Docket #0015 Date Filed: 1/26/2026

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

In re:	Chapter 11
SHANNON WIND, LLC,	Case No. 26-90124 (ARP)
Debtor.[1]	(Emergency Hearing Requested)

EMERGENCY MOTION OF DEBTOR FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTOR TO USE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES; AND (III) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 3:00 P.M. (PREVAILING CENTRAL TIME) ON JANUARY 28, 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 JANUARY 28, 2026, AT 3:00 P.M. (PREVAILING CENTRAL TIME) IN COURTROOM 400, 4TH FLOOR, 515 RUSK STREET, 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. 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'S HOMEPAGE.

[1] The last four digits of the Debtor's federal tax identification number are 3562. For the purpose of this chapter 11 case, the Debtor's address is 1920 McKinney Ave, Suite 950, Dallas, TX, 75201. Additional information regarding the Debtor's case can be found on the website of the Debtor's proposed claims and noticing agent at https://www.veritaglobal.net/shannon.

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SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

Shannon Wind, LLC, as debtor and debtor in possession in the above-captioned chapter 11 case (the "**Debtor**"), respectfully represents as follows in support of this motion ("**Motion**"):

PRELIMINARY STATEMENT[2]

1. By this Motion, the Debtor seeks authority, to the extent necessary and applicable, to use Cash Collateral (as defined herein) of the Prepetition Secured Parties to fund ongoing operations and expenses for the projected duration of the chapter 11 case, including costs associated with this chapter 11 case. Absent the authority to use Cash Collateral, even for a limited period of time, the Debtor will be unable to continue operating its business, which will cause immediate and irreparable harm to the Debtor and its stakeholders.

2. The foundation of this chapter 11 case is the continuation of the Debtor's prepetition strategic sale process. To support the sale process, the Debtor and Citigroup Energy Inc. ("**CEI**") as energy hedge provider and Citibank, N.A. ("**Citibank**") as first lien administrative and collateral agent and second lien collateral agent (Citibank as agent and CEI, each a "**Prepetition Secured Party**", and together, the "**Prepetition Secured Parties**") have agreed to the terms under which the Debtor can continue to use cash on hand, substantially all of which constitutes the Prepetition Secured Parties' Cash Collateral, to operate in the ordinary course of business while marketing its business to obtain the highest and best bid and the most value-maximizing outcome possible for the Debtor and its stakeholders. The use of Cash Collateral will provide the Debtor with the necessary liquidity to maintain its operations, pursue a sale of all

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration or Interim Order, as applicable.

or substantially all its assets under section 363 of the Bankruptcy Code, and seek confirmation of a chapter 11 plan that provides an orderly wind down.

BACKGROUND

3. On January 25, 2026, (the "**Petition Date**") the Debtor filed the above captioned voluntary case under chapter 11 of the Bankruptcy Code. The Debtor is authorized to continue to operate its business and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in this chapter 11 case.

4. Additional information regarding the Debtor's business and capital structure and the circumstances leading to the commencement of this chapter 11 case is set forth in the *Declaration of John Shepherd in Support of Debtor's Chapter 11 Petition and First Day Relief* (the "**First Day Declaration**")[3], filed contemporaneously herewith and incorporated herein by reference.

JURISDICTION AND VENUE

5. The Court has jurisdiction and authority to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

6. By this Motion, pursuant to sections 105, 361, 362(d), 363(c), 363(e), 503(b), and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 4001-1 of the Bankruptcy Local Rules for the Southern District of Texas, and the Procedures for Complex

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

Chapter 11 Bankruptcy Cases (the "**Complex Case Procedures**") promulgated by the United States Bankruptcy Court for the Southern District of Texas (the "**Court**"), the Debtor requests entry of an interim order, substantially in the form annexed hereto as **Exhibit A** (the "**Interim Order**"), providing, among other things:

a. authorization for the Debtor, pursuant to sections 105, 361, 362, 363, and 507 of the Bankruptcy Code to (i) use cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code ("**Cash Collateral**"), and all other Prepetition Collateral, solely in accordance with the terms of the Interim Order and material compliance with the 13-week cash disbursements and receipts budget annexed thereto (as such budget may be modified by the Debtor based on the Budget Covenant , as set forth in paragraph 2(iii)-(iv)) of the Interim Order, the "**Budget**"), and (ii) provide adequate protection to the Prepetition Secured Parties (as defined in the Interim Order);

b. subject to entry of the Final Order, authorization to grant adequate protection liens on the proceeds and property recovered in respect of the claims and causes of action arising under sections 544, 545, 547, 548, 549, and 550 of the Bankruptcy Code or any other state or federal law (collectively, the "**Avoidance Actions**");

c. subject to the entry of the Final Order, except to the extent of the Carve Out (as defined below), the waiver of all rights to surcharge any Prepetition Collateral or Adequate Protection Collateral (as defined in the Interim Order) under section 506(c) of the Bankruptcy Code;

d. subject to the entry of the Final Order, for the "equities of the case" exception under Bankruptcy Code section 552(b) to not apply to any of the Prepetition Secured Parties 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;

e. waiver of any applicable stay, including (to the extent applicable) under Bankruptcy Rule 6004, to provide for immediate effectiveness and enforceability of the Interim Order; and

f. scheduling a date for a final hearing (the "**Final Hearing**") on this Motion within 45 days of the Petition Date to consider entry of a final order granting the relief requested in this Motion on a final basis (the "**Final Order**").

SUMMARY OF TERMS OF USE OF CASH COLLATERAL

7. In accordance with Bankruptcy Rules 4001(b)–(d) and the Procedures for Complex Chapter 11 Bankruptcy Cases (the "**Complex Case Procedures**"), as incorporated by Bankruptcy Local Rule 1075-1, the below chart summarizes the significant terms of the Interim Order:

Provision and Applicable Bankruptcy Rule	Material Terms	Location
Parties asserting an Interest in Cash Collateral Fed. R. Bankr. P. 4001(b)(1)(B)(i)	Prepetition Secured Parties	Interim Order, ¶ B.
Purposes for Use of Cash Collateral Fed. R. Bankr. P. 4001(b)(1)(B)(ii)	The Debtor's use of the Cash Collateral will be to, among other things, fund the chapter 11 case and the sale process, take actions necessary to maintain its assets, pursue a going concern sale of all or substantially all of its assets, and pay overhead and other expenses necessary to maximize the value of the Debtor's estates.	Interim Order, ¶ E
Budget Provisions Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	The use of Cash Collateral must be in accordance with the Approved Budget, which is attached as **Exhibit 1** to the Interim Order, subject to permitted variances.	Interim Order, Ex. 1
Duration of Use of Cash Collateral / Termination Date Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	Until the occurrence of an Event of Default termination event.	Interim Order, ¶¶ 6-7
Termination Events Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	Events of Default include, among other things: (i) the failure of the Debtor to obtain entry of the Final Order from this Court within forty-five (45) days after the Petition Date; (ii) the failure of the Debtor to obtain entry of the Bidding Procedures Order within thirty-five (35) days after the Petition Date;	Interim Order, ¶ 6

	(iii) the failure of the Debtor to obtain entry of one or more orders approving the sale(s) of all or substantially all of the Debtor's assets on or before the date that is one hundred and twenty (120) days after the Petition Date; (iv) the failure of the Debtor to consummate any and all such sales of the Debtor's assets on or before the date that is one hundred and fifty (150) days after the Petition Date; (v) any motion or pleading is filed by the Debtor seeking a sale of substantially all or a material portion of the Debtor's assets without the prior written consent of CEI; (vi) the Debtor creates, incurs, or suffers to exist any postpetition liens or security interests having a value greater than $100,000.00 in the aggregate on the Prepetition Collateral or Adequate Protection Collateral, other than (a) those granted pursuant to this Interim Order or (b) Permitted Encumbrances; (vii) (a) any proceeding is commenced or supported by the Debtor seeking, or otherwise consenting to (I) the invalidation, subordination, or other challenge to the Prepetition Secured Obligations, the Prepetition Liens, the Adequate Protection Liens or the Adequate Protection Superpriority Claims or (II) any relief under section 506(c) of the Bankruptcy Code with respect to any Prepetition Collateral or Adequate Protection Collateral, including the Cash Collateral, or (b) the Debtor files a motion, pleading or proceeding which could reasonably be expected to result in a material impairment of the rights or interests of the Prepetition Secured Parties; (viii) the failure of the Debtor to perform or comply with any of the terms, provisions, conditions, covenants, or obligations under the Interim Order, including the Budget Covenant, subject to a five-business day cure period (if such failure is capable of being cured); and (ix) the entry of an order: (a) appointing a trustee, receiver or examiner with expanded powers, including to manage the Debtor's business, (b) dismissing the Debtor's chapter 11 case, (c) converting the Debtor's case to a case under chapter 7 of the Bankruptcy Code,	

