IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
WELDED CONSTRUCTION, L.P., *et al*.,	:	Case No. 18-12378 (LSS)
Debtors. [1]	:	(Jointly Administered)
	:	**Hearing Date: 8/17/2026 at 11:00 a.m. (ET)** **Objection Deadline: 7/31/2026 at 4:00 p.m. (ET)**

POST-EFFECTIVE DATE DEBTORS' MOTION, PURSUANT TO SECTION 105(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019 FOR AN ORDER APPROVING THE STIPULATION WITH FEDERAL INSURANCE COMPANY RESOLVING AND ALLOWING THE SURETY BOND CLAIM

The above-captioned debtors and debtors in possession (together, the "Debtors" and, following the Effective Date, the "Post-Effective Date Debtors"), through Cullen D. Speckhart, solely in her capacity as Plan Administrator, hereby submit this motion (this "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), approving the stipulation (the "Stipulation"), attached as **Exhibit 1** to the Proposed Order, by and between the Post-Effective Date Debtors and Federal Insurance Company ("Federal" and together with the Post-Effective Date Debtors, each a "Party" and collectively, the "Parties").

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is c/o P.O. Box 470, Perrysburg, OH 43552-0470.

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Post-Effective Date Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent it is later determined the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief sought herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

BACKGROUND

A. General Background

3. On October 22, 2018 (the "Petition Date"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). Factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Frank Pometti in Support of Debtors' Chapter 11 Petitions and First Day Motions* [D.I. 4].

4. On June 25, 2020, the Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Amended Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC* [D.I. 1505] (the "Confirmation Order") confirming the *Amended*

Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC (as confirmed, the "Plan"),[2] a copy of which is attached to the Confirmation Order as Exhibit A.

5. The Effective Date of the Plan occurred on July 31, 2020 [D.I. 1555].

6. Pursuant to paragraph 19 of the Confirmation Order, as of the Effective Date, Cullen D. Speckhart was appointed as Plan Administrator under the terms of the Plan Administrator Agreement (the "PAA"). The Confirmation Order approved the PAA and authorized the Debtors to perform thereunder. Confirmation Order ¶¶ 18-19.

7. The Plan provides that Welded, among other things, "shall have the authority (a) to file, withdraw or litigate to judgment objections to Claims; (b) to settle, compromise or Allow any Claim or Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; (c) to amend the Schedules in accordance with the Bankruptcy Code; and (d) to administer and adjust the claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court." Plan § 8.1.

8. Under the Plan and PAA, the Plan Administrator is empowered to, among other things, "object to Claims as provided in this Plan, and prosecute such objections [as well as] compromise and settle any issue or dispute regarding the amount, validity, priority, treatment or allowance of any Claim [and] prosecute, compromise, resolve or withdraw any of the Retained Causes of Action." Plan § 5.5.3(iv), (v), (x); PAA § 1(b)(vi), (viii), (xv).

B. Facts Specific to the Relief Requested

9. On February 26 and 27, 2019, Federal filed proofs of claim 522 ("Claim 522"), 529 ("Claim 529"), 551 ("Claim 551"), and 572 ("Claim 572," collectively, the "Federal Claims")[3] in

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

[3] Federal was not the original filer of proof of claim 572, but rather acquired such claim from Pipeline Supply and Service LLC pursuant to that certain *Transfer of Claim Other Than for Security* [D.I. 879].

these Chapter 11 Cases against Welded Construction, L.P. ("Welded") seeking, in the aggregate, approximately $524,868,834.00, plus certain unliquidated amounts, in connection with three bonds issued by Federal to Welded in the amounts of (i) $454,471,254.00, (ii) $14,500,000, and (iii) $55,897,580, respectively.

10. On October 22, 2019, Welded filed the *Debtors' Fourth Notice of Satisfaction of Claims and Scheduled Amounts* [D.I. 1062] (the "Notice of Satisfaction"), pursuant to which Federal's proof of claim 572 was designated as fully satisfied as a result of its submission under the larger surety bond claim. To date, the three remaining Federal Claims (Claim 522, Claim 529, and Claim 551) remain asserted.

11. On May 3, 2019, Welded initiated an adversary proceeding in this Court against Transcontinental Gas Pipe Line Company, LLC and two of its affiliates, Williams and Williams Partners Operating LLC (Adv. Pro. No. 19-50194 (LSS) (the "Williams Litigation").

