IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corporation,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH) **Re: Docket No. 12**

CERTIFICATION OF COUNSEL REGARDING MOTION OF DEBTOR FOR (I) AUTHORIZATION TO (A) PAY EMPLOYEE OBLIGATIONS, AND (B) CONTINUE EMPLOYEE BENEFIT PROGRAMS, AND (II) GRANTING RELATED RELIEF

The undersigned proposed counsel for the above-captioned debtor and debtor in possession (the "Debtor) hereby certifies that:

1. On July 7, 2026, the Debtors filed the *Motion of Debtor for (I) Authorization to (A) Pay Employee Obligations, and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* (the "Motion") [Docket No. 12].

2. On July 7, 2026, the Court held a hearing on the Motion (the "First Day Hearing"). At the First Day Hearing, the Debtor presented a revised interim order that incorporated the comments of the UST.

3. On July 8, 2026, the Court entered the *Interim Order Granting Motion of the Debtor for (I) Authorization to (A) Pay Employee Obligations, (B) Continue Employee Benefit Programs; and (II) Granting Related Relief* [Docket No. 46].

4. On July 9, 2026, the Debtor filed the *Notice of Final Hearing on Motion of Debtor for (I) Authorization to (A) Pay Employee Obligations, and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* [Docket No. 58].

[1] The Debtor in this Chapter 11 Case, along with the last four digits of the Debtor's federal tax identification number, is 7312. The Debtor's mailing address is 9449 San Fernando Road, Sun Valley, CA 91352.

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5. Objections to entry of a final order granting the relief requested in the Motion were due no later than July 31, 2026 (the "Objection Deadline").

6. Attached hereto as **Exhibit A** is a form of Proposed Final Order (the "Proposed Final Order"), which the revisions incorporate comments from the UST and Committee. The Committee and the UST do not object to entry of the Proposed Final Order.

7. A redline of the Proposed Final Order is attached hereto as **Exhibit B**, showing changes from the proposed final order that was attached to the Motion.

8. The Debtor respectfully requests entry of the Proposed Final Order at the Court's convenience.

[r*emainder intentionally left blank*]

Dated: August 6, 2026

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Counsel to Debtor and Debtor in Possession

Exhibit A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corporation,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH) **Re: Docket No. 12**

FINAL ORDER GRANTING MOTION OF THE DEBTOR FOR (I) AUTHORIZATION TO (A) PAY EMPLOYEE OBLIGATIONS, (B) CONTINUE EMPLOYEE BENEFIT PROGRAMS; AND (II) GRANTING RELATED RELIEF

Upon consideration of the Motion[2] of the above-captioned debtor and debtor in possession (collectively, the "Debtor") for entry of an order (this "Final Order"): (i) authorizing, but not directing, the Debtor, on a final basis, to (a) pay prepetition wages, salaries, other compensation, and reimbursable expenses, and (b) continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and the Debtor having consented to entry of a final order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for hearing on the Motion were appropriate under the

[1]The Debtor in this Chapter 11 Case, along with the last four digits of the Debtor's federal tax identification number, is 7312. The Debtor's mailing address is 9449 San Fernando Road, Sun Valley, CA 91352.

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

circumstances and that no other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing thereon establish just cause for the relief granted herein; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.

2. The Debtor is authorized to continue and/or modify, change, and discontinue the Employee Compensation & Benefits and to implement new programs, policies, and benefits in the ordinary course of business during this Chapter 11 Case and without the need for further Court approval, subject to applicable law.