	in each case where such order has become a final order not subject to appeal, or (d) terminating the Debtor's exclusivity period under section 1121 of the Bankruptcy Code for any reason whatsoever; or the Debtor seeking the entry of any such order without the express written consent of CEI.	
Liens, Cash Payments or Adequate Protection Provided for Use of Cash Collateral Fed. R. Bankr. P. 4001(b)(1)(B)(iv)	Adequate protection liens, adequate protection superpriority claims, and adequate protection payments in the form of prepetition and postpetition reasonable and documented fees and out-of-pocket expenses incurred by Willkie Farr & Gallagher LLP.	Interim Order, ¶ 4(i)-(iv)
Liens on Avoidance Actions Fed. R. Bankr. P. 4001(b)(1)(B)(iv)	The Interim Order does not provide for liens on avoidance actions; however, subject to entry of a Final Order, the Prepetition Secured Parties' may be granted liens on the proceeds of avoidance actions.	Interim Order, ¶ 4(i)
Carve Out Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	Pre-Trigger Carve Out: (i) All fees required to be paid to Clerk of the Court and to the Office of the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate pursuant to 31 U.S.C. § 3717; (ii) all reasonable and documented fees and expenses up to $25,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; and (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all accrued and unpaid fees, costs, and expenses 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)	Interim Order, ¶ 8

	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 Prepetition Secured Parties of a Carve Out Trigger Notice, whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice. Post Trigger Carve Out: Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $350,000 incurred after the first day following delivery by the Prepetition Secured Parties 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.	
Waiver or Modification of the Automatic Stay Fed. R. Bankr. P. 4001(b)(1)(B)(ii)	The automatic stay imposed under section 362(a) of the Bankruptcy Code is modified as necessary to effectuate all of the terms and provisions of this Interim Order.	Interim Order, ¶ 3
Section 506(c) Waiver Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	Subject to entry of a Final Order, except to the extent of the Carve Out, no costs or expenses, including any costs or expenses of administration of the chapter 11 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.	Interim Order, ¶ 14

Section 552(b)(1) Waiver Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	Subject to entry of a Final Order, 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.	Interim Order, ¶ 17
Stipulations of the Debtor Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	The Debtor, among other things, stipulates to: (i) the validity of Security Agreements; (ii) the validity of the Energy Hedge Agreement; and (iii) the validity of the Senior Secured Promissory Note.	Interim Order, ¶ B
Release, Waivers or Limitation on any Claim or Cause of Action Fed. R. Bankr. P. 4001(b)(1)(B)(iii)	The Debtor waives, discharges and releases any right it may have to challenge the Prepetition Secured Obligations and the Prepetition Liens on the Prepetition Collateral, and to assert any offsets, setoffs, recoupments, defenses, claims, equitable remedies, objections, reductions, disallowances, challenges of any kind, or causes of action against the Prepetition Secured Parties, with respect to the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Collateral.	Interim Order, ¶ B(iii)

PREPETITION INDEBTEDNESS

8. As of the Petition Date, the Debtor had outstanding obligations that are secured by the Prepetition Collateral (as defined in the Interim Order) in the principal amount of approximately $102,935,871.77 in the aggregate.

STATEMENT REGARDING SIGNIFICANT PROVISIONS

9. Rule 8 of Complex Case Procedures states that "If a motion to approve financing under 11 U.S.C. §§ 363 or 364 seeks to include any of the following terms, the motion must list all such provisions in a sperate section or chart showing the following terms and provide specific

reasons why each provision should be approved." Complex Case Procedures, ¶ 8. The Interim Order contains certain of the provisions (the "**Significant Provisions**")[4] identified under Rule 8 of the Complex Case Procedures, as set forth below.

10. The Interim Order contains sale milestones as set forth in paragraph 6(ii)-(iv). These milestones are necessary and appropriate because: (a) the Debtor operates a wind energy facility with ongoing operational costs and obligations that consume limited cash reserves; (b) a protracted sale process would exhaust the Debtor's liquidity and require DIP financing that would further encumber the estate and reduce creditor recoveries; (c) the Prepetition Secured Parties have conditioned Cash Collateral use on an expedited sale timeline; and (d) the milestones remain subject to modification by Court order or party agreement. The milestones establish a realistic, value-maximizing framework that avoids the expense and additional liens associated with DIP financing while providing sufficient time for a competitive marketing process.

DEBTOR'S IMMEDIATE NEED FOR ACCESS TO CASH COLLATERAL

11. The Debtor requires immediate access to liquidity to ensure that it is able to continue operating during this chapter 11 case, pursue its sale and chapter 11 plan confirmation process, and to preserve the going concern value of its estate for the benefit of all parties in interest. Substantially all of the Debtor's cash on hand as of the Petition Date, approximately $2,522,598.00, is subject to the liens of the Prepetition Secured Parties and thus constitutes Cash Collateral. The Debtor is hopeful that its current cash on hand, combined with the revenue generated from ongoing operations and sale proceeds or other monetization of assets, will provide

[4] Significant Provisions consist of: (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; (f) Releases of claim against lender or others; (g) Limitations on fees for advisors to official committees; (h) Priming liens; and (i) any other provision that limits the ability of estate fiduciaries to fulfill their duties under the Bankruptcy Code and applicable law.

sufficient liquidity to support the Debtor's business during this chapter 11 case, although it is not certain. Simply put, the Debtor's use of Cash Collateral pursuant to the terms of the Interim Order is the Debtor's best and only option to preserve the value of its assets while pursuing a sale process pursuant to section 363 of the Bankruptcy Code.

PREPETITION NEGOTIATIONS

12. In the days leading up to the Petition Date, the Debtor and its advisors worked closely with the Prepetition Secured Parties and their advisors to reach agreement on the Interim Order, which will govern the use and disbursement of Cash Collateral for an interim period in this Chapter 11 case. Those negotiations resulted in an agreement allowing the Debtor to use the Prepetition Secured Parties' Cash Collateral on a consensual basis, subject to certain conditions, including an agreed-upon Budget (as defined in the Interim Order), attached to the Interim Order as **Exhibit 1**.

DEBTOR'S PROPOSED USE OF CASH COLLATERAL

13. Initially, the Debtor seeks authority to use Cash Collateral until the Final Order has been entered by the Court (the "**Interim Period**"). During this Interim Period, the Debtor will fund operations and the costs of administering it estate in accordance with the Budget (as defined in the Interim Order), which is annexed to the Interim Order as **Exhibit 1** (the "**Budget**"), and in accordance with the budget provisions provided in the Interim Order. Thereafter, the Debtor will seek authority to use Cash Collateral in accordance with the Final Order, a proposed form of which will submitted to the Court before the Final Hearing on this Motion.

14. In accordance with the negotiated terms reached with the Prepetition Secured Parties, the Debtor has agreed to use Cash Collateral in accordance with the Budget and any Supplemental Budget (subject to permitted variances and in accordance with the Interim Order). The Budget includes all reasonable and foreseeable expenses to be incurred by the Debtor for the

applicable period, and is designed to provide the Debtor with adequate liquidity over such period.

15. The Budget reflects, on a line-item basis, the Debtor's (i) weekly projected cash receipts, (ii) weekly projected disbursements, and (iii) the sources and uses of cash necessary for ongoing operations on a weekly basis for the applicable period. The Debtor is required to expend Cash Collateral and proceeds thereof in accordance with the purposes, and in the time periods, set forth in the Budget, subject to permitted variances.

16. The Budget shall be in form and substance acceptable to the Prepetition Secured Parties. The Debtor will provide the Prepetition Secured Parties with an updated budget seven (7) days prior to the end of the applicable Budget Period (as defined below) for the subsequent 13-week period. The initial budget period shall end on February 27, 2026, and each subsequent budget period shall end every four (4) weeks thereafter (each, a "**Budget Period**"). CEI shall approve or reject each proposed updated budget within five (5) days after receipt of such updated budget (each such approved budget, a "**Supplemental Budget**"); *provided* that if the Debtor and CEI fail to agree on a Supplemental Budget, the Debtor shall be subject to and be governed by the terms of the initial Budget or Supplemental Budget, as applicable, then in effect in accordance with this Interim Order for such Budget Period with no approved Supplemental Budget, whereupon the Debtor's right to use Cash Collateral shall terminate following the expiration of the Budget Period for which no Supplemental Budget has been agreed, unless the Debtor and CEI agree to a Supplemental Budget prior to the expiration of such Budget Period. Once a Supplemental Budget has been approved, it shall be the "Budget" for the purposes of the Interim Order.

