide adequate protection of such interest." 11 U.S.C. § 363(e). Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See* 11 U.S.C. § 362(d)(1); *see also In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996) (en banc).

29. Although "adequate protection" is not expressly defined by the Bankruptcy Code, section 361 of the Bankruptcy Code provides a non-exhaustive list of examples of adequate protection, including replacement liens and administrative priority claims. *See* 11 U.S.C. § 361. Courts determine what constitutes sufficient adequate protection on a case-by-case basis. *See In re Braniff Airways, Inc.*, 783 F.2d 1283, 1286 (5th Cir. 1986) (stating that a determination of adequate protection is decided on a case-by-case basis, involving a consideration of the "[n]ature of the creditor's interest in the property, the potential harm to the creditor as a result of the property's decline in value and the method of protection"); *see also In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) (explaining that the "determination of whether there is adequate protection is made on a case by case basis").

30. In exchange for the Debtors' use of Cash Collateral as set forth in the Interim Order, the Debtors have agreed to provide the Prepetition Secured Parties with adequate protection consisting of (i) Adequate Protection Liens and Adequate Protection Superpriority Claims (each as defined in the Interim Order) (in each case, solely to the extent of any diminution in value), (ii) payment of reasonable fees and expenses incurred by the Senior Secured Holder Advisors (as defined in the Interim Order), (iii) certain reporting obligations, and (iv) other covenants, all as set forth in the Interim Order.

31. Courts in this district have approved similar adequate protection packages in recent chapter 11 cases. *See, e.g., In re Virdis, Chemical, LLC,* No. 26-90393 (CML) (Mar. 9, 2026) (Bankr. S.D. Tex.) (approving adequate protection in the form of, among other things, replacement liens on prepetition collateral, superpriority administrative claims pursuant to section 507(b), and other protections); *In re Shannon Wind, LLC*, No. 26-90124 (ARP) (Feb. 18, 2026) (Bankr. S.D. Tex.) ; *In re Luminar Tech., Inc.*, No. 25-90807 (CML) (Jan. 29, 2026) (Bankr. S.D. Tex.) (same);

In re Tedder Industries, LLC, No. 25-90805 (CML) (Jan. 9, 2026) (Bankr. S.D. Tex.) (same); *In re LifeScan Global Corp.*, No. 25-90259 (ARP) (Aug. 18, 2025) (Bankr. S.D. Tex.) (same); *In re Wolfspeed, Inc.*, No. 25-90163 (CML) (Aug. 1, 2025) (Bankr. S.D. Tex.) (same). Similar relief is appropriate here.

32. The Debtors submit that this proposed adequate protection is sufficient to protect the Prepetition Secured Parties from Diminution in Value to the Cash Collateral while permitting the Debtors to use Cash Collateral to preserve their estates, administer the Chapter 11 Cases, and run a value-maximizing marketing and sale process and explore other restructuring alternatives. Accordingly, the Debtors submit that the Court should determine that the adequate protection package is fair and reasonable, necessary to satisfy the requirements of sections 363(c)(2) and 363(e) of the Bankruptcy Code, and in the best interests of the Debtors and their estates.

III. Immediate Relief is Needed Pending a Final Hearing.

33. Bankruptcy Rule 4001(b) and 4001(c) provide that a final hearing on a motion to use cash collateral pursuant to section 363 of the Bankruptcy Code may not be commenced earlier than 14 days after the service of such motion. But upon request, the Court is authorized to conduct an interim expedited hearing on the motion at which it may authorize a debtor to use cash collateral to the extent necessary to avoid immediate and irreparable harm to a debtor's estate pending a final hearing. *See* Fed. R. Bankr. P. 4001(b)(2). Section 363(c)(3) of the Bankruptcy Code authorizes the Court to conduct a preliminary hearing and to authorize the use of cash collateral "if there is a reasonable likelihood that the [debtor] will prevail at the final hearing under [section 363(e) of the Bankruptcy Code]." 11 U.S.C. § 363(c)(3).

34. The Debtors require immediate access to Cash Collateral pending the Final Hearing to ensure the continued operation of the Debtors' business activities at the reduced levels contemplated under the Interim Budget and preserve the value of the Debtors' assets during the

interim period. The Interim Budget only provides for limited expenditures to fund the Debtors' reduced, but necessary and essential, day-to-day operations, which for the foreseeable future are limited to only those expenses necessary to preserve the value of the Debtors' assets and facilities, ensure the safety and health of employees and the public, and fund the reasonable costs of administration of the chapter 11 cases. Unless the Debtors are authorized to use Cash Collateral, the Debtors will not have sufficient working capital to (a) make payments to employees, vendors, or suppliers (including the critical payments contemplated by the Debtors' first day motions), (b) satisfy operating costs, and (c) fund the administrative costs of the chapter 11 cases, and would need to immediately shut down their operations and liquidate.

35. Thus, the Debtors request an expedited hearing to consider the Motion and entry of the Interim Order authorizing the Debtors' use of Cash Collateral pursuant to section 363(c)(3) of the Bankruptcy Code and Bankruptcy Rule 4001(b).

Emergency Consideration

36. Pursuant to Bankruptcy Local Rule 9013-1, the Debtors request emergency consideration of this Motion. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the commencement of a chapter 11 case if "relief is needed to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. Failure to receive the requested relief during the first twenty one days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture and cause irreparable harm. As such, the relief requested is necessary in order for the Debtors to operate their businesses in the ordinary course and maintain the value of the Debtors' operations while preserving the value of their estates for the benefit of all stakeholders. The Debtors have satisfied the "immediate and irreparable harm" standard and request that the Court approve the Motion on an emergency basis.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

37. The Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the fourteen-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

38. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against any Debtor under the Bankruptcy Code or other applicable law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates (and the rights of all parties in interest are expressly reserved with respect to such liens); or (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

39. The Debtors have provided notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) the holders of the thirty largest unsecured claims against the Debtors (on a consolidated basis); (c) the Senior Secured Holder Advisors; (d) any party known after a reasonable inquiry to have asserted a lien against the Debtors' assets; (e) Hopkinsville Industrial Foundation, Inc; (f) the United States Attorney's Office for the Southern District of Texas; (g) the state attorneys general for states in which the Debtors conduct business; (h) other governmental or regulatory agencies having a regulatory or statutory interest in these cases; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, the Debtors submit that no other or further notice is required.

WHEREFORE, The Debtors request that the Court enter the Interim Order and the Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

[*Remainder of Page Intentionally Left Blank.*]

Dated: April 10, 2026

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

By: */s/ Ryan Manns*

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Proposed Counsel to the Debtors and Debtors in Possession

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Ryan Manns
Ryan Manns

Certificate of Service

I certify that on April 10, 2026 I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas. Additionally, the foregoing document will be served as set forth in a forthcoming affidavit filed by the Debtors' proposed claims agent.

/s/ Ryan Manns
Ryan Manns

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
ASCEND ELEMENTS, INC. *et al.*,[1]	:	Case No. 26-90440 (ARP)
Debtors.	:	(Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES; (III) MODIFYING AUTOMATIC STAY; (IV) SCHEDULING A FINAL HEARING; AND (V) GRANTING RELATED RELIEF

Upon the motion (the "***Motion***") of the above-referenced debtors, as debtors in possession (the "**Debtors**") in the above-captioned cases (the "**Cases**"), pursuant to sections 105, 361, 362, 363, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), Rules 2002-1, 4001-1 and 9013-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the "**Local Rules**"), and the Procedures for Complex Cases in the Southern District of Texas seeking, among other things:

(a) authorization for the Debtors, pursuant to sections 105, 361, 362, 363, 503, and 507 of the Bankruptcy Code, to (i) use cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code, and all other Prepetition Collateral (as defined below), solely in accordance with the terms of this interim order (together with all annexes and exhibits hereto, this "**Interim Order**") and (ii) grant adequate protection to the Prepetition Secured Parties (as defined below) as set forth herein;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

(b) modification of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order;

(c) except to the extent of the Carve Out (as defined herein), the waiver of all rights to surcharge any Prepetition Collateral or Adequate Protection Collateral (each as defined herein) under section 506(c) of the Bankruptcy Code; *provided*, that the foregoing waiver shall be without prejudice to any provisions of the Final Order (as defined herein) with respect to costs or expenses incurred following such entry of the Final Order;

(d) for the "equities of the case" exception under section 552(b) of the Bankruptcy Code to not apply to any of the Prepetition Secured Parties (as defined herein) with respect to the proceeds, products, offspring, or profits of any of the Prepetition Collateral or Adequate Protection Collateral under section 552(b) of the Bankruptcy Code or any other applicable principle of equity or law; *provided*, that the foregoing waiver shall be without prejudice to any provisions of the Final Order;

(e) that this Court schedule a final hearing (the "**Final Hearing**") to consider entry of a final order granting the relief requested in the Motion on a final basis (the "**Final Order**");

(f) waiver of any applicable stay with respect to the effectiveness and enforceability of this Interim Order (including a waiver pursuant to Bankruptcy Rule 6004(h)); and

(g) granting related relief;

and a hearing (the "***Interim Hearing***") having been held by the Court on [●], 2026, to consider the relief requested in the Motion; pursuant to Bankruptcy Rule 4001 and Local Rule 2002-1, notice of the Motion and the relief sought therein having been given by the Debtors as set forth in the Motion; and the Court having considered the *Declaration of Linh Austin in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "**First Day Declaration**"), the *Declaration of Adam Titus in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection for the Use of Cash Collateral, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the "**Titus Declaration**" and together with the First Day Declaration, the "**Declarations**"), the initial Approved Budget (as defined herein) attached hereto as **Exhibit 1** (the "**Initial Approved**

Budget"), offers of proof, evidence adduced, and the statements of counsel at the Interim Hearing; and the Court having considered the relief requested in the Motion, and it appearing to the Court that granting the interim relief sought in the Motion on the terms and conditions herein contained is necessary and essential to avoid irreparable harm to the Debtors and their estates and that authorizing the Debtors to use Cash Collateral as contemplated herein will enable the Debtors to preserve the value of the Debtors' business and assets and that such relief is fair and reasonable and that entry of this Interim Order is in the best interest of the Debtors and their estates and creditors; and due deliberation and good cause having been shown to grant the relief sought in the Motion;

IT IS HEREBY FOUND AND DETERMINED THAT:[2]

A. ***Petition Date***. On April 9, 2026 (the "**Petition Date**"), the Debtors commenced these Cases by each filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas (the "**Court**").