12. In connection with the Williams Litigation, on May 22, 2019, the Court entered an order (the "Surety Cooperation Agreement Order") [D.I. 745] approving that certain *Litigation Funding and Cooperation Agreement* (the "Cooperation Agreement") under which Federal agreed, among other things, to fund up to $2,500,000 (with no interest or fees and subject to increase with prior written consent of the parties) for fees and costs actually incurred in prosecuting or defending the claims arising under or in relation to the Williams Litigation (the "Surety Contribution").

13. The Plan incorporates the Surety Cooperation Agreement Order.

14. On September 10, 2021, the Court entered that certain *Order (I) Approving the Settlement of Federal Insurance Company's 503(b)(9) Claim and (II) Amending the Litigation Funding and Cooperation Agreement* [D.I. 1774] (the "First Amendment Order"), which, among other things, (i) liquidated, allowed and provided for payment of certain 503(b)(9) claims asserted

by Federal; (ii) approved Federal funding additional amounts towards the Surety Contribution in an amount of up to $1,400,000 ("First Additional Federal Funding") for a total Surety Contribution of up to $3,900,000; (iii) approved the Post-Effective Date Debtors funding up to $3,200,000, for fees and costs actually incurred in the Williams Litigation (the "Estate Contribution" and together with the Surety Contribution, collectively, the "Litigation Fund"); (iv) established specific funding sequencing and conditions for the First Additional Federal Funding and the Estate Contribution, as set forth more fully in the First Amendment Order; (v) established that in the event of any recovery by the Post-Effective Date Debtors as a result of a judgment in, or settlement of, the Williams Litigation (the "Recovery"), the Post-Effective Date Debtors and the Surety shall each be reimbursed only from and to the extent of the Recovery for all amounts advanced by each such Party into the Litigation Fund; (vi) permitted the Parties to agree in writing to increase the applicable maximum amounts of the Surety Contribution and the Estate Contribution; and (vii) granted the Surety a first priority lien to secure the Surety Contribution on the Recovery, allocated on a *pari passu basis* with the Estate Contribution and a related Debtor charge against the Recovery, all as set forth more fully in the First Amendment Order.

15. The Cooperation Agreement was subsequently amended three more times, by (1) that certain Second Amendment to the Litigation Funding and Cooperation Agreement dated as of August 10, 2023, which, as set forth more fully therein, among other things, (i) approved Federal funding additional amounts towards the Surety Contribution up to $5,200,000; and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $4,500,000 for a total Litigation Fund amount of $9,700,000; (2) that certain Third Amendment to Litigation Funding and Cooperation Agreement dated as of December 19, 2023, which, as set forth more fully therein, among other things, (i) approved Federal funding

additional amounts towards the Surety Contribution up to $6,175,000, and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $5,475,000, for a total Litigation Fund amount of $11,650,000; and (3) that certain Fourth Amendment to Litigation Funding and Cooperation Agreement dated as of September 8, 2025, which, as set forth more fully therein, among other things, (i) approved Federal funding additional amounts towards the Surety Contribution up to $7,175,000, and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $6,475,000, for a total Litigation Fund amount of $13,650,000. Each of the Post-Effective Date Debtors and Federal provided all of the funding required under the Cooperation Agreement, as amended.

16. On February 4, 2025, the Court issued its *Opinion* [Williams Litigation D.I. 442] (the "Decision") and subsequently entered a *Final Judgment* [Williams Litigation D.I. 457] ("Final Judgment") in the Williams Litigation in favor of Welded in the amount of $102,079,431.01.

17. On February 18, 2025, Defendants in the Williams Litigation filed a *Notice of Appeal* [Williams Litigation D.I. 443] seeking to appeal the Decision and Final Judgment (the "Williams Appeal").

18. On May 22, 2026, Welded filed a *Notice of Appeal* [Williams Litigation D.I. 462] seeking to appeal the Final Judgment as to the determination of post-judgment interest and penalties (the "Welded Appeal" and together with the Williams Appeal, collectively, the "Appeals").

19. Beginning on November 20, 2025, the parties engaged in mediation of the Final Judgment and the Appeals, resulting in a settlement which included payment by the Williams Litigation plaintiffs to Welded in the amount of $75,000,000.00.