16. For each Budget Period, the Debtor shall provide to the Prepetition Secured Parties a budget variance report/reconciliation (the "**Budget Variance Report**") on the fifth business day following the each of each applicable Budget Period which shall set forth in reasonable detail

actual disbursements, together with a statement certifying compliance with the Budget Covenant (as defined below) set forth below. The Debtor covenants that the aggregate disbursements for any rolling four-week period shall not exceed 115% of the aggregate disbursements set forth in the applicable Budget, tested on a cumulative rolling four (4) week basis (the "**Budget Covenant**"); *provided*, *however*, that in any rolling four (4) week period that aggregate disbursements are less than the budgeted amount for such period, the amount by which the disbursements are less may be carried forward and added to the subsequent period; *provided further*, *however*, that, for the purposes of the Interim Order, aggregate disbursements shall include all disbursements made by the Debtor (including, but not limited to, any payments, expenditures or advances) other than disbursements for "CRO & Financial Advisor, or Debtor's Counsel" as set forth in the applicable Budget. For the avoidance of doubt, the Budget and Budget Variance Report shall include line items for "CRO & Financial Advisor, or Debtor's Counsel" for informational purposes only.

RELIEF REQUESTED SHOULD BE GRANTED

A. Debtor Should Be Authorized to Use Cash Collateral

17. The Debtor requires use of Cash Collateral for the continued operation of the Debtor's business and smooth entry into this chapter 11 case. Section 363(c) of the Bankruptcy Code governs a debtor's use of a secured creditor's cash collateral. Section 363(c) provides, in pertinent part, that:

> The trustee may not use, sell, or lease 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 [363].

11 U.S.C. § 363(c)(2).

18. A bankruptcy court should, whenever possible, resolve issues in ways that allow a debtor to continue its business as a going concern. *See In re Powerwave Techs. Inc*., No. 13-10134 (MFW), 2010 WL 11814289, at *4 (Bankr. D. Del. 2010) ("[A]n immediate and critical need exists for [debtors] to use Cash Collateral to continue operations and to administer and preserve the value of its estate."). "To preserve the going concern value of its operations, the Debtor must be able to pay its expenses." *In re Wythe Berry Fee Owner LLC*, 2023 Bankr. LEXIS 645, *19 (Bankr. S.D.N.Y. 2023). Accordingly, courts have recognized that "[t]he ability of the Debtors to obtain liquidity through the use of the Cash Collateral is vital to the Debtors efforts to maximize the value of their assets." *In re NexPak Corp*., 2009 Bankr. LEXIS 5025, *7 (Bankr. D. Del. 2009); *see In re Noble Int'l, Ltd*., 2009 Bankr. LEXIS 5126, *2 (Bankr. E.D. Mich. 2009) (finding the debtor "need[ed] to use cash collateral to continue their efforts to maximize value by completing their asset sales and pursuing their" chapter 11 plan of liquidation).

B. Interests of the Prepetition Secured Parties Are Adequately Protected

19. Section 363(e) of the Bankruptcy Code provides that "on request of an entity that has an interest in property . . . proposed to be used, sold or leased, by the trustee, the court, with or without a hearing, 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) provides for adequate protection of interests in property due to the imposition of the automatic stay. *See* 11 U.S.C. § 362(d)(1).

20. The Bankruptcy Code does not expressly define "adequate protection." Section 361 of the Bankruptcy Code provides a non-exhaustive list of examples of adequate protection, such as granting replacement liens and administrative claims, but courts ultimately decide what constitutes sufficient adequate protection on a case-by-case basis. *In re Energy Partners, Ltd.*, 409

B.R. 211, 236 (Bankr. S.D. Tex. 2009) (*citing In re O'Connor*, 808 F.2d 1393, 1396 (10th Cir. 1987)); *Fed. Deposit Ins. Corp. v. Mathis (In re Mathis)*, 64 B.R. 279, 284 (N.D. Tex. 1986); *see also United Sav. Ass'n of Tex. v. Timbers of Inwood Forest Associates, Ltd. (In re Timbers of Inwood Forest Associates, Ltd.)*, 793 F.2d 1380, 1397 (5th Cir. 1986), aff'd, 484 U.S. 365 (1988); *In re Martin*, 761 F.2d 472 (8th Cir. 1985).

21. To induce the Prepetition Secured Parties to permit the Debtor's use of Cash Collateral pursuant to the Interim Order, the Debtor has agreed to provide adequate protection to the Prepetition Secured Parties, including in the form of (a) Adequate Protection Liens and Adequate Protection Superpriority Claims (as defined in the Interim Order) (in each case, solely to the extent of any diminution in value of the Prepetition Collateral), (ii) payment of all reasonable fees, costs, and expenses, including reasonable attorneys' fees and out-of-pocket expenses and reasonable financial advisors' fees and out-of-pocket expenses, and (iii) and certain reporting obligations set forth in the Interim Order. In order to adequately protect the Prepetition Secured Parties against the diminution of value of their collateral, the Prepetition Secured Parties demanded, as a condition to permitting the use of Cash Collateral, that the Adequate Protection Liens (as defined in the Interim Order) include replacement liens on encumbered property and unencumbered Property. The Debtor believes that such demand is reasonable in light of the fact that through the use of cash, there will almost certainly be diminution in value, and the only way to provide the Prepetition Secured Parties adequate protection is through granting a replacement lien on unencumbered property.

22. The Debtor believes that the proposed adequate protection package is necessary and sufficient for the Debtor to continue to use Cash Collateral. Accordingly, 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 Debtor and its estate.

C. Carve Out is Appropriate

23. In consenting to the use of Cash Collateral, the Prepetition Secured Parties have agreed that the Adequate Protection Liens and the Adequate Protection Superpriority Claims (as defined in the Interim Order) shall be subject and subordinate to certain fees and expenses, including (a) fees owing to the Clerk of the Court and the U.S. Trustee incurred in connection with the Debtor's case; (b) all reasonable fees and expenses up to $25,000 incurred by a trustee appointed in the Debtor's cases under section 726(b) of the Bankruptcy Code; (c) professional fees and expenses incurred on and after the Petition Date and before the occurrence of a Carve-Out Trigger Date; and (d) Professional Fees and Expenses incurred after the occurrence of a Carve-Out Trigger Date, in an amount not to exceed $350,000 (collectively, the "**Carve-Out**"). *See* Interim Order, ¶ 5(b).

24. The Carve-Out is similar to other similar arrangements made for professional fees that have been found to be reasonable and necessary to ensure that a debtor's estate and any statutory committee can retain assistance from counsel. *See In re Ames Dep't Stores Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990); *see also In re Las Torres Dev., L.L.C.*, 413 B.R. at 694 (noting that a carve out "is often incorporated into a cash collateral order agreed to by the debtor and the secured lender"); *In re Lil' Things, Inc.,* 243 B.R. 278, 280 (N.D. Tex. 2000) (referencing bankruptcy court order acknowledging that carve outs for attorneys' fees are "a normal and enforceable provision in a cash collateral stipulation").

25. Without the Carve-Out, the Debtor's estate and other parties in interest may be deprived of possible rights and powers because all of the Debtor's assets would be subject to prior

security interests. *See In re Ames Dep't Stores Inc.*, 115 B.R. at 38 (observing that courts insist on carve outs for professionals representing parties in interest because "[a]bsent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced"). The Carve-Out also protects against the possibility of administrative insolvency by ensuring that assets remain available for the payment of statutory and professional fees.

D. Automatic Stay Should Be Modified to a Limited Extent

26. The relief requested herein contemplates a modification of the automatic stay, after notice and a hearing, to permit the Debtor and the Prepetition Secured Parties to perform the transactions and actions contemplated or permitted by the Final Order.

27. Here, the stay relief provisions are a reasonable exercise of the Debtor's business judgment, are appropriate under the present circumstances, and, accordingly, should be approved.

E. Interim Relief Should Be Granted

28. Bankruptcy Rule 4001(b) provides that a final hearing on a motion to use cash collateral may not be commenced earlier than fourteen days after the service of such motion. Upon request, however, the Court is authorized to conduct a preliminary expedited hearing on the motion and authorize the use of cash collateral where, as here, interim relief is "necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(b)(2). Furthermore, the Complex Case Procedures provide that "[o]n motion by the debtors, a hearing (the "Initial Financing Hearing") will routinely be conducted as a first-day hearing to consider . . . cash collateral use[.]" Complex Case Procedures, ¶ C.5.

29. In evaluating requests for interim relief, courts generally apply the same business judgment standard applicable to other business decisions. *See, e.g.*, *In re Ames Dep't Stores, Inc.*,

115 B.R. at 40. Courts in this district routinely authorize debtors to use cash collateral on an interim basis to prevent immediate and irreparable harm to their estates.

30. Here, the Debtor and its estate will suffer immediate and irreparable harm if the relief requested herein is not granted on an interim basis. The Debtor has insufficient cash to fund its operations and administer this case without access to Cash Collateral during the Interim Period. Accordingly, the Court should grant the relief requested herein on an interim basis.