B. ***Debtors in Possession***. The Debtors have continued with the management and operation of their business and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

C. ***Jurisdiction and Venue***. The Court has jurisdiction over the Motion, these Cases, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas* dated May 24, 2012. Venue for these Cases is proper pursuant to 28 U.S.C. § 1408. This

[2] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. *See* Bankruptcy Rule 7052.

Court may enter a final order consistent with Article III of the United States Constitution. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

D. ***Committee***. As of the date hereof, no official committee of unsecured creditors has been appointed in these Cases pursuant to section 1102 of the Bankruptcy Code (any such committee, the "**Committee**").

E. ***Debtors' Stipulations***. Subject only to the rights of parties in interest specifically set forth in paragraph 18 of this Interim Order (and subject to the limitations thereon contained in such paragraph), the Debtors admit, stipulate, and agree that (collectively, paragraphs E.1 through E.5 below are referred to herein as the "**Debtors' Stipulations**"):

1. ***Senior Secured Convertible Notes***.

(a) *Senior Secured Convertible Notes*. Pursuant to that certain Senior Secured Convertible Notes and Warrant Purchase Agreement dated as of December 22, 2025 governing the senior secured convertible notes (collectively, the "**Senior Secured Convertible Notes**" and the holders of Senior Secured Convertible Notes, the "**Senior Secured Noteholders**"), (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the "**Senior Notes Agreement**," and collectively with the other Transaction Documents (as defined in the Senior Notes Agreement), in each case as may have been, amended, restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "**Prepetition SSN Documents**"), by and between Ascend Elements, Inc., a Delaware corporation (together with its successors and assigns, the "**Company**") and the Senior Secured Noteholders (the Senior Secured Noteholders together with the SSN Collateral Agent (as defined below), collectively, the "**Prepetition Senior Secured Parties**").

(b) As of the Petition Date, the Debtors were indebted to the Prepetition Senior Secured Parties pursuant to the Prepetition SSN Documents, without objection, defense, counterclaim, or offset of any kind, in the aggregate principal amount of not less than $20,000,000.00, plus all accrued and unpaid interest with respect thereto and, without duplication, any other fees, premiums, costs, expenses (including any attorneys', accountants', consultants', appraisers', financial advisors', and other professionals' fees and expenses, in each case, that are chargeable or reimbursable under the Prepetition SSN Documents), payment obligations, reimbursement obligations, indemnification obligations, guarantee obligations, and other charges of whatever nature, whether or not contingent, whenever arising, due, or owing, and all other Obligations owing under or in connection with the Prepetition SSN Documents (collectively, the "**Prepetition Senior Secured Indebtedness**").

(c) *Prepetition Senior Secured Collateral*. As more fully set forth in the Prepetition SSN Documents, prior to the Petition Date, the Company granted to Alter Domus (US) LLC, as collateral agent for the Senior Secured Noteholders under the Senior Security Agreement[3] and the other Collateral Documents (as defined in the Senior Notes Agreement) (in such capacity, together with its successors and assigns in such capacity, the "**SSN Collateral Agent**"), for the benefit of itself and the other Prepetition Senior Secured Parties, a security interest in and continuing lien on substantially all of the Company's assets and property (with certain exceptions set out in the Prepetition SSN Documents), including a first priority (subject to Permitted Liens (as defined in the Senior Security Agreement)) security interest in and continuing lien on (the "**Senior Secured Liens**") the Collateral (as defined in the Senior Notes Agreement),

[3] "**Senior Security Agreement**" means that certain Security Agreement, dated as of December 22, 2025 (as amended, restated, amended and restated supplemented or otherwise modified from time to time prior to the Petition Date), by and among the Company, the SSN Collateral Agent and the Senior Secured Noteholders.

which includes all of the Company's cash (collectively, and excluding the assets of the Company described in Section 2(e) of the Senior Security Agreement, the "**Prepetition SSN Collateral**").

2. ***Junior Secured Convertible Notes***.

(a) *Junior Secured Convertible Notes*. Pursuant to that certain Subordinated Secured Convertible Note and Warrant Purchase Agreement, dated as of June 13, 2025 governing the convertible loan notes issued under such agreement (collectively, the "**Junior Secured Convertible Notes**," and together with the Senior Secured Convertible Notes, the "**Notes**," and the holders of Junior Secured Convertible Notes, the "**Junior Secured Noteholders**," and together with the Senior Secured Noteholders, the "**Secured Noteholders**"), (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the "**Junior Notes Agreement**," and collectively with the other Transaction Documents (as defined in the Junior Notes Agreement), in each case as may have been, amended, restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "**Prepetition JN Documents**," and together with the Prepetition SSN Documents, the "**Prepetition Notes Documents**"), by and among the Company, as issuer, and the Junior Secured Noteholders (the Junior Secured Noteholders together with the Junior Notes Collateral Agent (as defined below), collectively, the "**Prepetition Junior Secured Parties**" and together with the Prepetition Senior Secured Parties, the "**Prepetition Secured Parties**").

(b) As of the Petition Date, the Debtors were indebted to the Prepetition Junior Secured Parties pursuant to the Prepetition JN Documents, without objection, defense, counterclaim, or offset of any kind, in the aggregate principal amount of not less than $83,120,777.96, plus all accrued and unpaid interest with respect thereto and, without duplication, any other fees, premiums, costs, expenses (including any attorneys', accountants', consultants',

appraisers', financial advisors', and other professionals' fees and expenses, in each case, that are chargeable or reimbursable under the Prepetition JN Documents), payment obligations, reimbursement obligations, indemnification obligations, guarantee obligations, and other charges of whatever nature, whether or not contingent, whenever arising, due, or owing, and all other Obligations owing under or in connection with the Prepetition JN Documents (collectively, the "**Prepetition Junior Indebtedness**," and together with the Prepetition Senior Secured Indebtedness, the "**Prepetition Secured Indebtedness**").

(c) *Prepetition Junior Collateral*. As more fully set forth in the Prepetition JN Documents, prior to the Petition Date, the Company granted to Alter Domus (US) LLC, as collateral agent for the Junior Secured Noteholders under the Junior Security Agreement[4] and the other Collateral Documents (as defined in the Senior Notes Agreement) (in such capacity, together with its successors and assigns in such capacity, the "**JN Collateral Agent**"), for the benefit of itself and the other Prepetition Junior Secured Parties, a second lien security interest in and continuing lien on substantially all of the Company's assets and property (with certain exceptions set out in the Prepetition SSN Documents), including a second priority (subject to Permitted Liens (as defined in the Junior Security Agreement)) security interest in and continuing lien on (the "**Junior Secured Liens**", and together with the Senior Secured Liens, the "**Prepetition Liens**") the Collateral (as defined in the Junior Notes Agreement) (collectively, and excluding the assets of the Company described in Section 2(e) of the Junior Security Agreement, the "**Prepetition JN Collateral**", and together with the Prepetition SSN Collateral, the "**Prepetition Collateral**").

[4] "**Junior Security Agreement**" means that certain Security Agreement, dated as of June 13, 2025 (as amended by that certain Amendment No. 1 to Security Agreement, dated as of December 22, 2025, and as further amended, restated, amended and restated supplemented or otherwise modified from time to time prior to the Petition Date), by and among the Company, the SSN Collateral Agent and the Junior Secured Noteholders.

3. ***Validity, Perfection, and Priority of Prepetition Liens and Prepetition Secured Indebtedness***. The Debtors acknowledge and agree that, in each case as of the Petition Date: (i) the Prepetition Liens are valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Parties for fair consideration and reasonably equivalent value and were granted contemporaneously with, or covenanted to be provided as an inducement for, the making of the commitments and other financial accommodations secured thereby; (ii) the Prepetition Liens are senior in priority over any and all other liens on the Prepetition Collateral, subject only to Permitted Liens (as defined in the Senior Secured Notes Indentures) (solely to the extent any such Permitted Liens were valid, properly perfected, non-avoidable, not subject to recharacterization, offset, or subordination, and senior in priority to the Prepetition Liens as of the Petition Date, or valid, non-avoidable, senior priority Permitted Liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, the "**Prepetition Permitted Liens**"); (iii) the Prepetition Secured Indebtedness constitutes legal, valid, binding, and non-avoidable obligations of the Debtors, enforceable in accordance with the terms of the applicable Prepetition SSN Documents, (iv) no offsets, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Secured Indebtedness exist, and no portion of the Prepetition Liens or Prepetition Secured Indebtedness is subject to any challenge, cause of action, or defense, including impairment, set-off, right of recoupment, avoidance, attachment, disallowance, disgorgement, reduction, recharacterization, recovery, subordination (whether equitable or otherwise), attack, offset, contest, defense, counterclaims, cross-claims, or "claim" (as defined in the Bankruptcy Code), pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (v) the Debtors and their estates have no claims, objections, challenges,

causes of actions, recoupments, counterclaims, cross-claims, setoff rights, and/or choses in action, including "lender liability" causes of action or avoidance claims under chapter 5 of the Bankruptcy Code, whether arising under applicable state law or federal law (including any recharacterization, subordination, avoidance, disgorgement, recovery, or other claims arising under or pursuant to sections 105, 510, or 542 through 553 of the Bankruptcy Code), against the Prepetition Secured Parties or any of their respective affiliates, agents, representatives, attorneys, advisors, professionals, officers, directors, and employees in such capacity arising out of, based upon, or related to the Prepetition SSN Documents, the Prepetition Secured Indebtedness, or the Prepetition Liens.

4. ***Prepetition Subordination Agreement***. Pursuant to that certain Subordination Agreement, dated as of December 22, 2025 (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the "**Subordination Agreement**"), by and among the Senior Secured Noteholders, the Junior Secured Noteholders, and Alter Domus (US) LLC, as collateral agent, and acknowledged and agreed by the Debtors, the parties to the Subordination Agreement agreed and acknowledged that the payment and lien priority of the Secured Noteholders with respect to the Notes and the Collateral securing the Notes are governed by the terms and conditions set forth therein.

5. ***Cash Collateral***. Substantially all of the Debtors' cash constitutes cash collateral of the Prepetition Secured Parties within the meaning of Bankruptcy Code section 363(a) (the "**Cash Collateral**"), including amounts generated by the collection of Prepetition Collateral, including but not limited to accounts receivable, cash proceeds of the Prepetition Collateral, and amounts now or hereafter held in any of the Debtors' banking, checking, or other deposit accounts

as of the Petition Date or amounts deposited or transferred into the Debtors' banking, checking, or deposit accounts after the Petition Date.

6. ***Bank Accounts***. The Debtors acknowledge and agree that, as of the Petition Date, the Debtors do not maintain any bank accounts other than those accounts listed in the exhibit attached to any order authorizing the Debtors to continue to use the Debtors' existing cash management system.