3. The Debtor is authorized to pay or honor amounts related to the Employee Compensation & Benefits programs and related incidental costs as set forth herein, *provided that* the maximum aggregate amount of all payments of prepetition amounts shall not exceed $12,322,250, according to the following categories:

Category	**Amount**
Wages	$1,295,000
Payroll Costs	$19,025
Supplemental Workforce	$4,906,000
PTO	$1,800,000
Deductions	$21,000
Employee Health Claims	$1,875,000
Health Premiums	$425,000
Retirement Plan	$374,225
Miscellaneous/Other	$1,607,000

The maximum amount for each Employee or member of the Supplemental Workforce shall be subject to the cap of $17,150 set forth in sections 507(a)(4)-(5) of the Bankruptcy Code (the "Statutory Cap"); *provided, however*, subject to the Committee's rights in paragraph 4 hereof, up to a cumulative amount of $1,607,000 (the "Cap Excess Amounts"): (i) the Debtor may pay amounts above the Statutory Cap to any applicable individual Employee or member of the Supplemental Workforce for Employee Compensation & Benefits; and (ii) the Statutory Cap will not apply to pre-petition expense reimbursement checks for documented actual and necessary business expenses advanced by the Debtor's employees for the benefit of the Debtor (the "Expense Reimbursement Checks").

4. Prior to payment of any Cap Excess Amount or Expense Reimbursement Checks, the Debtor shall confer with the Official Committee of Unsecured Creditors (the "UCC"). If the Debtor and the UCC do not reach agreement on the payment of any Cap Excess Amount or Expense Reimbursement Check(s), the UCC has a right to object (the "UCC Objection Right"), which objection shall be filed fourteen days after receiving notice of and supporting documentation for a specific Cap Excess Amount and/or Expense Reimbursement Check(s) from the Debtor (which time may be extended by agreement of the parties), and the Debtor shall have fourteen days to then respond. To the extent any checks for pre-petition amounts have already been cashed, the Debtor shall provide a list of such payments and supporting documentation to the Committee within five (5) business days after the entry of this Order and the UCC retains its UCC Objection Right for these checks.

5. Nothing herein shall be deemed to authorize the payment of any amounts to insiders that are subject to § 503(c). The Debtor will seek approval of any insider bonus or incentive programs, if any, under a separate motion under § 503(c) and nothing herein shall prejudice the Debtor's ability to seek such relief pursuant to § 503(c) at a later time or any parties in interest rights to object thereto.

6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's rights 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 Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to § 365; (f) a waiver or limitation of the Debtor's rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtor that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtor expressly reserves its rights to contest the extent, validity, or perfection, or to seek avoidance of any or all such liens.

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

8. The Debtor is authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with the relief granted herein.

9. Nothing in this Final Order or any action taken by the Debtor in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to § 365, and all of the Debtor's rights with respect to such matters are expressly reserved.

10. With respect to payment of any Employee Compensation & Benefits to Represented Employees, nothing in this Final Order shall be deemed to constitute a waiver of the Debtor's rights to modify or reject such obligations and benefits under the CBAs pursuant to § 1113. Any request in the Motion to pay or honor such obligations and benefits to Represented Employees shall not obligate or bind the Debtor to make any payments or provide any benefits to Represented Employees absent further order of this Court.

11. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity, or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

13. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Final Order are immediately effective and enforceable upon entry.

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

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

Exhibit B

Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corporation,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH)

FINAL ORDER GRANTING MOTION OF THE DEBTOR FOR (I) AUTHORIZATION TO (A) PAY EMPLOYEE OBLIGATIONS, (B) CONTINUE EMPLOYEE BENEFIT PROGRAMS; AND (II) GRANTING RELATED RELIEF

Upon consideration of the Motion[2] of the above-captioned debtor and debtor in possession (collectively, the "Debtor") for entry of an order (this "Final Order"): (i) authorizing, but not directing, the Debtor, on a final basis, to (a) pay prepetition wages, salaries, other compensation, and reimbursable expenses, and (b) continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and ~~this Court having found that it may enter~~the Debtor having consented to entry of a final order ~~consistent with Article III of the United States Constitution~~; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and

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

this Court having found that the Debtor's notice of the Motion and opportunity for hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing thereon establish just cause for the relief granted herein; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.