20. On March 27, 2026, upon an unopposed motion of the Post-Effective Date Debtors, the Court entered the *Order Approving the Settlement Agreement with Transcontinental Gas Pipe Line Company, LLC, The Williams Companies, Inc., and Williams Partners Operating LLC* [Main Case D.I. 2065] (the "9019 Order").

21. On April 20, 2026, in furtherance of the settlement approved by the 9019 Order, the Williams Litigation was dismissed with prejudice. [Williams Litigation D.I. 502].

22. On April 24, 2026, in furtherance of the settlement approved by the 9019 Order, the Appeals were dismissed with prejudice. [Williams Litigation D.I. 504]

23. Following the entry of the 9019 Order and the dismissal of the Williams Litigation and Appeals, the Parties engaged in discussions around the allocation of the Net Proceeds (as defined in the Cooperation Agreement) and to reconcile, among other things, (i) Federal's loss paid to date pursuant to the Surety Bond, (ii) Federal's expenses incurred in connection thereto, and (iii) Federal's contributions pursuant to the Cooperation Agreement.

24. The Parties have engaged in extensive, good faith, and arms' length negotiations, have reached an agreement, and now wish to resolve the Federal Claims, allow the Surety Bond Claim (as defined below) and approve the distribution of Net Proceeds (as defined in the Cooperation Agreement) on the terms and conditions set forth herein.

25. The following is a summary of the pertinent terms and conditions of the Stipulation and is qualified in its entirety by reference to the Stipulation attached as Exhibit 1 to the Proposed Order, the terms of which control.

a. Resolution of the Federal Claims. Claim 522, Claim 529, and Claim 572 shall be deemed to be withdrawn and expunged from the Bankruptcy Cases in their entirety. Claim 551 shall be deemed liquidated and Allowed as a Surety Bond Claim in Class 3 of the Plan in the single, aggregate amount of $73,747,044.36, which amount shall be paid by the Post-Effective Date Debtors pursuant to the Plan and in accordance with the Surety Cooperation Agreement Order.

b. Williams Litigation Proceeds.

(i) Recovery. The total Recovery (as defined in the Cooperation Agreement, as amended) from the Williams Litigation is $75,000,000.00, consisting of the settlement payment approved pursuant to the 9019 Order. The Recovery has been received by the Post-Effective Date Debtors.

(ii) Litigation Fund. The total Litigation Fund (as defined in the Cooperation Agreement, as amended) is $13,093,217, consisting of: (i) the Surety Contribution in the actual amount of $6,537,181; and (ii) the Estate Contribution in the actual amount of $6,475,000. Additionally, the Estate advanced additional Williams Litigation expenses totaling $81,036 which have not yet been reimbursed by Federal.

(iii) Reimbursement of Litigation Costs. In accordance with Paragraph 2 of the Cooperation Agreement (as amended by the First Amendment Order), within 5 business days of the Stipulation Date, each Party shall be reimbursed from the Recovery, on a *pari passu* basis, for all amounts actually advanced into the Litigation Fund: (i) Federal shall be reimbursed in the amount of $6,537,181 (the "Federal Litigation Funding Reimbursement"); and (ii) the Post-Effective Date Debtors shall be reimbursed in the amount of $6,556,036.

(iv) Net Proceeds. After reimbursement of the Litigation Fund as set forth in subparagraph (ii) above, the total available Net Proceeds (as defined in the Cooperation Agreement) are $61,906,783.

(v) Allocation of Net Proceeds. In accordance with Paragraph 3 of the Cooperation Agreement and the Plan, the Net Proceeds shall be allocated as follows: (i) the Estates' Share (as defined in Plan § 1.44), consisting of the Estate Reimbursement and the Estate's allocable portion of the Net Proceeds pursuant to Paragraph 3(b) and 3(c) of the Cooperation Agreement, is $6,190,678.30; and (ii) the Surety Bond Share (as defined in Plan § 1.110), consisting of the Net Proceeds allocable to the Allowed Surety Bond Claim, is $55,716,104.70. The Surety Bond Share will be distributed to Federal within five business days of the Stipulation Date.