F. *Adequate Protection*. Pursuant to sections 105, 361, 362 and 363(e) of the Bankruptcy Code, the Prepetition Secured Parties are entitled, as a condition to the use of their Prepetition Collateral, to adequate protection of their respective interests in the Prepetition Collateral, including the Cash Collateral, to the extent of any postpetition diminution in value of their respective interests in the Prepetition Collateral resulting from, among other things, the Carve Out, the use of Cash Collateral, the use, sale, or lease of any of the Prepetition Collateral, the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code, and/or for any other reason for which adequate protection may be granted under the Bankruptcy Code ("**Diminution in Value**"). The foregoing shall not, nor shall any provision of this Interim Order be construed as, a determination or finding that there has been or will be any Diminution in Value of the Prepetition Collateral (including Cash Collateral) and the rights of all parties as to such issues are hereby preserved. Based on the Motion, the First Day Declaration and the record presented to the Court at the Interim Hearing, the terms of the proposed adequate protection arrangements and the use of the Prepetition Collateral, including Cash Collateral, are fair and reasonable and reflect the Debtors' prudent business judgment.

G. *Need to Use Cash Collateral*. The Debtors have requested entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and have an immediate and critical need to obtain

use of the Prepetition Collateral, including the Cash Collateral (subject to and in compliance with the Approved Budget and the Budget Provisions (each as defined below) in accordance with paragraph 3 hereof) in order to, among other things, (A) permit the orderly continuation of their business, (B) pay certain adequate protection payments; and (C) pay the costs of administration of their estates, including the payment of professional fees and expenses, and to satisfy other working capital and general corporate needs of the Debtors. Access to liquidity through the use of the Cash Collateral, consistent with the Approved Budget and the Budget Provisions through the date of the Final Hearing, is vital to the Debtors and their efforts to maximize the value of their estates. Absent entry of this Interim Order, the Debtors' estates and reorganization efforts will be immediately and irreparably harmed.

H. *Notice*. In accordance with Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and Local Rule 2002-1, notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors to the Notice Parties (as defined in the Motion) as set forth therein. Under the circumstances, the notice given by the Debtors of (and as described in) the Motion, the relief requested herein, and the Interim Hearing complies with Bankruptcy Rules 2002, 4001(b) and (c), and 9014 and Local Rule 2002-1.

I. *Consent by Prepetition Secured Parties*. The requisite Prepetition Secured Parties, including those certain Prepetition Secured Parties (collectively, the "**Senior Secured Holders**") represented by Weil, Gotshal & Manges LLP, as primary counsel, and Uzzi & Lall, as financial advisor, and Fifth Wall Early Stage Climate Technology Fund, L.P. represented by Goodwin Procter, as primary counsel, and Gray Reed, as local counsel (collectively, the "**Senior Secured Holder Advisors**"), have consented to the Debtors' use of Cash Collateral in accordance with and subject to the terms and conditions provided for in this Interim Order.

J. *Relief Essential; Best Interest*. The Debtors have requested entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). The relief requested in the Motion (and as provided in this Interim Order) is necessary, essential, and appropriate for the continued operation of the Debtors' business, the administration of the Cases, and the management and preservation of the Debtors' assets and the property of their estates. It is in the best interest of the Debtors' estates that the Debtors be allowed to use the Cash Collateral under the terms hereof. The Debtors have demonstrated good and sufficient cause for the relief granted herein. The terms of the Order and the use of Cash Collateral are fair and reasonable and reflect the Debtors' exercise of prudent business judgment consistent with the Debtors' fiduciary duties.

K. *Arm's-Length, Good Faith Negotiations*. The terms of this Interim Order were negotiated in good faith and at arm's length between the Debtors and the Senior Secured Holders. The Senior Secured Holders have acted without negligence, in good faith, and not in violation of public policy or law in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the use of Cash Collateral on the terms set forth herein, including in respect of the granting of adequate protection as provided for herein and all documents and transactions related thereto.

Now, therefore, upon the record of the proceedings heretofore held before this Court with respect to the Motion, the evidence adduced at the Interim Hearing, and the statements of counsel thereat, and based upon the foregoing findings and conclusions,

IT IS HEREBY ORDERED THAT:

1 ***Motion Granted***. The Motion is granted on an interim basis as set forth herein, and the use of Cash Collateral on an interim basis is authorized, subject to the terms of this Interim Order.

2 ***Objections Overruled***. Any objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived or settled and all reservations of rights included therein, are hereby denied and overruled in all respects.

3 ***Authorization to Use Cash Collateral; Budget***.

(a) *Authorization*. Subject to the terms and conditions of this Interim Order, the Court hereby authorizes the Debtors' consensual use of Cash Collateral during the period beginning with the Petition Date and ending on the Termination Date (as defined below), in each case, solely and exclusively in a manner consistent with and not in violation of this Interim Order, the Approved Budget, and the budget related provisions set forth in this paragraph 3 (collectively, the "**Budget Provisions**"); provided that, to the extent applicable, payments or obligations made in accordance with the Approved Budget shall be satisfied first from funds from the Excluded Accounts (as defined in the Senior Security Agreement).

(b) *Approved Budget; Budget Period*. As used in this Interim Order: (i) "**Approved Budget**" means the Initial Approved Budget, as such Initial Approved Budget may be modified, supplemented, or extended from time to time by the Debtors, subject to the procedures set forth in paragraph 3(e) of this Interim Order; and (ii) "**Budget Period**" means the initial one-week period set forth in the Approved Budget, and each trailing one-week period thereafter.

(c) *Budget Testing*. The Debtors may use Cash Collateral on a consensual basis in accordance with the Approved Budget, subject to Permitted Variances (as defined below), and in accordance with the Budget Provisions. Permitted Variances for each Budget Period shall be tested on a rolling one-week basis beginning on the second Sunday following the Petition Date and on every other Sunday thereafter (each such date, a "**Testing Date**"). On or before 5:00 p.m. (prevailing Central time) on the third Thursday following the Petition Date and every Thursday

thereafter, the Debtors shall prepare and deliver to the Collateral Agents, the Senior Secured Holders, and the Senior Secured Holder Advisors, in form and substance satisfactory to the Senior Secured Holders, a variance report (the "**Variance Report**") setting forth for the Budget Period just ended: (i) the Debtors' actual disbursements, including Restructuring Professional Fees (as defined below) (the "**Actual Disbursements**") on a line-by-line and aggregate basis (including and excluding Restructuring Professional Fees); (ii) a comparison (whether positive or negative, in dollars and expressed as a percentage) for the Actual Disbursements (and each line item thereof) and projected disbursements (and each line item thereof), respectively, as set forth in the Approved Budget for the applicable Budget Period; (iv) a cumulative comparison (whether positive or negative, in dollars and expressed as a percentage) covering the Budget Period setting forth the Actual Disbursements (and each line item thereof) against the amount of the Debtors' projected disbursements (and each line item thereof), as set forth in the Approved Budget for such Budget Period; and (v) as to each variance contained in the Variance Report, an indication as to whether such variance is temporary or permanent and an analysis and explanation in reasonable detail for any variance.

(d) *Permitted Variances*. The Debtors shall not permit during any Budget Period: the Actual Disbursements to be more than 110.0% of the projected disbursements in the aggregate for such Budget Period (such deviations, the "**Permitted Variances**"); *provided*, that for the avoidance of doubt, the cash disbursements considered for determining compliance with this covenant shall exclude the Debtors' disbursements in respect of restructuring professional fees of Professional Persons (as defined below), the Prepetition Secured Parties on account of professional fees under paragraph 4(d) of this Interim Order, and professional fee payments to other creditors or creditor groups (such excluded cash disbursements, the "**Restructuring**

Professional Fees")); *provided*, that the Debtors may, within each Budget Period, offset any Actual Disbursements above the budgeted amounts set forth in the Approved Budget as of each Testing Date during an applicable Budget Period with any Actual Disbursements below above the budgeted amounts as set forth in the Approved Budget for such Budget Period (a "**Positive Variance**") (*provided*, that Positive Variances may be carried forward to subsequent Budget Periods).

(e) *Proposed Budget Reporting*. By no later than 5:00 p.m. (prevailing Central time) on the fifth Thursday following the Petition Date and on each Thursday four-weeks thereafter, the Debtors shall deliver to the Senior Secured Holder Advisors a rolling 13-week cash flow forecast of the Debtors in the form of the Initial Approved Budget (each, a "**Proposed Budget**"), which Proposed Budget (including any subsequent revisions, modifications, or supplements to any such Proposed Budget) shall become the Approved Budget only upon the affirmative consent of the Senior Secured Holders (the "**Approval Deadline**"); *provided*, that the Senior Secured Noteholders shall be deemed to have approved any subsequent Proposed Budget unless the Senior Secured Noteholders have objected to such Proposed Budget within five (5) business days after delivery of same. In the event the conditions for the most recently delivered Proposed Budget to constitute the Approved Budget are not met as set forth herein, the prior Approved Budget shall remain in full force and effect. When required under any terms of this Interim Order, the consent or approval of the Senior Secured Holders may be communicated via email to the Debtors or their professionals by the Senior Secured Holder Advisors.

(f) *Miscellaneous*. For the avoidance of doubt, except as otherwise set forth in the Approved Budget or agreed to by the Senior Secured Holders in the order approving the Debtors' Cash Management Motion, Cash Collateral may not be used pursuant to this Interim

Order by, or to pay the fees, costs, or expenses of, any of the Debtors' affiliated non-Debtor entities, if any.