F. Court Should Schedule a Final Hearing

31. Pursuant to Bankruptcy Rule 4001(b)(2), the Debtor requests that the Court set a date for consideration of entry of the Final Order no later than 45 days after the Petition Date. As set forth in the Interim Order, if the Final Order is not entered within 45 days of the Petition Date, the Prepetition Secured Parties will have the right to terminate the Debtor's use of Cash Collateral, which will result in irreparable harm for the Debtor and its stakeholders as set forth above. The Debtor requests that it be authorized to serve a copy of the signed Interim Order, which fixes the time and date for the filing of any objections by first class mail upon the notice parties listed below. The Debtor further requests that the Court consider such notice of the Final Hearing to be sufficient notice under Bankruptcy Rule 4001(b)(2).

EMERGENCY CONSIDERATION

32. Pursuant to Bankruptcy Local Rule 9013-1, the Debtor respectfully requests emergency consideration of this Motion under Bankruptcy Rule 6003, which provides that the Court may grant relief within the first 21 days after the Petition Date to the extent such relief is necessary to avoid immediate and irreparable harm. As described herein and in the First Day Declaration, the relief requested is essential to avoid the immediate and irreparable harm that would be caused by the Debtor's inability to transition smoothly into chapter 11. Accordingly, the

Debtor submits that the requirements of Bankruptcy Rule 6003 are satisfied.

REQUEST FOR BANKRUPTCY RULE 6004 WAIVERS

33. To implement the foregoing successfully, the Debtor requests that the Court find that notice of the Motion is adequate under Bankruptcy Rule 6004(a) and waive the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor. Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

RESERVATION OF RIGHTS

34. Nothing contained herein is intended to be or shall be deemed, as applicable, as (i) an implication or admission as to the validity of any claim against the Debtor, (ii) a waiver or limitation of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of, any claim, (iii) a waiver or limitation of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) a waiver of the obligation of any party in interest to file a proof of claim, (v) an agreement or obligation to pay any claims, (vi) a waiver of any claims or causes of action that may exist against any creditor or interest holder, or (vii) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be, and should not be construed as, an admission as to the validity of any claim or a waiver of the Debtor's or any other party in interest's rights to dispute such claim subsequently.

NOTICE

35. Notice of this Motion has been or will be provided to: (a) counsel for the U.S. Trustee; (b) counsel for the United States District Attorney's Office for the Southern District of Texas; (c) those creditors holding the twenty largest unsecured claims against the Debtor's estate; (d) Claimant Firms[5]; (e) counsel to Citigroup Energy Inc. and Citibank, N.A., Attn: Jennifer Hardy (JHardy2@willkie.com); (f) Lotus Infrastructure Partners; (g) Berkshire Hathaway Energy; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE the Debtor respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

[5] As defined in the *Debtor's Emergency Motion for an Order (I) Approving Notice Procedures for Litigation Claimants; and (II) Approving Form and Notice of Commencement of this Case* filed contemporaneously with this motion.

Dated: January 26, 2026
Houston, Texas

/s/ Jarrod B. Martin

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Proposed Counsel to the Debtor and Debtor in Possession

CERTIFICATE OF ACCURACY

In accordance with Local Rule 9013-1(i), I hereby certify that the foregoing statements regarding the nature of the emergency with respect to the Debtor is true and accurate to the best of my knowledge.

/s/ *Jarrod B. Martin*
Jarrod B. Martin

CERTIFICATE OF SERVICE

I hereby certify that on January 26, 2026, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Jarrod B. Martin
Jarrod B. Martin

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

In re	Chapter 11
SHANNON WIND, LLC,	Case No. 26-90124 (ARP)
Debtor.	

INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**")[1] of the above-captioned debtor and debtor in possession (the "**Debtor**") in this chapter 11 case (the "**Chapter 11 Case**") for entry of an interim order (this "**Interim Order**") and a final order (the "**Final Order**"), pursuant to sections 105(a), 361, 362, 363, 503 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, 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, 4002-1, and 9013-1 of the Bankruptcy Local Rules (the "**Local Rules**") for the United States Bankruptcy Court for the Southern District of Texas (this "**Court**") and the Procedures for Complex Cases in the Southern District of Texas:

(a) authorizing the Debtor to continue to use Cash Collateral (as defined below) in which the Prepetition Secured Parties (as defined below) have an interest in accordance with the terms and conditions of this Interim Order, and the granting of adequate protection to the Prepetition Secured Parties with respect to, *inter alia*, such use of its Cash Collateral;

[1] Capitalized terms not defined herein are used as defined in the Motion.

(b) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent set forth herein;

(c) scheduling, pursuant to Bankruptcy Rule 4001(b) and Local Rule 4001-1(c), a final hearing (the "**Final Hearing**") to consider entry of the Final Order approving the relief granted herein on a final basis;

(d) waiving any applicable stay with respect to the effectiveness and enforceability of this Interim Order and, as later applicable, the Final Order (including a waiver pursuant to Bankruptcy Rule 6004(h)); and

(e) granting related relief;

and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Order of Reference to Bankruptcy Judges* from the United States District Court for the Southern District of Texas, entered May 24, 2012; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b); and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard statements in support of the relief requested therein at a hearing before this Court (the "**Interim Hearing**"); and the relief requested in the Motion being in the best interests of the Debtor's estate, its creditors and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:[2]

A. Disposition. The relief requested in the Motion is granted on an interim basis in accordance with the terms of, and to the extent set forth in, this Interim Order. Any and all

[2] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived or resolved, and all reservations of rights, are hereby denied and overruled on the merits, except as may be set forth herein. This Interim Order shall become effective immediately upon its entry.

B. Debtor's Stipulations. In requesting use of Cash Collateral, and in exchange for and as a material inducement to the Prepetition Secured Parties' agreement to permit consensual use of Cash Collateral, the Debtor acknowledges, represents, stipulates, and agrees, subject to the challenge rights set forth in Paragraphs 9–11 of this Interim Order, as follows (Paragraphs B(i) through B(xi) are collectively defined as the "**Debtor's Stipulations**"):

(i) Security Agreements

(a) On June 29, 2015, the Debtor as grantor, and Citibank, N.A. ("**Citibank**") as first lien collateral agent (the "**Collateral Agent**"), entered into that certain First Lien Security Agreement (the "**First Lien Security Agreement**"). Pursuant to the First Lien Security Agreement, the Debtor granted to Citibank, a security interest in all "Collateral" as defined in the First Lien Security Agreement (the "**Prepetition Collateral**").

(b) On June 29, 2015, the Debtor's non-debtor parent, Shannon Wind Holdings, LLC ("**Holdings**"), as pledgor, and the Collateral Agent entered into that certain First Lien Pledge and Security Agreement (the "**First Lien Pledge and Security Agreement**"). Pursuant to the First Lien Pledge and Security Agreement, Holdings, as pledgor, granted the Collateral Agent a security interest in the equity of the Debtor.

(c) On June 29, 2015, the Debtor as borrower, Holdings as grantor, Citigroup Energy Inc. ("**CEI**") as energy hedge provider, and Citibank as first lien administrative and collateral agent and second lien collateral agent (Citibank as agent and CEI, each a

"**Prepetition Secured Party**", and together, the "**Prepetition Secured Parties**") entered into that certain Collateral Agency and Intercreditor Agreement (the "**Intercreditor Agreement**," together with the First Lien Security Agreement and the First Lien Pledge and Security Agreement, each as amended, the "**Collateral Agreements**") formalizing the allocation of lien priorities among secured parties with respect to the Collateral (as such term is defined in the Intercreditor Agreement). The Intercreditor Agreement provides that the obligations of the Debtor in respect of the Energy Hedge Documents (as defined in the Intercreditor Agreement) will be secured (a) at all times prior to the Discharge of Construction Period Obligations (as defined in the Intercreditor Agreement), on a second-priority basis by liens on the Collateral and (b) upon and after the Discharge of Construction Period Obligations, on a first-priority basis by liens on the Collateral. The Discharge of Construction Period Obligations occurred on December 14, 2015.

(ii) Energy Hedge Agreement and REC ISDA

(a) On June 29, 2015, the Debtor entered into two ISDA 2002 Master Agreements with CEI: (i) that certain ISDA 2002 Master Agreement, the Schedule thereto, the Power Confirmation, and the Annexes, including all schedules, confirmations, annexes, and exhibits thereto (collectively, and as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Energy Hedge Agreement**") with CEI, as the energy hedge provider; and (ii) that certain ISDA 2002 Master Agreement, the Schedule thereto, the REC and Capacity Confirmation, and the Annexes, including all schedules, confirmations, annexes, and exhibits thereto (collectively, and as amended, amended and restated, supplemented or otherwise modified from time to time, the "**REC ISDA**") with CEI, as renewable energy credit and capacity purchaser.