(vi) Cap on Total Distributions. Notwithstanding anything in the Stipulation, the Plan, or the Cooperation Agreement to the contrary, the aggregate amount of all distributions and payments received by Federal on account of the Allowed Surety Bond Claim (including the Surety Bond Share and Federal's Pro Rata share of the General Unsecured Claim Distribution, but excluding the Federal Litigation Funding Reimbursement set forth in subparagraph (c) above) shall not exceed the face amount of the Allowed Surety Bond Claim of $73,747,044.36 (the "Distribution Cap"). In the event that the sum of (i) the Surety Bond Share and (ii) Federal's Pro Rata share of the General Unsecured Claim Distribution would otherwise exceed

the Distribution Cap, the distribution to Federal on account of its Pro Rata share of the General Unsecured Claim Distribution shall be reduced by the amount of such excess, and such excess amount shall be redistributed by the Plan Administrator to Holders of Allowed Class 4 Claims in accordance with the Plan.

c. Releases.

(i) Release by Federal. Upon the Stipulation Date, Federal, on behalf of itself and its affiliates, subsidiaries, predecessors, successors, and assigns (collectively, the "Federal Releasing Parties"), shall be deemed to have fully and finally released, waived, and forever discharged the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation Agreement (as amended), and (e) any other claim Federal has asserted or could assert against the Estate Released Parties in these Chapter 11 Cases (the "Federal Release"); *provided, however*, that the Federal Release shall not release or impair (w) Federal's right to receive (i) the Federal Litigation Funding Reimbursement, (ii) the Surety Bond Share, and (iii) Federal's Pro Rata share of the General Unsecured Claim Distribution (subject in each case to the Distribution Cap), in each case as and when due under the Stipulation, (x) Federal's rights under any Insurance Contracts to the extent such rights exist independent of the Surety Bond Claim, or (y) any claims Federal may have against third parties other than the Estate Released Parties.

(ii) Release by the Estate. Upon the Stipulation Date, the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Releasing Parties") shall be deemed to have fully and finally released, waived, and forever discharged Federal and its affiliates, subsidiaries, predecessors, successors, and assigns, and each of their respective agents, officers, directors, employees, professionals, advisors, consultants, attorneys, successors, and assigns (collectively, the "Federal Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are

related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation Agreement (as amended), and (e) any other claim the Estate Releasing Parties have asserted or could assert against the Federal Released Parties in these Chapter 11 Cases (the "Estate Release"); *provided, however*, that the Estate Release shall not release or impair (w) the Estate Releasing Parties' rights to enforce the terms of the Stipulation, (x) the Estate Releasing Parties' rights or defenses relating to any Insurance Contracts or related claims that are independent from the Surety Bond Claims, or (y) any claims that the Estate Releasing Parties may have against third parties other than the Federal Released Parties.

RELIEF REQUESTED

26. By this Motion, the Post-Effective Date Debtors request entry of the Proposed Order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, approving the Stipulation.

BASIS FOR RELIEF REQUESTED

27. Bankruptcy Rule 9019(a) provides that "on motion by the trustee and after a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a); *see also Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996). Courts generally defer to a trustee's business judgment when there is a legitimate business justification for the trustee's decision. *Id*. at 395.

28. In determining whether a settlement should be approved under Bankruptcy Rule 9019, the Court must "assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal." *Id*. at 393. In striking this balance, the Court should consider: "(i) the probability of success in the litigation; (ii) the likely difficulties in collection; (iii) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors." *Id*.

29. The decision to approve a settlement "is within the sound discretion of the bankruptcy court." *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); *see also In re Neshaminy Office Bldg. Assocs.*, 62 B.R. 798, 803 (E.D. Pa. 1986) (cited with approval in Martin). The bankruptcy court should not substitute its judgment for that of the debtor. *See Neshaminy Office Bldg. Assocs.*, 62 B.R. at 803. Moreover, settlements should be approved if they fall above the lowest point on the continuum of reasonableness. The bankruptcy court is not to decide the numerous questions of law or fact raised by litigation but rather should canvass the issues to see whether the settlement falls below the lowest point in the range of reasonableness. *See Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983); *see also World Health Alts.*, 344 B.R. at 296 ("[T]he court does not have to be convinced that the settlement is the best possible compromise. Rather, the court must conclude that the settlement is within the reasonable range of litigation possibilities." (internal citations and quotations omitted)). Thus, the question is not whether a better settlement might have been achieved or a better result reached if litigation pursued. Instead, the court should approve settlements that meet a minimal threshold of reasonableness. *Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994); *In re Tech. for Energy Corp.*, 56 B.R. 605, 608 (Bankr. N.D. Ohio 1985).

30. A review of these four factors demonstrates that the Stipulation with Federal, in accordance with the Cooperation Agreement (as amended), the Surety Cooperation Agreement Order, and the Plan, should be approved because it is reasonable, fair, and in the best interests of the Post-Effective Date Debtors and their creditors.