4 ***Adequate Protection for the Prepetition Secured Parties***. Subject only to the Carve Out and the terms of this Interim Order, pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, as adequate protection of the interests of the Prepetition Secured Parties in the Prepetition Collateral (including Cash Collateral), in each case for and to the extent of the Diminution in Value, each Collateral Agent, for the benefit of itself and the Prepetition Secured Parties, is hereby granted the following:

(a) *Adequate Protection Liens*. Pursuant to Bankruptcy Code sections 361(2) and 363(c)(2), and subject in all cases to the Carve Out, effective as of the Petition Date and in each case perfected without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or by possession or control by the Collateral Agents, or any other party, the Debtors are authorized to grant, and hereby are deemed to have granted, to each Collateral Agent, for the benefit of itself and the Prepetition Secured Parties, valid, binding, continuing, enforceable, fully perfected, nonavoidable, (i) first-priority senior with respect to the Prepetition Senior Secured Parties and (ii) second-priority senior with respect to the Prepetition Junior Secured Parties (in each case, except with respect to the Prepetition Permitted Liens and the Carve Out), additional, and replacement security interests in and liens on (all such liens and security interests, the "**Adequate Protection Liens**"): (i) the Prepetition Collateral; and (ii) all of the Debtors' now-owned and hereafter-acquired real and personal property, assets and rights, including all prepetition property and post-petition property of the Debtors of any kind or nature,

wherever located, whether encumbered or unencumbered, including, without limitation, any unencumbered assets of the Debtors, if any, and all prepetition property and post-petition property of the Debtors' estates, and the proceeds, products, rents and profits thereof, whether arising from section 552(b) of the Bankruptcy Code or otherwise, including, without limitation, all equipment, goods, accounts, cash, payment intangibles, bank accounts and other deposit or securities accounts of the Debtors (including any accounts opened prior to, on, or after the Petition Date), insurance policies and proceeds thereof, equity interests, instruments, intercompany claims, accounts receivable, other rights to payment, all general intangibles, all contracts and contract rights, securities, investment property, letters of credit and letter of credit rights, chattel paper, all interest rate hedging agreements, all owned real estate, real property leaseholds, fixtures, patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property, all commercial tort claims, and all claims and causes of action (including causes of action arising under section 549 of the Bankruptcy Code, claims arising on account of transfers of value from the Debtors to a non-Debtor affiliate incurred on or following the Petition Date), and any and all proceeds, products, rents, and profits of the foregoing (all property identified in this paragraph being collectively referred to as the "**Adequate Protection Collateral**"), subject only to the Prepetition Permitted Liens and the Carve Out, in which case the Adequate Protection Liens shall be immediately junior in priority to such Prepetition Permitted Liens and to the Carve Out. Notwithstanding the foregoing, the Adequate Protection Collateral shall exclude the Professional Fee Account (other than with respect to the residual interest therein as provided in paragraph 5(c) hereof) and all claims and causes of action arising under any section of chapter 5 of the Bankruptcy Code (other than claims and causes of action arising under section 549 of the Bankruptcy Code) (the "**Avoidance Actions**"), but, subject to entry of a Final Order, shall include any and all

proceeds of and other property that is recovered or becomes unencumbered as a result of (whether by judgment, settlement, or otherwise) any Avoidance Action (the "**Avoidance Proceeds**").

(b) *Adequate Protection Superpriority Claims*. As further adequate protection, and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, the Debtors are authorized to grant, and hereby are deemed to have granted effective as of the Petition Date, to the Collateral Agents, the Prepetition Senior Secured Parties, and the Prepetition Junior Secured Parties, allowed superpriority administrative expense claims in the Cases ahead of and senior to any and all other administrative expense claims in the Cases to the extent of any Diminution in Value (the "**Adequate Protection Superpriority Claims**"), junior only to the Carve Out. Subject to the Carve Out, the Adequate Protection Superpriority Claims shall not be junior or *pari passu* to any other administrative claims against the Debtors and shall have priority over all now or hereinafter incurred administrative expense claims against the Debtors, including, without limitation, administrative expense claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113, and 1114 of the Bankruptcy Code; *provided*, that any recovery from or against Avoidance Proceeds shall be subject to entry of a Final Order.

(c) *Fees and Expenses*. As additional adequate protection in connection with the consensual use of Cash Collateral, the Debtors shall, and are authorized and directed to, pay in full in cash and in immediately available funds: (i) within five (5) business days after the Debtors' receipt of invoices therefor, the reasonable professional fees, expenses and disbursements (including, but not limited to, the reasonable professional fees, expenses and disbursements of counsel and other third-party consultants and/or experts, including financial advisors) incurred prior to the Petition Date by (A) the Senior Secured Holder Advisors, and (B) the Collateral

Agents; and (ii) subject to paragraph 25, the reasonable documented fees and expenses incurred on and after the Petition Date by the Senior Secured Holder Advisors or by or on behalf of the Collateral Agents (including, without limitation, reasonable professional fees, expenses, and disbursements of counsel), which shall be submitted on a monthly basis and paid within five (5) business days of the Debtors' receipt of invoices therefor, collectively, the "**Adequate Protection Payments**"). Notwithstanding the foregoing, the Senior Secured Holders may retain such other professionals as are reasonably necessary in connection with the Cases, and in such circumstance, such additional professionals shall be deemed to be Senior Secured Holder Advisors for purposes of this Interim Order. The Senior Secured Holders shall provide written notice to the Debtors (email being sufficient) of their intent to retain any such additional professionals. None of the foregoing fees, expenses, and disbursements shall be subject to separate approval by this Court or require compliance with the U.S. Trustee guidelines, and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto or otherwise seek the Court's approval of any such payments.

(d) *Reporting Requirements.* As additional adequate protection to the Prepetition Secured Parties for the consensual use of Cash Collateral, the Debtors shall comply with the reporting requirements set forth in the Senior Notes Agreement and shall further provide, subject to any applicable limitations set forth below, to (i) the Senior Secured Holders, (ii) the Senior Secured Holder Advisors, and (iii) counsel to the Collateral Agents:

(i) at the times specified in paragraph 3(c) hereof, the Variance Report required by paragraph 3(c) hereof;

(ii) timely delivery of each Proposed Budget as set forth in this Interim Order;

(iii) within twenty-four hours of receipt of any sale or financing related proposal, including any expression of interest, bid, or additional documentation received from any third party, the Debtors will

provide the Senior Secured Holders and the Senior Secured Holder Advisors with copies of such documents; *provided*, however, that if the Senior Secured Holders intend to submit (or participate in) a bid for any of the Debtors' assets, then the Senior Secured Holders shall not receive copies of, or other non-public information regarding, any competing bids, proposals, or related documentation (except to the extent such information is publicly available or otherwise made available to all bidders on the same terms).

(iv) upon written request (including via email) by the Senior Secured Holder Advisors, the Debtors will provide the Senior Secured Holders and the Senior Secured Holder Advisors with reasonable access to any consultant, turnaround management, broker, or financial advisory firm retained by the Debtors in the Cases.

(e) *Other Covenants*. The Debtors shall maintain their cash management arrangements in a manner consistent with this Court's order(s) granting the Debtors' Cash Management Motion (as defined in the Motion). The Debtors shall not: (a) sell, lease (other than existing leases), or otherwise dispose of any assets outside the ordinary course of business, or seek authority of this Court to do any of the foregoing, or (b) reject any material contract, or seek authority of this Court to reject any material contract, in each case, without the prior written consent of the Senior Secured Holders (with email from the Senior Secured Holder Advisors to Debtors' counsel being sufficient). Prior to the Termination Date, the Debtors shall continue to comply in all respects with those covenants contained in the Prepetition Notes Documents as in effect on the Petition Date.

(f) *Miscellaneous*.

(i) The Adequate Protection Liens and the Adequate Protection Superpriority Claims shall have the same relative priorities as the liens and claims of the Prepetition Senior Secured Parties and Prepetition Junior Secured Parties as of the Petition Date.

(ii) Except for (i) the Carve Out and (ii) as otherwise provided in paragraph 4, the Adequate Protection Liens and Adequate Protection Superpriority Claims granted to the Prepetition Secured Parties pursuant to paragraph 4 of this Interim Order shall not be subject, junior, or *pari passu* to any lien or security interest that is

avoided and preserved for the benefit of the Debtors' estates under the Bankruptcy Code, including, without limitation, pursuant to section 551 or otherwise, and shall not be subordinated to or made *pari passu* with any lien, security interest, claim, or administrative expense under the Bankruptcy Code, including, without limitation, pursuant to section 364 or otherwise.

(iii) The Adequate Protection Liens are deemed automatically perfected as of the Petition Date without the necessity of recording same and without further notice or order. The Collateral Agents shall not be required to file any UCC financing statements or other instruments (or to take any other action) to perfect such Adequate Protection Liens.

(iv) The automatic stay provisions of section 362 of the Bankruptcy Code and any other restriction imposed by an order of the Court or applicable law are hereby modified to the extent necessary to permit the Collateral Agents to perform any act authorized or permitted under or by virtue of this Interim Order, including, without limitation, to take any act to create, validate, evidence, attach or perfect any the Adequate Protection Liens and to receive any payments expressly authorized by this Interim Order with respect to the Prepetition Secured Indebtedness or adequate protection.

(g) *Right to Seek Additional Adequate Protection*. This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of any of the Prepetition Secured Parties to request further or alternative forms of adequate protection at any time or the rights of the Debtors or any other party to contest such request. Subject to the Carve Out, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Secured Parties is insufficient to compensate for any Diminution in Value of their respective interests in the Prepetition Collateral during the Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by any of the Prepetition Secured Parties that the adequate protection granted herein does in fact adequately protect any of the Prepetition Secured Parties against any Diminution in Value of their respective interests in the Prepetition Collateral (including the Cash Collateral).

5 ***Carve Out***.

(a) *Priority of Carve Out*. Notwithstanding anything in this Interim Order or the Prepetition SSN Documents to the contrary, each of the Prepetition Liens, the Adequate Protection Liens, the Prepetition Secured Indebtedness, and the Adequate Protection Superpriority Claims (and any other claims arising under section 507(b) of the Bankruptcy Code) shall be subject and subordinate to the payment in full in cash of the Carve Out.

(b) *Definition of Carve Out*. As used in this Interim Order, the "**Carve Out**" means the collective sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee (the "**U.S. Trustee**") under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable and documented fees and expenses up to $75,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all accrued and unpaid fees, costs, and expenses (including any transaction fees or success fees then earned and payable prior to or after delivery of a Carve Out Trigger Notice (as defined below)) (the "**Allowed Professional Fees**") incurred or earned by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the "**Debtor Professionals**") or the Committee (if any) pursuant to sections 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and, together with the Debtor Professionals, the "**Professional Persons**") at any time before the first day following delivery by the Senior Secured Holders of a Carve Out Trigger Notice, whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice (the amounts set forth in clauses (i) through (iii), the "**Pre-Carve Out Trigger Notice Cap**"), in each case without regard to whether such fees, costs, or expenses are

included or provided for in any Approved Budget or were invoiced on or after the Carve Out Trigger Date (as defined below); and (iv) Allowed Professional Fees of Debtor Professionals and Committee Professionals in an aggregate amount not to exceed $500,000 incurred after the first day following delivery by the Senior Secured Holders of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise, less the amount of any prepetition retainers received by any such Debtor Professional and not previously returned or applied to its respective fees and expenses (the amount set forth in clause (iv), the "**Post-Carve Out Trigger Notice Cap**"). For purposes of the foregoing, "**Carve Out Trigger Notice**" shall mean a written notice delivered by email by the Senior Secured Holders or the Senior Secured Holder Advisors to the Debtors' restructuring counsel (Norton Rose Fulbright), the U.S. Trustee, and counsel to the Committee (if any), which notice (i) may be delivered only following the occurrence, and during the continuation of, a Termination Event (as defined below) and the termination of the Debtors' consensual use of Cash Collateral under this Interim Order and (ii) shall expressly state that the Post-Carve Out Trigger Notice Cap has been invoked.