(b) During the course of Winter Storm Uri in February 2021, the Debtor failed to perform its contractual obligations under the Energy Hedge Agreement; on March 25, 2021, following the non-payment of a $39,486,641.34 invoice relating to such defaults, the Energy Hedge Provider issued a Notice of the Occurrence of an Event of Default, notifying the Debtor that its failure to pay constitutes an Event of Default under the Energy Hedge Agreement, which Event of Default is continuing as of the date hereof. As of September 19, 2025, $32,186,565.07 in liquidated damages remained due and outstanding to the Energy Hedge Provider pursuant to the terms of the Energy Hedge Agreement, not including outstanding fees and expenses, including advisory fees.

(c) CEI provided to the Debtor a Notice of the Occurrence of an Event of Default and Termination Event under the Energy Hedge Agreement on September 16, 2025, designating September 17, 2025 as the "Early Termination Date" for all transactions among CEI and the Debtor under the Energy Hedge Agreement.

(d) The total outstanding amount under the Energy Hedge Agreement, including the early termination amount, liquidated damages arising from Winter Storm Uri, and tracking account obligations thereunder, is no less than $102,935,871.77, not including interest accruing after September 19, 2025 with respect thereto and any additional fees, costs, and expenses (including advisory fees) owing under or in connection therewith (collectively, the "**Energy Hedge Agreement Obligations**").

(e) On September 29, 2025, CEI notified the Debtor of the occurrence of an event of default and termination event under the REC ISDA. While such notice was sent, CEI has not as of this date declared an early termination date under the REC ISDA, so amounts that may be owing under the REC ISDA are not determined as of the date hereof.

(iii) Senior Secured Promissory Note

(a) On November 5, 2025, the Debtor entered into a Senior Secured Promissory Note (the "**Senior Secured Promissory Note**", together with the Energy Hedge Agreement and the Collateral Agreements, the "**Credit Documents**") with CEI.

(b) In conjunction with the Senior Secured Promissory Note, on November 5, 2025, the Debtor as borrower, Holdings as grantor, CEI as energy hedge provider, and Citibank as first lien administrative and collateral agent entered into that certain Amendment No. 1 to Intercreditor Agreement granting first lien security status to the Senior Secured Promissory Note.

(c) As of the Petition Date, the total principal outstanding under the Senior Secured Promissory Note is no less than $5,000,000.00 plus any accrued and unpaid interest with respect thereto and any additional fees, costs, and expenses owing under or in connection therewith (the "**Senior Secured Promissory Note Obligations**", and together with the Energy Hedge Agreement Obligations, the "**Prepetition Secured Obligations**").

(iv) all of the Prepetition Secured Obligations constitute legal, valid, binding and unconditional obligations of the Debtor to the Prepetition Secured Parties, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code);

(v) no portion of the Prepetition Secured Obligations or any payments made to the Prepetition Secured Parties or applied to or paid on account of the Prepetition Secured Obligations prior to the Petition Date is subject to any contest, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), recovery, reduction, attachment, recoupment, disallowance, impairment, rejection, attack, effect, counterclaim, cross-claim, setoff,

offset, defense, equitable remedy or any other claim (as defined in the Bankruptcy Code) of any kind, cause of action or any other challenge of any kind or nature under the Bankruptcy Code or any other applicable law or regulation or otherwise and the Debtor do not possess, and shall not assert, any claim, counterclaim, setoff or defense of any kind, nature or description that would in any way affect the validity, enforceability and non-avoidability of any Prepetition Secured Obligations;

(vi) the Debtor granted to the Prepetition Secured Parties continuing, legal, valid, binding, properly perfected, enforceable, non-avoidable first priority liens on and security interests in (the "**Prepetition Liens**") all of the Prepetition Collateral, which Prepetition Liens (a) secure all of the Prepetition Secured Obligations; (b) are not subject to any contest, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), recovery, reduction, attachment, recoupment, disallowance, impairment, rejection, attack, effect, counterclaim, cross-claim, setoff, offset, challenge, defense, equitable remedy or any other claim (as defined in the Bankruptcy Code) of any kind, cause of action or any other challenge of any kind or nature under the Bankruptcy Code or any other applicable law or regulation or otherwise; and (c) are and remain senior in priority over any and all other liens on and security interests in the Prepetition Collateral, subject only to valid, perfected and unavoidable liens on or security interests in the Prepetition Collateral that are senior to or *pari passu* with the Prepetition Liens as permitted under the Credit Documents (a "**Permitted Encumbrance**");

(vii) the Prepetition Secured Parties duly perfected the Prepetition Liens in the Prepetition Collateral by, among other things, filing financing statements and leasehold and easement deeds of trust, assignments of rents, and, where necessary, possessing the relevant instruments, certificates, or other property;

(viii) the Debtor waives, discharges and releases any right it may have to challenge the Prepetition Secured Obligations and the Prepetition Liens on the Prepetition Collateral, and to assert any offsets, setoffs, recoupments, defenses, claims, equitable remedies, objections, reductions, disallowances, challenges of any kind, or causes of action against the Prepetition Secured Parties, with respect to the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Collateral;

(ix) any payments made on account of the Prepetition Secured Obligations before the Petition Date were (a) payments out of the Prepetition Collateral, and/or (b) made in the ordinary course of business and did not diminish any property otherwise available for distribution in these Chapter 11 Cases, including to unsecured creditors;

(x) all of the Debtor's cash as of the Petition Date, wherever located, including cash held in deposit accounts, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral (as defined below) and is Prepetition Collateral of the Prepetition Secured Parties;

(xi) the Debtor admits, stipulates, acknowledges and agrees that the Prepetition Secured Parties have the unqualified right to credit bid pursuant to section 363(k) of the Bankruptcy Code the full amount (or any portion) of the Prepetition Secured Obligations;

(xii) the Prepetition Secured Parties are entitled, pursuant to sections 361, 362(c)(2), 363(e) and 507 of the Bankruptcy Code, to adequate protection of their respective interests in the Prepetition Collateral, including the Cash Collateral, to the extent of any diminution in the value of the Prepetition Collateral occurring from and after the Petition Date, in exchange for, and as a result of, (a) the use of Cash Collateral and Prepetition Collateral, and (b) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code.

C. Cash Collateral. For purposes of this Interim Order, the term "**Cash Collateral**" shall mean and include all "cash collateral," as defined in section 363(a) of the Bankruptcy Code, in or on which the Prepetition Secured Parties have a lien, security interest or other interest.

D. Findings Regarding the Prepetition Secured Parties' Consent to Use of Cash Collateral. The Prepetition Secured Parties have consented to the adequate protection provided for in this Interim Order; *provided*, *however*, that the consent of the Prepetition Secured Parties, the use of the Prepetition Collateral (including Cash Collateral), and the sufficiency of the respective adequate protection provided for herein are expressly conditioned upon the entry of this Interim Order.

E. Necessity of Relief Requested. The Debtor's ability to maintain its property and administer the Chapter 11 Case requires continued use of Cash Collateral. Absent use of Cash Collateral, continued management of the Debtor's affairs would not be possible, and immediate and irreparable harm to the Debtor, the estate and its creditors would occur. The Debtor does not have sufficient available sources of funding to administer the Chapter 11 Case or to maintain its property without the use of Cash Collateral. The relief requested in the Motion and entry of this Interim Order is therefore in the best interests of the Debtor and the estate and necessary to maximize the value of the Debtor's estate.

F. Good Cause Shown. The Debtor has requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). Absent entry of this Interim Order, the Debtor's estate will be immediately and irreparably harmed. The Court concludes that good cause has been shown and entry of this Interim Order is in the best interests of the Debtor's estate and creditors as its implementation will, among other things, allow for the Debtor to maintain its assets and satisfy administrative obligations in this Chapter 11 Case.

G. Notice. In accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and 9014, and Local Rule 2002-1, notice of the Interim Hearing and the relief requested in the Motion has been provided by the Debtor. Under the circumstances, the notice given by the Debtor of the Motion, the relief requested herein, and the Interim Hearing complies with the applicable Bankruptcy Rules and Local Rules.

Based on the foregoing, the Motion, the First Day Declaration, and the record made before the Court at the Interim Hearing, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Motion Granted. The Motion is GRANTED, and the Debtor's use of Cash Collateral and other Prepetition Collateral on an interim basis is authorized, subject to the terms and conditions of this Interim Order.

2. Authorization.

(i) Specified Period. Subject to the terms and conditions of this Interim Order, the Debtor is authorized to use Cash Collateral in accordance with the Budget (as defined below) for the period (the "**Specified Period**") from the Petition Date through the date which is the earliest to occur of (a) the expiration of the Remedies Notice Period (as defined below) and (b) the date that is thirty-five (35) days after the Petition Date if the Court has not entered the Final Order on or before such date (unless such date is extended with the written consent of the Prepetition Secured Parties).