31. As set forth in the Cooperation Agreement, it was with the support of Federal that the Post-Effective Date Debtors was able to reach a settlement in connection with the Williams Litigation, and create a substantial recovery for the Estate. The proposed Stipulation accordingly

provides for the reconciliation of all amounts contributed by the Parties to support the litigation effort in accordance with the terms of distribution scheme provided in the Cooperation Agreement. At the same time, the Stipulation resolves and liquidates the separately asserted Surety Bond Claim.

32. The Post-Effective Date Debtors believe this prompt reconciliation is critical to preserving value. Delaying this reconciliation harms everyone, including the general unsecured creditors who have been awaiting their pro rata distribution for several years. Further, it is in the best interest of the Post-Effective Date Debtors, their estates, and all parties in interest to reconcile and allocate the Willliams Litigation settlement proceeds in order to maximize value.

33. The Post-Effective Date Debtors respectfully submit the compromise reached with Federal is fair, reasonable, and in the best interest of the Post-Effective Date Debtors, their estates, and their creditors. The Post-Effective Date Debtors likewise believe the Stipulation is founded on the exercise of sound business judgment by the Post-Effective Date Debtors. Accordingly, the Post-Effective Date Debtors believe the Stipulation is well within the range of reasonableness and should be approved.

NOTICE

34. The Post-Effective Date Debtors will provide notice of this Motion to: (i) the United States Trustee for the District of Delaware; (ii) counsel for Federal; and (iii) all parties that, as of the filing of this Motion, have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Post-Effective Date Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Post-Effective Date Debtors respectfully request entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, approving the Stipulation by and between the Post-Effective Date Debtors and Federal.

Dated: July 17, 2026
Wilmington, Delaware

BLANK ROME LLP

/s/ Josef W. Mintz
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Counsel to the Post-Effective Date Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
WELDED CONSTRUCTION, L.P., *et al*.,	:	Case No. 18-12378 (LSS)
Debtors. [1]	:	(Jointly Administered)
	:	**Hearing Date: 8/17/2026 at 11:00 a.m. (ET)** **Objection Deadline: 7/31/2026 at 4:00 p.m. (ET)**

NOTICE OF POST-EFFECTIVE DATE DEBTORS' MOTION, PURSUANT TO SECTION 105(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019 FOR AN ORDER APPROVING THE STIPULATION WITH FEDERAL INSURANCE COMPANY RESOLVING AND ALLOWING THE SURETY BOND CLAIM

PLEASE TAKE NOTICE that on July 17, 2026, the above-captioned debtors and debtors in possession (together, the "Debtors" and, following the Effective Date, the "Post-Effective Date Debtors"), through Cullen D. Speckhart, solely in her capacity as Plan Administrator, filed the *Post-Effective Date Debtors' Motion, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 for an Order Approving the Stipulation with Federal Insurance Company Resolving and Allowing the Surety Bond Claim* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **July 31, 2026 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON **AUGUST 17, 2026 AT 11:00 A.M. (ET)** BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS OR RESPONSES TO THE MOTION ARE TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR HEARING.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is c/o P.O. Box 470, Perrysburg, OH 43552-0470.

Dated: July 17, 2026
Wilmington, Delaware

BLANK ROME LLP

/s/ Josef W. Mintz

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Counsel to the Post-Effective Date Debtors

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
WELDED CONSTRUCTION, L.P., *et al*.,	:	Case No. 18-12378 (LSS)
Debtors.[1]	:	(Jointly Administered)
	:	**Re: D.I. __**

ORDER APPROVING THE STIPULATION WITH FEDERAL INSURANCE COMPANY RESOLVING AND ALLOWING THE SURETY BOND CLAIM

Upon consideration of the Post-Effective Date Debtors' motion (the "Motion")[2] for entry of an order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, approving the Stipulation entered into by and between the Post-Effective Date Debtors and Federal Insurance Company, ("Federal"), as more fully described in the Motion; and having determined that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and having determined that venue of the Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and having determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Court may enter a final order on the Motion consistent with Article III of the United States Constitution; and having determined that the relief requested in the Motion is in the best interests of the Post-Effective Date Debtors, their estates, creditors, and other parties in interest; and having determined

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is P.O. Box 470, Perrysburg, OH 43552-0470.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion or the Stipulation, as applicable.

that the relief requested in the Motion is justified by the facts and circumstances; and having determined that proper and adequate notice of the Motion has been given and that, except as otherwise ordered herein, no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED**.