(c) *Professional Fee Account*. As soon as reasonably practicable following entry of this Interim Order, the Debtors shall transfer cash, including Cash Collateral, in an amount equal to the total budgeted (or actual, if available) weekly fees and expenses incurred or to be incurred by Professional Persons (such fees and expenses of Professional Persons, the "**Professional Fees**") between the Petition Date and the first weekly period set forth in the Approved Budget into a segregated account not subject to control, liens, security interests, or claims of the Prepetition Secured Parties, other than each Collateral Agent's lien on and security interest in any residual cash balance following payment in full of all Allowed Professional Fees, subject to the Pre-Carve Out Trigger Notice Cap and the Post-Carve Out Trigger Notice Cap

(the "**Professional Fee Account**"). Thereafter, on a weekly basis, the Debtors shall transfer into the Professional Fee Account cash, including Cash Collateral, in an amount not less than the aggregate unpaid amount of Weekly Estimated Fees and Expenses (as defined below) included in all Weekly Statements (as defined below) received by the Debtors. The Professional Fee Account shall not be subject to the control of the Prepetition Secured Parties, and the funds transferred to the Professional Fee Account shall be used to pay Allowed Professional Fees, with the Collateral Agents having a lien on and security interest in any residual cash balance following payment in full of all Allowed Professional Fees, subject to the Pre-Carve Out Trigger Notice Cap and the Post-Carve Out Trigger Notice Cap.

(d) *Pre-Carve Out Trigger Notice*. Prior to the delivery of a Carve Out Trigger Notice, on the first business day following entry of this Interim Order and on the third business day of each week thereafter, each Professional Person shall deliver to the Debtors, the Senior Secured Holders, and their respective advisors a weekly statement (each, a "**Weekly Statement**") setting forth a good-faith estimate of the amount of fees and expenses (excluding, for the avoidance of doubt, any restructuring, sale, success or other transaction fee of any investment bankers or financial advisors) expected to be incurred by such Professional Person during the following week (the "**Weekly Estimated Fees and Expenses**"), and the Debtors shall, on a weekly basis, transfer cash into the Professional Fee Account in an amount equal to the aggregate amount of Weekly Estimated Fees and Expenses based on the Weekly Statements submitted by each Professional Person (and if no such estimate is provided in a given week, then the amount forecasted for such Professional Person in the Approved Budget) that remain unpaid (and that were not previously funded to the Professional Fee Account). In addition to the Weekly Statement, each Professional Person shall also provide a good-faith estimate of the amount of accrued but unpaid fees and

expenses incurred by such Professional Person during the preceding week (the "**Prior Week Estimate**"), and the amount of cash to be transferred to the Professional Fee Account shall be increased or reduced (as applicable) by the difference between such Prior Week Estimate and the Weekly Estimated Fees and Expenses funded for the prior week for such Professional Person. The Debtors shall use funds held in the Professional Fee Account exclusively to pay Allowed Professional Fees as they become allowed and payable pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and in accordance with any orders of the 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 Account.

(e) *Post-Carve Out Trigger Notice*. Notwithstanding the occurrence of a Termination Event, upon delivery of a Carve Out Trigger Notice to the Debtors (the "**Carve Out Trigger Date**"), such Carve Out Trigger Notice shall (i) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by the Debtors to fund the Professional Fee Account in an amount equal to (A) the Pre-Carve Out Trigger Notice Cap and (B) the Post-Carve Out Trigger Notice Cap ((A) and (B), each to the extent not previously funded into the Professional Fee Account, including after giving effect to the last sentence of this paragraph). Following delivery of a Carve Out Trigger Notice, each Professional Person shall promptly deliver one additional statement to the Debtors, the Senior Secured Holders, and the Senior Secured Holder Advisors setting forth a good-faith estimate of the amount of accrued but unpaid fees and expenses incurred by such Professional Person during the period immediately following the most recent Weekly Statement previously delivered by such Professional Person through and including the Carve Out Trigger Date, and the Debtors shall transfer such amounts to the Professional Fee Account.

(f) All funds in the Professional Fee Account shall be used first to pay Allowed Professional Fees, subject to the Pre-Carve Out Trigger Notice Cap and the Post-Carve Out Trigger Notice Cap, and then, to the extent the Professional Fee Account has not been reduced to zero, any such excess shall be paid to the Prepetition Secured Parties in accordance with the Prepetition SSN Documents. Notwithstanding anything to the contrary in the Prepetition SSN Documents or this Interim Order, (i) following delivery of a Carve Out Trigger Notice, the Collateral Agents, and any other Prepetition Secured Party shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Professional Fee Account has been fully funded in cash, but the Collateral Agents shall have a lien on and security interest in any residual interest in any residual cash balance remaining in the Professional Fee Account after all Allowed Professional Fees have been paid in full in cash, with any excess paid to the Collateral Agents for application in accordance with the Prepetition SSN Documents; (ii) (A) disbursements by the Debtors from the Professional Fee Account shall not increase or reduce the Prepetition Secured Indebtedness, (B) failure of the Professional Fee Account to satisfy in full in cash the Allowed Professional Fees shall not affect, alter, or impair the amount, scope, or priority of the Carve Out, (C) in no way shall any Approved Budget, Proposed Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Weekly Statement, Weekly Estimated Fees and Expenses, Prior Week Estimate, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors; and (iii) the Carve Out shall be senior to (1) the Prepetition Secured Indebtedness, the Adequate Protection Superpriority Claims, and any claims arising under section 507(b) of the Bankruptcy Code and (2) all security interests and liens (as defined in section 101(37) of the Bankruptcy Code) securing any of the

claims or administrative expenses described in clause (1), including the Prepetition Liens and the Adequate Protection Liens.

(g) *No Direct Obligation to Pay Allowed Professional Fees*. The Prepetition Secured Parties reserve the right to object to the allowance of any fees and expenses. Except for permitting the funding of the Professional Fee Account as provided herein, none of the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person or any fees or expenses of the U.S. Trustee or Clerk of the Court incurred in connection with the Cases or any successor case(s) under any chapter of the Bankruptcy Code (a "**Successor Case**"). Nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(h) *Payment of Carve Out On or After the Termination Declaration Date*. Any payment or reimbursement made on or after the occurrence of the Carve Out Trigger Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

6 ***Access and Information***. Upon written request (including via email), the Debtors shall provide the Senior Secured Holders and Senior Secured Holder Advisors with (a) reasonable access to the Debtors' books and records, including all records and files of the Debtors pertaining to the Prepetition Collateral and the Adequate Protection Collateral and other available information (including historical information) regarding the Debtors, their property, operations, or finances, (b) reasonable access to the Debtors' properties and (c) reasonable access to the Debtors' officers, counsel, and financial advisors to discuss the Debtors' affairs, finances, and condition; it being

understood that nothing in this paragraph shall require the Debtors (or any of their advisors) to take any action that would conflict with any applicable requirements of law or any binding agreement, or that would waive any attorney-client or similar privilege.

7 ***Termination***. Subject to the Remedies Notice Period (as defined below) and paragraphs 5 and 8 of this Interim Order, including if ordered by the Court in accordance with paragraph 8, the Debtors' right to consensual use of Cash Collateral pursuant to this Interim Order shall automatically cease without further court proceedings on the Termination Date (as defined herein). As used herein, "**Termination Event**" means any of the events set forth below, in each case, unless waived or modified with the consent of the Senior Secured Holders:

(a) A Final Order acceptable to the Debtors and the Senior Secured Holders is not entered by the Court by 11:59 p.m. on the date that is 30 days after the Petition Date;

(b) The violation of any material term of this Interim Order by the Debtors that is not cured within three (3) business days of receipt by the Debtors of written notice of such default from the Senior Secured Holders (*provided* that the terms and provisions with respect to adequate protection shall be deemed material);

(c) Entry of an order modifying, reversing, revoking, staying for a period in excess of five (5) business days, rescinding, vacating, or amending this Interim Order in a manner adverse to the rights, interest, priorities, or entitlements of the Prepetition Secured Parties without the express prior written consent of the Senior Secured Holders;

(d) Without the written consent of the Senior Secured Holders, the Cases are dismissed or converted to cases under chapter 7 of the Bankruptcy Code; a trustee under chapter 11 of the Bankruptcy Code, an examiner with expanded powers, or a responsible officer or similar person is appointed in the Cases; the Cases are transferred or there is a change of venue; the

Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to the granting of any of the foregoing relief; or any order is entered granted any of the foregoing relief;

(e) Except for the Carve Out and Prepetition Permitted Liens or as otherwise expressly permitted in advance and in writing by the Senior Secured Holders, the voluntary creation of any lien or other interest *pari passu* with or senior to any of the Prepetition Liens, Adequate Protection Liens, or Adequate Protection Superpriority Claims granted to the Prepetition Secured Parties under this Interim Order;

(f) Without the written consent of the Senior Secured Holders, the Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to, or an order is entered granting, (i) any lien, claim or other interest pari passu with or senior to any of the Prepetition Liens, Adequate Protection Liens, or Adequate Protection Superpriority Claims granted to the Prepetition Secured Parties under this Interim Order, (ii) the invalidation, subordination, or other challenge to the Prepetition Secured Indebtedness, the Prepetition Liens, the Adequate Protection Liens, or the Adequate Protection Superpriority Claims, or (iii) any relief under sections 506(c) or 552 of the Bankruptcy Code with respect to any Prepetition Collateral or any Adequate Protection Collateral, including the Cash Collateral, or against any of the Prepetition Secured Parties, in each case other than the Carve Out or without the prior written consent of the Senior Secured Holders;

(g) The Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to the granting of, or an order is entered granting, relief that could reasonably be expected to result

in a material impairment of the rights or interests of the Prepetition Secured Parties (except any motion or other pleading otherwise permitted by this Interim Order);

(h) The entry of an order by this Court granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code to any entity other than the Prepetition Secured Parties (i) with respect to the Prepetition Collateral or the Adequate Protection Collateral in excess of $250,000 in value or (ii) authorizing any party to proceed against any asset of the Debtors that, in each case, would adversely affect in any material respect the Debtors' ability to operate their business in the ordinary course, in each case without the prior written consent of the Senior Secured Holders;

(i) The entry of a subsequent order of the Court (i) terminating the Debtors' use of Cash Collateral or (ii) authorizing the use of Cash Collateral by any non-Debtor affiliate of the Debtors, if any;