2. The Debtor is authorized~~, but not directed,~~ to continue and/or modify, change, and discontinue the Employee Compensation & Benefits and to implement new programs, policies, and benefits in the ordinary course of business during this Chapter 11 Case and without the need for further Court approval, subject to applicable law.

3. The Debtor is authorized~~, but not directed,~~ to pay or honor amounts related to the Employee Compensation & Benefits programs and related incidental costs as set forth herein, *provided that* the maximum aggregate amount of all payments of prepetition amounts shall ~~be~~not exceed $~~12,322,000, unless otherwise required by applicable law, including, without limitation, any PTO amounts due to an Employee upon termination or any amounts ordered by the Court via separate order.~~12,322,250, according to the following categories:

Category	**Amount**
Wages	$1,295,000
Payroll Costs	$19,025
Supplemental Workforce	$4,906,000
PTO	$1,800,000
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The maximum amount for each Employee or member of the Supplemental Workforce shall be subject to the cap of $17,150 set forth in sections 507(a)(4)-(5) of the Bankruptcy Code (the "Statutory Cap"); *provided, however*, subject to the Committee's rights in paragraph 4 hereof, up to a cumulative amount of $1,607,000 (the "Cap Excess Amounts"): (i) the Debtor may pay amounts above the Statutory Cap to any applicable individual Employee or member of the Supplemental Workforce for Employee Compensation & Benefits; and (ii) the Statutory Cap will not apply to pre-petition expense reimbursement checks for documented actual and necessary business expenses advanced by the Debtor's employees for the benefit of the Debtor (the "Expense Reimbursement Checks").

4. Prior to payment of any Cap Excess Amount or Expense Reimbursement Checks, the Debtor shall confer with the Official Committee of Unsecured Creditors (the "UCC"). If the Debtor and the UCC do not reach agreement on the payment of any Cap Excess Amount or Expense Reimbursement Check(s), the UCC has a right to object (the "UCC Objection Right"), which objection shall be filed fourteen days after receiving notice of and supporting documentation for a specific Cap Excess Amount and/or Expense Reimbursement Check(s) from the Debtor (which time may be extended by agreement of the parties), and the Debtor shall have fourteen days to then respond. To the extent any checks for pre-petition amounts have already been cashed, the Debtor shall provide a list of such payments and supporting documentation to the Committee within five (5) business days after the entry of this Order and the UCC retains its UCC Objection Right for these checks.

~~4~~5. Nothing herein shall be deemed to authorize the payment of any amounts to insiders that are subject to § 503(c). The Debtor will seek approval of any insider bonus or incentive programs, if any, under a separate motion under § 503(c) and nothing herein shall prejudice the Debtor's ability to seek such relief pursuant to § 503(c) at a later time or any parties in interest rights to object thereto.

~~5~~6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's rights 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 Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to § 365; (f) a waiver or limitation of the Debtor's rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtor that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtor expressly reserves its rights to contest the extent, validity, or perfection, or to seek avoidance of any or all such liens.

~~6~~7. The Debtor's banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtor's designation of any particular check or electronic payment request as approved by this Final Order.

~~7~~8. The Debtor is authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are

dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with the relief granted herein.

~~8~~9. Nothing in this Final Order or any action taken by the Debtor in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to § 365, and all of the Debtor's rights with respect to such matters are expressly reserved.

~~9~~10. With respect to payment of any Employee Compensation & Benefits to Represented Employees, nothing in this Final Order shall be deemed to constitute a waiver of the Debtor's rights to modify or reject such obligations and benefits under the CBAs pursuant to § 1113. Any request in the Motion to pay or honor such obligations and benefits to Represented Employees shall not obligate or bind the Debtor to make any payments or provide any benefits to Represented Employees absent further order of this Court.

~~10~~11. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity, or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

~~11~~12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

~~12~~13. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Final Order are immediately effective and enforceable upon entry.

~~13~~14. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

~~14~~15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Summary report: **Litera Compare for Word 11.4.0.111 Document comparison done on 8/6/2026 3:11:05 PM**	
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