2. The Stipulation, a copy of which is attached hereto as Exhibit 1, is approved in its entirety pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

3. Claim 522, Claim 529, and Claim 572 shall be deemed to be withdrawn and expunged from the Bankruptcy Cases in their entirety. Claim 551 shall be deemed liquidated and Allowed as a Surety Bond Claim in Class 3 of the Plan in the single, aggregate amount of $73,747,044.36, which amount shall be paid by the Post-Effective Date Debtors pursuant to the Plan and in accordance with the Surety Cooperation Agreement Order.

4. In accordance with Paragraph 2 of the Cooperation Agreement (as amended by the First Amendment Order), within 5 business days of the Stipulation Date, each Party shall be reimbursed from the Recovery, on a *pari passu* basis, for all amounts actually advanced into the Litigation Fund: (i) Federal shall be reimbursed in the amount of $6,537,181 (the "Federal Litigation Funding Reimbursement"); and (ii) the Post-Effective Date Debtors shall be reimbursed in the amount of $6,556,036.

5. In accordance with Paragraph 3 of the Cooperation Agreement and the Plan, the Net Proceeds shall be allocated as follows: (i) the Estates' Share (as defined in Plan § 1.44), consisting of the Estate Reimbursement and the Estate's allocable portion of the Net Proceeds pursuant to Paragraph 3(b) and 3(c) of the Cooperation Agreement, is $6,190,678.30; and (ii) the

Surety Bond Share (as defined in Plan § 1.110), consisting of the Net Proceeds allocable to the Allowed Surety Bond Claim, is $55,716,104.70. The Surety Bond Share will be distributed to Federal within five business days of the Stipulation Date.

6. Notwithstanding anything in the Stipulation, the Plan, or the Cooperation Agreement to the contrary, the aggregate amount of all distributions and payments received by Federal on account of the Allowed Surety Bond Claim (including the Surety Bond Share and Federal's Pro Rata share of the General Unsecured Claim Distribution, but excluding the Federal Litigation Funding Reimbursement set forth in subparagraph (c) above) shall not exceed the face amount of the Allowed Surety Bond Claim of $73,747,044.36 (the "Distribution Cap"). In the event that the sum of (i) the Surety Bond Share and (ii) Federal's Pro Rata share of the General Unsecured Claim Distribution would otherwise exceed the Distribution Cap, the distribution to Federal on account of its Pro Rata share of the General Unsecured Claim Distribution shall be reduced by the amount of such excess, and such excess amount shall be redistributed by the Plan Administrator to Holders of Allowed Class 4 Claims in accordance with the Plan.

7. The releases set forth below and in Sections 5 and 6 of the Stipulation, are approved and shall be effective upon occurrence of the Stipulation Date, as set forth in the Stipulation.

a. Release by Federal. Upon the Stipulation Date, Federal, on behalf of itself and its affiliates, subsidiaries, predecessors, successors, and assigns (collectively, the "Federal Releasing Parties"), shall be deemed to have fully and finally released, waived, and forever discharged the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation

Agreement (as amended), and (e) any other claim Federal has asserted or could assert against the Estate Released Parties in these Chapter 11 Cases (the "Federal Release"); *provided, however*, that the Federal Release shall not release or impair (w) Federal's right to receive (i) the Federal Litigation Funding Reimbursement, (ii) the Surety Bond Share and (iii) Federal's Pro Rata share of the General Unsecured Claim Distribution (subject in each case to the Distribution Cap), in each case as and when due under the Stipulation, (x) Federal's rights under any Insurance Contracts to the extent such rights exist independent of the Surety Bond Claim, or (y) any claims Federal may have against third parties other than the Estate Released Parties.

b. Release by the Estate. Upon the Stipulation Date, the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Releasing Parties") shall be deemed to have fully and finally released, waived, and forever discharged Federal and its affiliates, subsidiaries, predecessors, successors, and assigns, and each of their respective agents, officers, directors, employees, professionals, advisors, consultants, attorneys, successors, and assigns (collectively, the "Federal Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation Agreement (as amended), and (e) any other claim the Estate Releasing Parties have asserted or could assert against the Federal Released Parties in these Chapter 11 Cases (the "Estate Release"); *provided, however*, that the Estate Release shall not release or impair (w) the Estate Releasing Parties' rights to enforce the terms of the Stipulation (x) the Estate Releasing Parties' rights or defenses relating to any Insurance Contracts or related claims that are independent from the Surety Bond Claims, or (y) any claims that the Estate Releasing Parties may have against third parties other than the Federal Released Parties.