(j) Subject to the payment provisions of paragraph 25, the failure by the Debtors to make any payment pursuant to this Interim Order when due that is not cured within three (3) business days following the Debtors' receipt of written notice from the Senior Secured Holders (including, but not limited to, Adequate Protection Payments and interest payments described in paragraph 4);

(k) The failure by the Debtors to deliver to the Senior Secured Holders or the Senior Secured Holder Advisors any of the documents or other information required to be delivered to such applicable party pursuant to this Interim Order when due, or any such documents or other information shall contain a material misrepresentation, and in either case such failure or misrepresentation is not cured within three (3) business days after written notice thereof is delivered to the Debtors by the Senior Secured Holders;

(l) The failure by the Debtors to (i) comply with the Budget Provisions set forth in paragraph 3 hereof (subject to the Permitted Variances);

(m) The Debtors seek approval of any sale or bidding procedures or designate any stalking horse bidder or winning bidder without the prior written consent of the Senior Secured Holders

(n) Except as expressly approved by the Senior Secured Holders in writing, the failure by the Debtors to conduct their business and operations in the ordinary course and in compliance with applicable law, taking into account the Cases;

(o) The entry of any post-petition judgment against the Debtors in excess of $750,000 (not including amounts covered by insurance), the enforcement of which is not otherwise stayed by the Bankruptcy Code;

(p) Without the written consent of the Senior Secured Holders, the Debtors' Chief Restructuring Officer (the "**CRO**") is terminated for any reason, or this Court does not approve the Debtors' application to retain the CRO pursuant to section 363 of the Bankruptcy Code;

(q) The Debtors shall be enjoined from conducting any material portion of their business, any material disruption of the business operations of the Debtors shall occur (other than as a result of the Cases), or any material damage to or loss of material assets of the Debtors shall occur that is not otherwise covered by insurance;

(r) The Debtors file any motion, pleading, or proceeding (or solicit, support, or encourage any other party to file any motion, pleading, or proceeding) seeking or consenting to the granting of, or an order is entered granting, any termination and/or shortening, reduction of, or other modification to, the Debtors' exclusive period to file and/or solicit a chapter 11 plan pursuant

to the Bankruptcy Code (collectively, the "**Exclusive Periods**") or the Exclusive Periods otherwise terminate; or

(s) The failure of the Debtors to meet any of the deadlines (or such later dates as may be approved by the Senior Secured Holders) set forth on **Exhibit 2** (collectively, the "**Milestones**").

8 ***Remedies After a Termination Date***.

(a) Notwithstanding anything contained herein, the Debtors' authorization to use Cash Collateral on a consensual basis pursuant to this Interim Order shall automatically terminate on such date (the "**Termination Date**") that is the earliest of (i) the effective date of any chapter 11 plan with respect to the Debtors that is confirmed by the Court; and (ii) unless otherwise ordered by the Court, five (5) business days from the date (the "**Termination Declaration Date**") on which written notice of the occurrence of any Termination Event is given (which notice may be given by email or other electronic means) by the Senior Secured Holders or the Senior Secured Holder Advisors to the Debtors' counsel, counsel to a Committee (if appointed), and the U.S. Trustee (the "**Termination Declaration**" and such period commencing on the Termination Declaration Date and ending five (5) business days later, which period shall be automatically extended if the Debtors or the U.S. Trustee seek an emergency hearing as provided in clause (b) below prior to the expiration of such period to enable the Court to rule thereon, the "**Remedies Notice Period**"); *provided*, that until the expiration of the Remedies Notice Period, the Debtors may (a) continue to use Cash Collateral to make payments in respect of expenses necessary to keep the business of the Debtors operating in accordance with the Approved Budget, (b) contest or cure any alleged Termination Event, (c) pay professional fees and fund the Professional Fee Account

in accordance with paragraphs 4 and 5 of this Interim Order, and (d) seek other relief as provided for in this paragraph 8.

(b) If a Termination Declaration is delivered as provided above, the Debtors, the Committee (if appointed), and the Prepetition Secured Parties hereby consent to an emergency hearing being held before the Court on an expedited basis ("**Termination Event Hearing**") and related motions shall be filed with the Court on at least three (3) business days' notice (subject to the Court's availability) for the sole purpose (unless the Court orders otherwise) of considering whether a Termination Event has occurred or is continuing or for the contested use of Cash Collateral. Unless the Court has determined that a Termination Event has not occurred and/or is not continuing or the Court orders otherwise, the automatic stay, as to all of the Prepetition Secured Parties, shall automatically be terminated at the conclusion of both the Remedies Notice Period and the Termination Event Hearing without further notice or order. Upon expiration of the Remedies Notice Period and following the conclusion of a Termination Event Hearing, unless the Court orders otherwise, the Prepetition Secured Parties shall be permitted to exercise all remedies set forth herein and in the Prepetition SSN Documents, and as otherwise available at law or in equity without further order of or application or motion to this Court.

(c) For the avoidance of doubt, nothing in this Interim Order waives, limits, alters, or impairs the parties' rights to seek or object to the non-consensual use of Prepetition Collateral, Adequate Protection Collateral, or Cash Collateral after the occurrence of the Termination Declaration Date. Nothing herein shall alter the burden of proof set forth in the applicable provisions of the Bankruptcy Code at any hearing to consider any relief related to the automatic stay under Bankruptcy Code section 362(a), use Cash Collateral, or to obtain any other injunctive relief. The occurrence of the Termination Date or a Termination Event shall not affect

the validity, priority, or enforceability of any and all rights, remedies, benefits, and protections provided to any of the Prepetition Secured Parties under this Interim Order, which rights, remedies, benefits, and protections shall survive the Termination Date or the delivery of Termination Declaration.

9 ***Payments Free and Clear***. Subject in all respects to paragraph 18, any and all payments or proceeds remitted to the Collateral Agents, for the benefit of the Prepetition Secured Parties, pursuant to the provisions of this Interim Order shall be irrevocable, received free and clear of any claim, charge, assessment, or other liability, including without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) (whether asserted or assessed by, through or on behalf of the Debtor) or section 552(b) of the Bankruptcy Code.

10 ***Limitation on Charging Expenses Against Collateral***. Except to the extent of the Carve Out, no costs or expenses, including any costs or expenses of administration of the Cases or any Successor Cases or any future proceeding that may result therefrom, shall be charged against or recovered from the Adequate Protection Collateral (including Cash Collateral) or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law; *provided* that the foregoing waiver shall be without prejudice to any provision of the Final Order with respect to costs or expenses incurred following the entry of the Final Order.

11 ***Reservation of Rights of the Prepetition Secured Parties***. This Interim Order and the transactions contemplated hereby shall be without prejudice to (a) the rights of any of the Prepetition Secured Parties to seek additional or different adequate protection, move to vacate the automatic stay, move for the appointment of a trustee or examiner, move to dismiss or convert the Cases, or to take any other action in the Cases and to appear and be heard in any matter raised in the Cases, or the right of any party in interest from contesting any of the foregoing, and (b) any

and all rights, remedies, claims, and causes of action which the Prepetition Secured Parties may have against any non-Debtor party. For adequate protection purposes, each of the Prepetition Secured Parties shall be deemed to have requested relief from the automatic stay and for adequate protection for any Diminution in Value from and after the Petition Date. For the avoidance of doubt, such request will survive termination of this Interim Order.

12 ***Modification of Automatic Stay***. The Debtors are authorized and directed to perform all acts and to make, execute, and deliver any and all instruments as may be necessary to implement the terms and conditions of this Interim Order and the transactions contemplated hereby. The stay of section 362 of the Bankruptcy Code is hereby modified to permit the parties to accomplish the transactions contemplated by this Interim Order.

13 ***Survival of Interim Order***. The provisions of this Interim Order shall be binding upon any trustee appointed during the Cases or upon a conversion to cases under chapter 7 of the Bankruptcy Code, and any actions taken in reliance hereof shall survive entry of any order which may be entered converting the Cases to chapter 7 cases, dismissing the Cases under section 1112 of the Bankruptcy Code or otherwise, confirming or consummating any plan(s) of reorganization or liquidation or otherwise, or approving or consummating any sale of any Prepetition Collateral or Adequate Protection Collateral, whether pursuant to section 363 of the Bankruptcy Code or included as part of any plan. The terms and provisions of this Interim Order, as well as the priorities in payments, liens, and security interests granted pursuant to this Interim Order, shall continue notwithstanding any conversion of the Cases to chapter 7 cases under the Bankruptcy Code, dismissal of the Cases, confirmation or consummation of any plan(s) of reorganization or liquidation, approval or consummation of any sale, or otherwise. Subject to the provisions and limitations described in paragraph 18 of this Interim Order, the Adequate Protection Payments

made pursuant to this Interim Order shall not be subject to counterclaim, setoff, subordination, recharacterization, defense, or avoidance in the Cases or any subsequent chapter 7 case or other proceeding (other than a defense that the payment has actually been made).

14 ***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, or incidental beneficiary.

15 ***Release***. Subject to the rights, provisions, and limitations set forth in paragraph 18 of this Interim Order, effective upon entry of this Interim Order, the Debtors hereby unconditionally, irrevocably, and fully forever release, remise, acquit, relinquish, irrevocably waive, and discharge each of the Prepetition Secured Parties (each in their respective roles as such), and each of their respective affiliates, former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, assigns, agents, and predecessors in interest, each in their capacity as such, of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys' fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending, or threatened, including, without limitation, all legal and equitable theories of recovery, arising under common law, statute, or regulation or by contract, of every nature and description that exist on the date hereof with respect to or relating to the Senior Secured Notes, the Prepetition Liens, the Prepetition Secured Indebtedness, the Prepetition SSN Documents, or this Interim Order, as applicable, and/or the transactions contemplated hereunder or thereunder, including, without limitation, (i) any so-

called "lender liability" or equitable subordination claims or defenses, (ii) any and all claims and causes of action arising under the Bankruptcy Code, and (iii) any and all claims and causes of action regarding the validity, priority, extent, enforceability, perfection, or avoidability of the liens or claims of the Prepetition Secured Parties.

16 ***Binding Effect***. The terms of this Interim Order shall be valid and binding upon the Debtors, all creditors of the Debtors, and all other parties in interest from and after the entry of this Interim Order by this Court.

17 ***Reversal, Stay, Modification or Vacatur***. In the event the provisions of this Interim Order are hereinafter reversed, stayed, modified, or vacated, such reversal, modification, stay, or vacatur shall not affect the rights and priorities of the Prepetition Secured Parties granted and in effect pursuant to this Interim Order immediately prior thereto. In other words, notwithstanding any such reversal, stay, modification, or vacatur, any indebtedness, obligation, or liability incurred by the Debtors pursuant to this Interim Order arising prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the original provisions of this Interim Order, including any payments made hereunder or security interests and liens granted herein.