(ii) Use of Cash Collateral. Subject to the provisions of this Interim Order, and in accordance with the Budget, Cash Collateral may be used during the Specified Period by the Debtor to: (a) finance its working capital needs and for any other general corporate purposes; and (b) pay related transaction costs, fees, liabilities and expenses (including all professional fees and

expenses) and other administration costs incurred in connection with and for the benefit of this Chapter 11 Case. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtor or its estate outside the ordinary course of business, or the Debtor's use of any Cash Collateral or proceeds resulting therefrom, except as permitted in this Interim Order and in accordance with the Budget.

(iii) Budget. The Debtor and the Prepetition Secured Parties have agreed to an initial budget attached hereto as **Exhibit 1**, including a 13-week cash-flow forecast setting forth all projected cash receipts and cash disbursements on a weekly basis (the "**Budget**"). The Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral, and the Debtor shall have no authority to use Cash Collateral, hereunder other than in accordance with the Budget, subject to the Budget Covenant (as defined below) and as set forth in this Interim Order.

(iv) Budget Covenant. The initial budget shall be in form and substance acceptable to the Prepetition Secured Parties. The Debtor will provide the Prepetition Secured Parties with an updated budget seven (7) days prior to the end of the applicable Budget Period (as defined below) for the subsequent 13-week period. The initial budget period shall end on February 27, 2026, and each subsequent budget period shall end every four (4) weeks thereafter (each, a "**Budget Period**"). CEI shall approve or reject each proposed updated budget within five (5) days after receipt of such updated budget (each such approved budget, a "**Supplemental Budget**"); *provided* that if the Debtor and CEI fail to agree on a Supplemental Budget, the Debtor shall be subject to and be governed by the terms of the initial Budget or Supplemental Budget, as applicable, then in effect in accordance with this Interim Order for such Budget Period with no approved Supplemental Budget, whereupon the Debtor's right to use Cash Collateral shall terminate following the expiration of the Budget Period for which no Supplemental Budget has

been agreed, unless the Debtor and CEI agree to a Supplemental Budget prior to the expiration of such Budget Period. Once a Supplemental Budget has been approved, it shall be the "Budget" for the purposes of this Interim Order. For each Budget Period, the Debtor shall provide to the Prepetition Secured Parties a budget variance report/reconciliation (the "**Budget Variance Report**") on the fifth business day following the end of each applicable Budget Period which shall set forth in reasonable detail actual disbursements, together with a statement certifying compliance with the Budget Covenant (as defined below) set forth below. The Debtor covenants that the aggregate disbursements for any rolling four-week period shall not exceed 115% of the aggregate disbursements set forth in the applicable Budget, tested on a cumulative rolling four (4) week basis (the "**Budget Covenant**"); *provided*, *however*, that in any rolling four (4) week period that aggregate disbursements are less than the budgeted amount for such period, the amount by which the disbursements are less may be carried forward and added to the subsequent period; *provided further*, *however*, that, for the purposes of this Interim Order, aggregate disbursements shall include all disbursements made by the Debtor (including, but not limited to, any payments, expenditures or advances) other than disbursements for "CRO & Financial Advisor, or Debtor's Counsel" as set forth in the applicable Budget. For the avoidance of doubt, the Budget and Budget Variance Report shall include line items for "CRO & Financial Advisor, or Debtor's Counsel" for informational purposes only.

3. Modification of Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is modified as necessary to effectuate the terms and provisions of this Interim Order.

4. Adequate Protection of Prepetition Secured Parties. Pursuant to sections 361, 362, 363(c)(2), 363(e), and 507 of the Bankruptcy Code, the Prepetition Secured Parties are entitled to

adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in the value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral) from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code (such diminution in value, the "**Adequate Protection Amount**"); *provided that* the avoidance of the Prepetition Secured Parties' interests in Prepetition Collateral shall not constitute diminution in the value of such Prepetition Secured Parties' interests in Prepetition Collateral. As adequate protection for the Adequate Protection Amount, and solely to the extent of same, the Prepetition Secured Parties are hereby granted the following:

(i) *Adequate Protection Liens*. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection against any diminution in value of the Prepetition Collateral, including Cash Collateral, effective as of the Petition Date and perfected without the need for execution by the Debtor or the recordation or other filing by the Prepetition Secured Parties of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the Prepetition Secured Parties of any Adequate Protection Collateral (as defined below), the Prepetition Secured Parties, solely to the extent of any diminution in value of the Prepetition Collateral, as security for the payment of the Adequate Protection Amount, valid, binding, continuing, enforceable, fully perfected, first priority senior replacement liens on and security interests in (collectively, the "**Adequate Protection Liens**") any and all tangible and intangible pre- and postpetition property of the Debtor, whether existing before, on or after the Petition Date, together with any proceeds, products, rents and profits of the foregoing, whether arising under section 552(b) of the Bankruptcy Code or otherwise, of all the foregoing (collectively, the "**Adequate Protection Collateral**"),

provided, *that* "Adequate Protection Collateral" shall include proceeds of any claims or causes of action of the Debtor arising under sections 502(d), 542, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law avoidance actions under chapter 5 of the Bankruptcy Code upon entry of a Final Order.

(ii) The Adequate Protection Liens shall be junior only to the Carve-Out (defined below) and any Permitted Encumbrance. The Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the Adequate Protection Collateral. The Adequate Protection Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code. The Adequate Protection Liens shall be enforceable against and binding upon the Debtor, the estate and any successors thereto, including, without limitation, any trustee or other estate representative appointed in the Debtor's Chapter 11 Case, or any case under chapter 7 of the Bankruptcy Code upon the conversion of the Chapter 11 Case, or in any other proceedings superseding or related to any of the foregoing (each, a "**Successor Case**").

(iii) *Adequate Protection Superpriority Claims*. The Adequate Protection Amount due to the Prepetition Secured Parties shall constitute allowed superpriority administrative expense claims against the Debtor in the amount of any diminution in value of the Prepetition Collateral, including Cash Collateral, as provided in section 507(b) of the Bankruptcy Code, with priority in payment over any and all unsecured claims and administrative expense claims against the Debtor, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 552(b), 726, 1113, 1114 and any other provision of the Bankruptcy Code, and shall at all times be

senior to the rights of the Debtor and any successor trustee or creditor in this Chapter 11 Case or any Successor Case (the "**Adequate Protection Superpriority Claims**"); *provided*, *however*, such Adequate Protection Superpriority Claims shall be subordinate only to amounts due under the Carve-Out.

(iv) *Prepetition Secured Parties' Fees and Expenses*. The Debtor is hereby authorized and directed to pay the Prepetition Secured Parties' fees and expenses under the Credit Documents, including, but not limited to, the reasonable and documented prepetition and postpetition fees and disbursements of legal counsel, Willkie Farr & Gallagher LLP, in accordance with this Interim Order. The invoices for such fees and expenses shall be provided to the Debtor, counsel for any official committee appointed in this Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code (a "**Creditors' Committee**") and the office of the United States Trustee (the "**U.S. Trustee**," and together with the Debtor and Creditors' Committee, the "**Fee Notice Parties**"). The invoices for such fees and expenses shall not be required to comply with any U.S. Trustee guidelines related to the payment of fees and expenses of retained estate professionals, may be in summary form only, and shall not be subject to application or allowance by the Court. If no objections to payment of the requested fees and expenses are made, in writing, by any of the Fee Notice Parties within ten (10) days of receiving the invoice (the "**Fee Objection Period**"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtor, and in no event later than three (3) business days after expiration of the Fee Objection Period, unless the Prepetition Secured Parties provide written notice electing to defer such payment, in which case payment shall be made at such time as the Prepetition Secured Parties may direct. If an objection is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, then only

the disputed portion of such fees and expenses shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court, and the undisputed portion shall be promptly paid by the Debtor.

5. Perfection of Adequate Protection Liens.

(i) The Prepetition Secured Parties are hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, patent filings, mortgages, deeds of trust, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, or take any other action in order to validate and perfect the Adequate Protection Liens. Whether or not the Prepetition Secured Parties shall, in their sole discretion, choose to file such financing statements, trademark filings, copyright filings, patent filings, mortgages, deeds of trust, notices of lien or similar instruments, or take possession of or control over any cash, securities or any other property of the Debtor, or take any action that otherwise may be required under federal, state or local law in any jurisdiction to validate and perfect a security interest or lien, in any such case, the Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination (subject to the priorities set forth in this Interim Order), at the time and on the date of entry of this Interim Order or thereafter. Upon the reasonable request of the Prepetition Secured Parties, the Prepetition Secured Parties and the Debtor, without any further consent of any party, are authorized to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the Prepetition Secured Parties to further validate, perfect, preserve and enforce the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(ii) A certified copy of this Interim Order (or the notice of the filing hereof) may, in the discretion of the Prepetition Secured Parties, be filed with or recorded in filing or recording offices in addition to or *in lieu* of such financing statements, mortgages, deeds of trust, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Interim Order or notice for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the Prepetition Secured Parties to take all actions, as applicable, referenced in this Paragraph 5(i) and Paragraph 5(ii) of this Interim Order.