18 ***Reservation of Certain Third-Party Rights and Bar of Challenge and Claims***.

(a) Without limiting the remainder of this Paragraph 18, the stipulations, admissions, waivers, and releases contained in this Interim Order, including the Debtors' Stipulations, shall be binding upon the Debtors in all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date. The stipulations, admissions, waivers, and releases contained in this Interim Order, including, the Debtors' Stipulations and the release in paragraph 15 (the "**Release**"),

shall be binding upon the Debtors' estates (and all successors of the Debtors) and all other parties in interest, including any Committee and any other person acting on behalf of the Debtors' estates, including a trustee, except to the extent a party in interest and, for purposes of such exception, solely to the extent such party in interest obtains proper standing and has timely and properly filed an adversary proceeding or contested matter under the Bankruptcy Rules asserting a Challenge (as defined below): (i) on or before the date that is 60 calendar days after entry of the Interim Order or such later date as agreed to by the Senior Secured Holders; *provided* that if a Committee is appointed prior to the expiration of such 60-day period, such Committee shall have until the date that is 60 calendar days after its appointment(in each case, a "**Challenge Period**", and the date of expiration of such Challenge Period, the "**Challenge Period Termination Date**"); *provided, however*, that if prior to the Challenge Period Termination Date, either the Cases convert to chapter 7 or a chapter 11 trustee is appointed, then in such case the Challenge Period Termination Date shall be extended solely with respect to the trustee until the later of the then Challenge Period Termination Date and the date that is 45 days following such conversion or appointment; (ii) seeking to avoid, object to, or otherwise challenge the Debtors' Stipulations or the Release regarding: (A) the validity, enforceability, extent, priority, or perfection of Prepetition Liens, including any mortgages or security interests in the Prepetition Collateral; or (B) the validity, enforceability, allowability, priority, secured status, or amount of the Prepetition Secured Indebtedness (any such claim, a "**Challenge**"); and (iii) in which the Court enters a final order in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter.

(b) Upon the occurrence of the Challenge Period Termination Date without the filing of a Challenge (or if any Challenge is filed and overruled): (i) any and all Challenges by any

party (whether on behalf of the Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in the Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Cases (as defined below)) shall be deemed to be forever barred; (ii) the Prepetition Secured Indebtedness shall constitute allowed secured claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense, or avoidance for all purposes in the Cases and any Successor Cases; (iii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected liens on the Prepetition Collateral, not subject to recharacterization, subordination, or avoidance; and (iv) all of the Debtors' stipulations and admissions contained in this Interim Order, including the Debtors' Stipulations, and all other waivers, releases, affirmations, and other stipulations as to the priority, extent, and validity as to the Prepetition Secured Parties' claims, liens, and interests contained in this Interim Order shall be in full force and effect and forever binding upon the Debtors, the Debtors' estates, and all creditors, interest holders, and other parties in interest in these Cases and any Successor Cases.

(c) If any such adversary proceeding or contested matter is timely and properly filed under the Bankruptcy Rules, the stipulations and admissions contained in this Interim Order, including the Debtors' Stipulations, shall nonetheless remain binding and preclusive on any Committee and any other party-in-interest except to the extent that such stipulations and admissions were successfully and expressly challenged in such adversary proceeding or contested matter prior to the Challenge Period Termination Date. Nothing in this Interim Order vests or confers on any person (as defined in the Bankruptcy Code), including, without limitation, any Committee appointed in the Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, any challenges (including a

Challenge) with respect to the Prepetition SSN Documents, the Prepetition Liens, and the Prepetition Secured Indebtedness, and a separate order entered by the Court on or before the Challenge Period Termination Date and conferring such standing on any Committee or other party-in-interest shall be a prerequisite for the prosecution of a Challenge by such Committee or such other party-in-interest.

19 ***Limitation on Use of Collateral and Cash Collateral***. Notwithstanding anything to the contrary set forth in this Interim Order, none of the Adequate Protection Collateral, the Prepetition Collateral, including Cash Collateral, or the Carve Out or proceeds of any of the foregoing may be used: (a) to investigate (including by way of examinations or discovery proceedings), initiate, assert, prosecute, join, commence, support, or finance the initiation or prosecution of any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, adversary proceeding, or other litigation of any type (excluding any proceedings contemplated by paragraph 8 hereof) (i) against any of the Prepetition Secured Parties (in their capacities as such) or any of their respective affiliates, officers, directors, employees, agents, representatives, attorneys, consultants, financial advisors, affiliates, assigns, or successors in such capacity, with respect to any transaction, occurrence, omission, action, or other matter (including formal discovery proceedings in anticipation thereof), including, without limitation, any so-called "lender liability" claims and causes of action, or seeking relief against any of the Prepetition Secured Parties or that that would otherwise impair the rights and remedies of the Prepetition Secured Parties hereunder, under the Prepetition SSN Documents, including, without limitation, for the payment of any services rendered by the professionals retained by the Debtors or any Committee appointed (if any) in these Cases in connection with the assertion of or joinder in any such claim, counterclaim, action, suit, arbitration, proceeding, application, motion,

objection, defense, adversary proceeding, or other contested matter, the purpose of which is to seek, or the result of which would be to obtain, any order, judgment, determination, declaration, or similar relief that would impair the ability of any of the Prepetition Secured Parties to recover on the Prepetition Collateral or the Adequate Protection Collateral or seeking affirmative relief against any of the Prepetition Secured Parties related to the Prepetition Secured Indebtedness; (ii) invalidating, setting aside, avoiding, or subordinating, in whole or in part, the Prepetition Secured Indebtedness or the Prepetition Secured Parties' Prepetition Liens or security interests in the Prepetition Collateral or the Adequate Protection Collateral, as applicable; or (iii) for monetary, injunctive, or other affirmative relief against any of the Prepetition Secured Parties, or with respect to the Prepetition Secured Parties' respective liens on or security interests in the Prepetition Collateral or the Adequate Protection Collateral that would impair the ability of any of the Prepetition Secured Parties to assert or enforce any lien, claim, right, or security interest or to realize or recover on the Prepetition Secured Indebtedness, to the extent applicable; (b) for objecting to or challenging in any way the legality, validity, priority, perfection, or enforceability of the claims, liens, or interests (including, without limitation, the Prepetition Liens) held by or on behalf of each of the Prepetition Secured Parties related to the Prepetition Secured Indebtedness; (c) for asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any Avoidance Actions related to or in connection with the Prepetition Secured Indebtedness or the Prepetition Liens, including any cause of action seeking to invalidate, set aside, avoid, or subordinate, in whole or in part, the Prepetition Secured Indebtedness, the Prepetition Liens, or Adequate Protection Liens; (d) for prosecuting an objection to, contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Prepetition Liens or any other rights or interests of any of

the Prepetition Secured Parties related to the Prepetition Secured Indebtedness or the Prepetition Liens; or (e) for monetary, injunctive, or other affirmative relief against any of the Prepetition Secured Parties relating in any way to the Prepetition Secured Indebtedness; *provided* that no more than $50,000 of the proceeds of the Adequate Protection Collateral, or the Prepetition Collateral, including the Cash Collateral, in the aggregate, may be used solely by any Committee appointed in these Cases solely to investigate, prior to the Challenge Period Termination Date, any potential Challenge, including claims, causes of action, adversary proceedings, or other litigation against the Prepetition Secured Parties solely concerning the legality, validity, priority, perfection, enforceability, or extent of the Prepetition Secured Indebtedness and/or the Prepetition Liens.

20 ***Enforceability; Waiver of Any Applicable Stay***. 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 entry hereof. Notwithstanding Bankruptcy Rule 6004(h), 6006(d), 7062, 9014, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

21 ***No Waiver for Failure to Seek Relief***. The failure or delay of any of the Collateral Agents or the Prepetition Secured Parties to seek relief or otherwise exercise any of its rights and remedies under this Interim Order, the Prepetition SSN Documents or applicable law, as the case may be, shall not constitute a waiver of any rights hereunder, thereunder, or otherwise, by the Collateral Agents or the Prepetition Secured Parties, as applicable.

22 ***Proofs of Claim***. Notwithstanding anything to the contrary contained in any prior or subsequent order of the Court, including, without limitation, any order establishing a deadline for the filing of proofs of claim or requests for payment of administrative expenses under

section 503(b) of the Bankruptcy Code, if any, the Prepetition Secured Parties shall not be required to file any proof of claim or request for payment of administrative expenses with respect to any of the Prepetition Secured Indebtedness, the Prepetition Liens, the Adequate Protection Liens, or the Adequate Protection Superpriority Claims; and the failure to file any such proof of claim or request for payment of administrative expenses shall not affect the validity, priority, or enforceability of any of the Prepetition SSN Documents, Prepetition Secured Indebtedness, the Prepetition Liens, the Adequate Protection Liens, or the Adequate Protection Superpriority Claims or prejudice or otherwise adversely affect the Prepetition Secured Parties' rights, remedies, powers, or privileges under any of the Prepetition SSN Documents, this Interim Order, or applicable law. The Debtors' Stipulations shall be deemed to constitute a timely filed proof of claim on behalf of each of the Prepetition Secured Parties with respect to the Prepetition Secured Indebtedness and all related obligations in these Cases or any Successor Cases (as defined herein). Notwithstanding the foregoing, the Collateral Agents, on behalf of themselves and the Prepetition Secured Parties, are authorized and entitled, but not required, to file (and amend and/or supplement, as each sees fit) a proof of claim and/or master proof of claim for any claim described herein or otherwise related to any Prepetition Secured Indebtedness. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

23 ***Section 552(b) of the Bankruptcy Code***. The Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to any of the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of

any of the Prepetition Collateral or the Adequate Protection Collateral; provided that the foregoing waiver shall be without prejudice to any provisions of the Final Order.

24 ***No Marshaling***. The Prepetition Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Prepetition Collateral or the Adequate Protection Collateral; *provided* that the foregoing waiver shall be without prejudice to any provisions of the Final Order.

25 ***Expense Invoices; Disputes; Indemnification***.

(a) The Debtors' obligation to pay the professional fees and expenses of the Collateral Agents, and the Senior Secured Holders as provided in paragraph 4 of this Interim Order shall not require further Court approval, except as otherwise provided for below.