6. Event of Default. The occurrence and continuance of any of the following events, unless waived or modified in writing by the Prepetition Secured Parties, shall constitute an event of default (collectively, the "**Events of Default**"):

(i) the failure of the Debtor to obtain entry of the Final Order from this Court within forty-five (45) days after the Petition Date;

(ii) the failure of the Debtor to obtain entry of the Order (I) Authorizing and Approving Bidding Procedures, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Certain Executory Contracts and Leases and (V) Granting Related Relief (the "**Bidding Procedures Order**") within thirty-five (35) days after the Petition Date;

(iii) the failure of the Debtor to obtain entry of one or more orders approving the sale(s) of all or substantially all of the Debtor's assets on or before the date that is one hundred and twenty (120) days after the Petition Date;

(iv) the failure of the Debtor to consummate any and all such sales of the Debtor's assets on or before the date that is one hundred and fifty (150) days after the Petition Date;

(v) any motion or pleading is filed by the Debtor seeking a sale of substantially all or a material portion of the Debtor's assets without the prior written consent of CEI;

(vi) the Debtor creates, incurs, or suffers to exist any postpetition liens or security interests having a value greater than $100,000.00 in the aggregate on the Prepetition Collateral or Adequate Protection Collateral, other than (a) those granted pursuant to this Interim Order or (b) Permitted Encumbrances;

(vii) (a) any proceeding is commenced or supported by the Debtor seeking, or otherwise consenting to (I) the invalidation, subordination, or other challenge to the Prepetition Secured Obligations, the Prepetition Liens, the Adequate Protection Liens or the Adequate Protection Superpriority Claims or (II) any relief under section 506(c) of the Bankruptcy Code with respect to any Prepetition Collateral or Adequate Protection Collateral, including the Cash Collateral, or (b) the Debtor files a motion, pleading or proceeding which could reasonably be expected to result in a material impairment of the rights or interests of the Prepetition Secured Parties;

(viii) the failure of the Debtor to perform or comply with any of the terms, provisions, conditions, covenants, or obligations under this Interim Order, including the Budget Covenant, subject to a five-business day cure period (if such failure is capable of being cured); and

(ix) the entry of an order: (a) appointing a trustee, receiver or examiner with expanded powers, including to manage the Debtor's business, (b) dismissing the Debtor's chapter 11 case, (c) converting the Debtor's case to a case under chapter 7 of the Bankruptcy Code, in each

case where such order has become a final order not subject to appeal, or (d) terminating the Debtor's exclusivity period under section 1121 of the Bankruptcy Code for any reason whatsoever; or the Debtor seeking the entry of any such order without the express written consent of CEI.

7. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and during the continuation of an Event of Default, notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application, motion, or notice to, hearing before, or order from this Court, but subject to the terms of this Interim Order, including, without limitation, the funding of the Carve-Out and the Remedies Notice Period (as defined herein), the Prepetition Secured Parties may declare (the "**Termination Declaration**," and the date of such Termination Declaration, the "**Termination Declaration Date**"), (A) all Prepetition Secured Obligations (and applicable Adequate Protection Superpriority Claims) to be immediately due and payable, (B) that the application of the Carve-Out has occurred through delivery of the Carve Out Trigger Notice (as defined below), and (C) a termination, reduction, or restriction on the ability of the Debtor to use Postpetition Collateral, including, without limitation, Cash Collateral (except as otherwise provided in this Interim Order). Any Termination Declaration shall not be effective until notice has been provided by electronic mail (or other electronic means) to counsel to the Debtor, counsel to any Creditors' Committee and the U.S. Trustee. The Prepetition Secured Parties shall be entitled to file a motion with the Court seeking emergency relief from the automatic stay (the "**Stay Relief Motion**") on at least five (5) business days' written notice to counsel to the Debtor, the U.S. Trustee, and counsel to the Creditors' Committee (if appointed) (such five business day period, the "**Remedies Notice Period**"); *provided, however,* that during the Remedies Notice Period, the Debtor and/or a Creditors' Committee (if appointed) shall be entitled to seek an emergency hearing from the Court regarding any Termination Declaration, a request for use of Cash Collateral, or any

other similar relief. At the hearing on the Stay Relief Motion or any relief sought by Debtor and/or a Creditors' Committee (if appointed), the Court may fashion an appropriate remedy.

8. Carve-Out. The Prepetition Secured Obligations, the Prepetition Liens, the Adequate Protection Superpriority Claims, and the Adequate Protection Liens shall, in all instances, be subject and subordinate to prior payment of the Carve-Out. As used in this Interim Order, the "**Carve-Out**" means the sum of: (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States 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 fees and expenses up to $25,000 in the aggregate 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 by this Court, all unpaid fees and expenses (the "**Allowed Professional Fees**") incurred by persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "**Debtor Professionals**") and any Creditors' Committee appointed in these Chapter 11 Cases (the "**Committee Professionals**," and together with the Debtor Professionals, the "**Professionals**") at any time on or before one business day following delivery by the Prepetition Secured Parties of a Carve-Out Trigger Notice (defined below), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice; and (iv) Allowed Professional Fees of Professionals in an aggregate amount not to exceed $350,000 incurred after delivery by the Prepetition Secured Parties of the Carve-Out Trigger Notice, to the extent allowed by this Court (the amounts set forth in this clause (iv) being the "**Post Carve-Out Trigger Notice Cap**"). For purposes of this Interim Order, "**Carve-Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the Prepetition Secured Parties to counsel to the Debtor, the U.S. Trustee, and counsel to the Creditors' Committee (if any), which notice may be delivered

following the occurrence and during the continuation of an Event of Default, stating that the Post Carve-Out Trigger Notice Cap has been invoked.

9. Reservation of Certain Committee and Third-Party Rights and Bar of Challenges and Claims. The stipulations, admissions and waivers contained in this Interim Order, including, without limitation, the Debtor's Stipulations, shall be binding upon the Debtor, the estate, and any of its successors in all circumstances and for all purposes, and the Debtor is deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date. The stipulations, admissions and waivers contained in this Interim Order, including, without limitation, the Debtor's Stipulations, shall be binding upon all other parties in interest, including the Creditors' Committee, if any, and any other person acting on behalf of the Debtor's estate, unless and to the extent that a party in interest with proper standing granted by order of the Court has filed an adversary proceeding or contested matter (i) before the later of (a) seventy-five (75) calendar days after the Petition Date and (b) sixty (60) calendar days after the appointment of the Creditors' Committee, if any, subject to further extension by written agreement of the Prepetition Secured Parties (the "**Challenge Period**"); (ii) seeking to avoid, object to, or otherwise challenge the findings or Debtor's Stipulations regarding: (a) the validity, enforceability, extent, priority, or perfection of the Prepetition Liens or (b) the validity, enforceability, allowability, priority, secured status, or amount of the Prepetition Secured Obligations (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.

10. Upon the expiration of the Challenge Period without the filing of any Challenge (or if any such Challenge is filed and overruled): (i) any and all such Challenges by any party (including, without limitation, the Creditors' Committee, any chapter 11 trustee, and/or any

examiner or other estate representative appointed or elected in these Chapter 11 Cases, and any chapter 7 trustee and/or examiner) shall be deemed to be forever barred; (ii) the Prepetition Secured Obligations shall constitute allowed claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense, or avoidance for all purposes in these Chapter 11 Cases; (iii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding and perfected, and not subject to recharacterization, subordination, or avoidance; and (iv) all of the Debtor's stipulations and admissions contained in this Interim Order, including, without limitation, the Debtor's 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 of full force and effect and forever binding on the Debtor, the Debtor's bankruptcy estates, and all creditors, interest holders, and other parties in interest in these Chapter 11 Cases.

11. For the avoidance of doubt, initiation of a timely and procedurally proper Challenge shall preserve the Challenge only with respect to the party initiating such Challenge (and such Challenge shall be limited to the Challenge identified with specificity prior to the expiration of the Challenge Period). If any such adversary proceeding or contested matter is timely filed and remains pending and the Chapter 11 Case is converted to chapter 7, the chapter 7 trustee may continue to prosecute such adversary proceeding or contested matter on behalf of the Debtor's estate; *provided* that if the Challenge Period has elapsed and no timely and properly filed Challenge has been commenced either before or after conversion of the Chapter 11 Case to a chapter 7 case, or any Challenge has been resolved prior to conversion of the Chapter 11 Case to a chapter 7 case, the chapter 7 trustee shall be bound by the Debtor's Stipulations or such resolution, as applicable; *provided further* that if a chapter 7 trustee is appointed prior to the expiration of the Challenge

Period, such trustee shall have until the expiration of the Challenge Period to commence a Challenge. Nothing in this Interim Order vests or confers on any entity (as defined in the Bankruptcy Code), including any Creditors' Committee appointed in this Chapter 11 Case, standing or authority to pursue any cause of action belonging to the Debtor or its estate, including, without limitation, any Challenges, *provided, however*, that the filing of a motion seeking standing to assert a Challenge and attaching the draft complaint as an exhibit thereto will toll the Challenge Period, solely with respect to the matters asserted in the draft complaint, until such motion has been decided by final order not subject to appeal.