(b) The professional fees and expenses covered by paragraph 4 of this Interim Order shall be payable without the necessity of filing formal fee applications or complying with the U.S. Trustee Guidelines; *provided* that copies of statements or invoices for such professional fees, expenses, and disbursements (the "**Invoiced Fees**") shall be served by email on counsel to the Debtors, the U.S. Trustee, and counsel to any Committee (if appointed), who shall have 10 calendar days (the "**Review Period**") to review and assert any objections thereto. Invoiced Fees shall be in the form of an invoice summary for professional fees and categorized expenses incurred during the pendency of the Cases, and such invoice summary shall not be required to contain time entries, but shall include a general, brief description of the nature of the matters for which services were performed and the number of hours performed by each professional and which may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any work product doctrine, privilege or protection, common interest doctrine privilege or protection, any other evidentiary privilege or protection recognized under applicable law, or any

other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege, work product doctrine, privilege or protection, common interest doctrine privilege or protection, or any other evidentiary privilege or protection recognized under applicable law. The Debtors, any Committee, or the U.S. Trustee may dispute the payment of any portion of the Invoiced Fees (the "**Disputed Invoiced Fees**") if, within the Review Period, the Debtors, any Committee, or the U.S. Trustee notifies the submitting party in writing setting forth the specific objections to the Disputed Invoiced Fees. If the parties are unable to reach resolution with respect to the Disputed Invoiced Fees, then the Court may resolve any such issues upon prior notice and a hearing. For the avoidance of doubt, following the Review Period, the Debtors shall promptly pay in full all Invoiced Fees other than the Disputed Invoiced Fees.

(c) The Prepetition Secured Parties have acted in good faith and without negligence, misconduct, or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the use of Cash Collateral, including in respect of the granting of Adequate Protection Liens, any challenges or objections to the use of Cash Collateral, and all other documents related to and all transactions contemplated by the foregoing. Accordingly, without abrogating or limiting the indemnification provisions set forth in any of the Prepetition SSN Documents, the Debtors shall indemnify each of the Prepetition Secured Parties and their respective affiliates, successors, and assigns and the officers, directors, employees, agents, attorneys, advisors, controlling persons, and members of each of the foregoing (each an "**Indemnified Person**") and hold them harmless from and against all costs, expenses (including but not limited to reasonable and documented legal fees and expenses), and liabilities arising out of or relating to the transactions, procedures, and/or relief contemplated by this Interim Order,

except to the extent such Indemnified Person has been found in a final non-appealable judgment by a court of competent jurisdiction to have acted with fraud, with willful misconduct, or in bad faith. No Indemnified Person shall have any liability (whether direct or indirect, in contract, tort, or otherwise) to the Debtors or any shareholders or creditors of the Debtors for or in connection with the transactions, procedures, and/or relief contemplated by this Interim Order, except to the extent such liability is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted solely from such Indemnified Person's fraud, bad faith, or willful misconduct, and in no event shall any Indemnified Person be liable on any theory of liability for any special, indirect, consequential, or punitive damages.

26 ***Credit Bidding and Sale Provisions***. Subject to paragraph 18 hereof and the provisions of section 363(k) of the Bankruptcy Code, each Collateral Agent shall have the right to credit bid (either directly or through one or more acquisition vehicles) up to the full amount of, as applicable, (i) the Prepetition Senior Secured Parties' Prepetition Senior Secured Indebtedness, and (ii) subject to the terms of the Subordination Agreement, the Prepetition Junior Secured Parties' Prepetition Junior Secured Indebtedness, in each case including the Adequate Protection Superpriority Claims, if any, in any sale of all or any portion of the Prepetition Collateral or the Adequate Protection Collateral, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any chapter 11 plan. The Debtors shall not object to, or solicit, support, or encourage any objection to, any rights set forth in this paragraph 26.

27 ***Marketing Process for Sale and/or Financing***. On or before the Petition Date, the Debtors shall commence a marketing process for the sale of their assets and/or financing pursuant to procedures that are acceptable to the Senior Secured Holders.

28 ***Headings***. The headings in this Interim Order are for purposes of reference only and shall not limit or otherwise affect the meaning of this Interim Order.

29 ***Retention of Jurisdiction***. The Court has and will retain jurisdiction to enforce this Interim Order and with respect to all matters arising from or related to the implementation of this Interim Order.

30 ***Final Hearing***. A Final Hearing to consider the relief requested in the Motion on a final basis shall be held on _____, 2026, at _____ (prevailing Central time). Within three (3) business days after entry of this Interim Order, the Debtors shall serve, or cause to be served, notice of the Final Hearing, along with a copy of the Motion (to the extent the Motion was not previously served on a party) and this Interim Order, by first class mail, electronic transmission, or other appropriate method of service on (a) the Notice Parties, (b) counsel to any Committee, and (c) any party that has requested notice pursuant to Bankruptcy Rule 2002. Any responses or objections to approval of the Motion on a final basis shall be made in writing, conform to the applicable Bankruptcy Rules, be filed with this Court and served so as to be actually received no later than _____, 2026, at _____ (prevailing Central time) by the following parties: (a) proposed counsel to the Debtors, Norton Rose Fulbright, US LLP, 1550 Lamar Street, Suite 2000, Houston, Texas 77010, Attn: Ryan Manns, Jason Blanchard, and Maria Mokrzycka; (b) the Office of the United States Trustee for Southern District of Texas; (c) counsel to the Collateral Agents, (d) counsel to the Senior Secured Holders Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Sunny Singh (sunny.singh@weil.com), Weil, Gotshal & Manges LLP, 700 Louisiana Street, Suite 3700, Houston, TX 77002-2755, Attn: Stephanie Morrison (stephanie.morrison@weil.com) and Emma Wheeler (emma.wheeler@weil.com), Goodwin Procter LLP, 620 Eighth Avenue, New York, NY

10018, Attn: Robert Lemons (rlemons@goodwinlaw.com) and Debora Hoehne (dhoehne@goodwinlaw.com), and Gray Reed & McGraw, 1300 Post Oak Blvd., Suite 2000, Houston, Texas 77056; and (e) proposed counsel to any Committee. If no objections are filed to the Motion, this Court may enter a Final Order without further notice or hearing.

Signed: _____, 2026

_____
[__]
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Initial Approved Budget

($ in '000s)

	Status	*Fcst*	*Fcst*	*Fcst*	*Fcst*	*Fcst*	*Fcst*	*Fcst*
	Forecast Week	*Wk-1*	*Wk-2*	*Wk-3*	*Wk-4*	*Wk-5*	*Wk-6*	*6 Weeks*
	Week Ending	**4/10**	**4/17**	**4/24**	**5/1**	**5/8**	**5/15**	**Total**
	Cash Flow Activity							
	RECEIPTS							
1	**Total Receipts**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	OPERATING DISBURSEMENTS							
2	Payroll, Benefits, & Contractors	$ -	$ (761)	$ (43)	$ (801)	$ (32)	$ (869)	$ (2,506)
3	Trade Disbursements	-	(290)	(306)	(317)	(326)	(333)	(1,573)
4	Property Leases	-	(26)	-	(367)	-	(26)	(419)
5	Utilities	-	-	-	-	(15)	(5)	(20)
6	Insurance	-	(668)	-	-	(228)	-	(896)
7	Other Operating Disbursements	-	(180)	(20)	(40)	(20)	(40)	(300)
8	**Total Operating Disbursements**	**$ -**	**$ (1,925)**	**$ (368)**	**$ (1,525)**	**$ (622)**	**$ (1,274)**	**$ (5,714)**
9	**Net Cash Flow prior to Non-Operating Disb**	**$ -**	**$ (1,925)**	**$ (368)**	**$ (1,525)**	**$ (622)**	**$ (1,274)**	**$ (5,714)**
	NON-OPERATING ACTIVITIES							
10	Other Non-Operating Activities	-	(2)	-	(1)	-	(2)	(4)
11	**Total Non-Operating Disbursements**	**$ -**	**$ (2)**	**$ -**	**$ (1)**	**$ -**	**$ (2)**	**$ (4)**
	RESTRUCTURING ACTIVITIES							
12	Restructuring Professionals	-	(1,807)	(819)	(1,359)	(1,094)	(944)	(6,024)
13	Utilities Deposit	-	(20)	-	-	-	-	(20)
14	**Total Restructuring Activities**	**$ -**	**$ (1,827)**	**$ (819)**	**$ (1,359)**	**$ (1,094)**	**$ (944)**	**$ (6,044)**
15	**Net Cash Flow**	**$ -**	**$ (3,754)**	**$ (1,188)**	**$ (2,885)**	**$ (1,716)**	**$ (2,220)**	**$ (11,762)**
16	Beginning Unrestricted Book Cash[1]	$ 12,462	$ 12,462	$ 8,709	$ 7,521	$ 4,635	$ 2,920	$ 12,462
17	(+/-) Net Cash Flow	-	(3,754)	(1,188)	(2,885)	(1,716)	(2,220)	(11,762)
18	(+/-) Release of LC Cash Collateral	-	-	-	-	-	1,050	1,050
19	**Ending Unrestricted Book Cash**	**$ 12,462**	**$ 8,709**	**$ 7,521**	**$ 4,635**	**$ 2,920**	**$ 1,750**	**$ 1,750**

Notes:
(1) Beginning cash balance as of 4/10/26; profile reflects postpetiton activity only

Exhibit 2

Milestones

The Debtors' consensual use of Cash Collateral shall be subject to the timely satisfaction of the following Milestones, which may be extended with the prior written consent (email shall suffice, including from respective counsel) of the Debtors and the Senior Secured Holders.

1. Commencement of Marketing Process. On the Petition Date, the Debtors shall have commenced a marketing process for the sale of their assets and/or financing.

2. First Day Hearing. On the date that is two (2) calendar days after the Petition Date, the First Day Hearing shall have occurred.

3. Cash Collateral Order. At or prior to 11:59 p.m. Central Time on the date that is two (2) calendar days after the Petition Date, the Court shall have entered this Interim Order. At or prior to 11:59 p.m. Central Time on the date that is thirty (30) days after the Petition Date, the Court shall have entered the Final Order.

4. Filing of Bidding Procedures Motion. At or prior to 11:59 p.m. Central Time on the date that is two (2) calendar days following the Petition Date, the Debtors shall have filed the Bidding Procedures Motion. The Bidding Procedures Motion shall seek approval of the Debtors' proposed marketing and sale process, including an Indication of Interest deadline of May 1, 2026 and a Bid Deadline of May 9, 2026.

5. Bidding Procedures Order. At or prior to 11:59 p.m. Central Time on April 16, 2026, the Court shall have entered the Bidding Procedures Order.

6. Sale Order. At or prior to 11:59 p.m. Central Time on May 17, 2026, the Court shall have entered the Sale Order.