12. Restriction on Use of Cash Collateral. Notwithstanding anything herein or in any other order by this Court to the contrary, no Cash Collateral, Prepetition Collateral, proceeds, products, or offspring of any of the foregoing may be used to (except to the extent otherwise expressly agreed in writing by the Prepetition Secured Parties in response to a written request from the Debtor specifying the proposed use) (i) object, challenge or contest in any manner, or raise any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Prepetition Secured Obligations or the Prepetition Liens, or any other rights or interest of the Prepetition Secured Parties or (ii) assert, commence, or prosecute any claims or causes of action, including, without limitation, any actions under chapter 5 of the Bankruptcy Code, against the Prepetition Secured Parties or any of its respective affiliates, agents, attorneys, advisors, professionals, officers, directors, or employees, acting solely in such capacities, *provided, however*, that up to $75,000 of Cash Collateral may be used to pay the allowed fees and expenses incurred solely by the Creditors' Committee, if any, in investigating (but not commencing or

prosecuting), the validity, enforceability, perfection, priority, or extent of the liens and claims of the Prepetition Secured Parties.

13. 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.

14. Section 546(b) Liens. Notwithstanding anything to the contrary contained in this Interim Order, including the grant of the Adequate Protection Liens or Adequate Protection Superpriority Claims, this Interim Order shall not limit, impair, or extinguish the rights of any creditor to perfect or continue perfection of a lien pursuant to section 546(b) of the Bankruptcy Code, and any such lien shall retain its priority as provided under applicable non-bankruptcy law.

15. Section 506(c) Claims. Upon entry of the Final Order, no costs or expenses of administration which have been or may be incurred in this Chapter 11 Case through the date of termination of the Debtor's authority to use Cash Collateral hereunder shall be charged against or recovered from the Prepetition Secured Parties or any of their respective claims or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, or otherwise, without the prior express written consent of the Prepetition Secured Parties, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such representatives, agents, or lenders.

16. No Marshaling/Applications of Proceeds. Upon entry of the Final Order, 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 (including the Cash Collateral).

17. No Waiver of Prepetition Secured Parties' Rights. Notwithstanding any provision in this Interim Order to the contrary, this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Prepetition Secured Parties' rights with respect to any entity or with respect to any other collateral owned or held by any entity.

18. Section 552(b). Upon entry of the Final Order, the Prepetition Secured Parties shall 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 Prepetition Secured Parties with respect to proceeds, product, offspring, or profits of any of the Prepetition Collateral.

19. Credit Bidding. Subject to entry of the Final Order and pursuant and subject to section 363(k) of the Bankruptcy Code and the rights of parties in interest to file a Challenge under this Interim Order, the Prepetition Secured Parties shall have the right, without further application to or approval by the Court, to "credit bid" the full amount of the Prepetition Secured Obligations in connection with any sale of all or any portion of the Debtor's assets, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any plan subject to confirmation under section 1129 of the Bankruptcy Code. In connection with the foregoing, the Prepetition Secured Parties shall have the right to assign its right to "credit bid" all or any portion of the Prepetition Secured Obligations to a newly formed acquisition vehicle.

20. Proofs of Claim. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in this Chapter 11 Case or a Successor Case to the contrary, the Prepetition Secured Parties are not required to file a proof of claim in this Chapter 11 Case for any

claim described in this Interim Order. The Debtor's Stipulations shall be deemed to constitute a timely filed proof of claim for the Prepetition Secured Parties upon approval of this Interim Order, and the Prepetition Secured Parties shall be treated under section 502(a) of the Bankruptcy Code as if they filed a proof of claim.

21. Binding Effect of this Interim Order. Immediately upon entry by this Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtor, the Prepetition Secured Parties, all other creditors of the Debtor, the Creditors' Committee or any other committee appointed in this Chapter 11 Case, and all other parties in interest and the respective successors and assigns of each of the foregoing, including any chapter 7 or chapter 11 trustee or other fiduciary hereafter appointed or elected for the estates of the Debtor or with respect to the property of the estate of the Debtor in this Chapter 11 Case or upon dismissal of this Chapter 11 Case. In the event of any inconsistency between the provisions of this Interim Order and the prepetition agreements relating to the Prepetition Secured Obligations, the provisions of this Interim Order shall govern and control.

22. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (i) confirming any plan in this Chapter 11 Case; (ii) converting this Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; or (c) dismissing this Chapter 11 Case.

23. Final Hearing. The Final Hearing on the Motion shall be held on _____, 2026 at _____ (prevailing Central Time). Any objections or responses to entry of the Final Order shall be filed no later than 4:00 p.m., prevailing Central Time, on _____, 2026 (the "**Objection Deadline**") and served on (i) proposed counsel to the Debtor, Bradley Arant Boult

Cummings LLP, 600 Travis Street, Suite 5600, Houston, TX 77002, Attn: Jarrod Martin (jbmartin@bradley.com), Michael Riordan (mriordan@bradley.com) and James Bailey (jbailey@bradley.com); (ii) counsel to the Prepetition Secured Parties, Willkie Farr & Gallagher LLP, 600 Travis Street, Suite 2100, Houston, TX 77002, Attn: Jennifer Hardy (jhardy2@willkie.com); and (iii) the Office of the United States Trustee for the Southern District of Texas, 844 N. King Street, Houston, Texas 19801, Attn: _____ (_____@usdoj.gov).

24. Effect of this Interim Order. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable immediately upon execution hereof.

25. Retention of Jurisdiction. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

Dated: _____, 2026
Houston, Texas

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Budget

Shannon Cash Flow Forecast ($000s)	Week 1 Ending 1/30/2026	Week 2 Ending 2/6/2026	Week 3 Ending 2/13/2026	Week 4 Ending 2/20/2026	Week 5 Ending 2/27/2026	Week 6 Ending 3/6/2026	Week 7 Ending 3/13/2026	Week 8 Ending 3/20/2026	Week 9 Ending 3/27/2026	Week 10 Ending 4/3/2026	Week 11 Ending 4/10/2026	Week 12 Ending 4/17/2026	Week 13 Ending 4/24/2026	Weekly Total
Beginning Cash Balance	$ 1,692	$ 2,525	$ 2,525	$ 2,306	$ 2,306	$ 2,267	$ 2,267	$ 2,048	$ 2,048	$ 2,597	$ 1,949	$ 1,949	$ 1,785	$ 1,692
[+] Merchant Cash Receipts (unrestricted)	852	-	-	-	647	-	-	-	568	-	-	-	-	2,067
[+] REC Cash Receipts	-	-	-	-	80	-	-	-	-	-	-	-	-	80
[-] Asset Management (CAMS)	-	-	(66)	-	-	-	(56)	-	-	-	-	(56)	-	(178)
[-] Operations & Maintenance (GE Vernova)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[-] Energy Management Agreement Fees (Tenaska)	(19)	-	-	-	(19)	-	-	-	(19)	-	-	-	-	(56)
[-] Land Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[-] Insurance	-	-	(92)	-	-	-	(67)	-	-	-	-	(67)	-	(225)
[-] Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[-] Other Opex	-	-	(61)	-	(65)	-	(96)	-	-	(97)	-	(41)	-	(360)
Net Operating Cash Flow	833	-	(219)	-	644	-	(219)	-	549	(97)	-	(164)	-	1,327
[-] CRO & Financial Advisor	-	-	-	-	(433)	-	-	-	-	(329)	-	-	-	(762)
[-] Debtor's Counsel	-	-	-	-	(160)	-	-	-	-	(112)	-	-	-	(272)
[-] Other Bankruptcy Costs	-	-	-	-	(75)	-	-	-	-	(95)	-	-	-	(170)
[-] Independent Director	-	-	-	-	(15)	-	-	-	-	(15)	-	-	-	(30)
[-] Sale Process Costs & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[-] Repowering Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance (Base Case Pricing)	2,525	2,525	2,306	2,306	2,267	2,267	2,048	2,048	2,597	1,949	1,949	1,785	1,785	1,785
Ending Cash Balance (Down Case Pricing - 10% Reduction to Base)	2,525	2,525	2,306	2,306	2,267	2,267	2,048	2,048	2,541	1,892	1,892	1,729	1,729	1,729