8. The Post-Effective Date Debtors are authorized and empowered to take any and all actions necessary to carry out, effectuate, or otherwise enforce the terms, conditions, and provisions of the Stipulation.

9. Notwithstanding anything in the Bankruptcy Rules to the contrary, this Order shall become effective immediately upon its entry.

10. This Court shall retain jurisdiction to hear any and all disputes arising out of the interpretation or enforcement of this Order.

EXHIBIT 1

Execution Version

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
WELDED CONSTRUCTION, L.P., *et al.*,[1]	)	Case No. 18-12378 (CSS)
	)	(Jointly Administered)
Debtors.	)	

STIPULATION BETWEEN THE POST-EFFECTIVE DATE DEBTORS AND FEDERAL INSURANCE COMPANY RESOLVING AND ALLOWING THE SURETY BOND CLAIM

Welded Construction, L.P. ("Welded") and Welded Construction Michigan, LLC (together with Welded, the "Post-Effective Date Debtors"), by and through the Plan Administrator on the one hand, and Federal Insurance Company, ("Federal" and together with the Post-Effective Date Debtors, each a "Party" and collectively, the "Parties"), on the other hand, hereby enter into this stipulation ("Stipulation") with respect to the allowance of the Surety Bond Claim (as defined below) and the resolution of Federal's proofs of claim 522 ("Claim 522"), 529 ("Claim 529"), 551 ("Claim 551"), and 572 ("Claim 572", collectively, the "Federal Claims") filed in these Chapter 11 Cases.

RECITALS

WHEREAS, on October 22, 2018 (the "Petition Date"), each of the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the "Court") a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is P.O. Box 470, Perrysburg, OH 43552-0470.

WHEREAS, on February 26 and 27, 2019, Federal asserted each of the Federal Claims[2] against Welded seeking, in the aggregate, approximately $524,868,834.00, plus certain unliquidated amounts, in connection with three bonds issued by Federal to Welded in the amounts of (i) $454,471,254.00, (ii) $14,500,000, and (iii) $55,897,580, respectively.

WHEREAS, on October 22, 2019, Welded filed the *Debtors' Fourth Notice of Satisfaction of Claims and Scheduled Amounts* [Main Case Dkt. No. 1062] (the "Notice of Satisfaction"), pursuant to which Federal's proof of claim 572 was designated as fully satisfied as a result of its submission under the larger surety bond claim. To date, the three remaining Federal Claims (Claim 522, Claim 529, and Claim 551) remain asserted.

WHEREAS, on May 3, 2019, Welded initiated an adversary proceeding in the Court against Transcontinental Gas Pipe Line Company, LLC and two of its affiliates, Williams and Williams Partners Operating LLC (Adv. Pro. No. 19-50194 (LSS) (the "Williams Litigation").

WHEREAS, in connection with the Williams Litigation, on May 22, 2019, the Court entered an order (the "Surety Cooperation Agreement Order") [Main Case Dkt. No. 745] approving that certain *Litigation Funding and Cooperation Agreement* (the "Cooperation Agreement") under which Federal agreed, among other things, to fund up to $2,500,000 (with no interest or fees and subject to increase with prior written consent of the parties) for fees and costs actually incurred in prosecuting or defending the claims arising under or in relation to the Williams Litigation (the "Surety Contribution").

WHEREAS, on June 25, 2020, the Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Amended Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC* [Main Case Dkt. No. 1505] confirming the *Amended Chapter*

[2] Federal was not the original filer of proof of claim 572, but rather acquired such claim from Pipeline Supply and Service LLC pursuant to that certain *Transfer of Claim Other Than for Security* [Main Case Dkt. No. 879].

11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC (as confirmed, the "Plan")[3]. The Plan incorporates the Surety Cooperation Agreement Order.

WHEREAS, the Effective Date of the Plan occurred on July 31, 2020.

WHEREAS, pursuant to paragraph 19 of the Confirmation Order, as of the Effective Date, Cullen D. Speckhart was appointed as Plan Administrator under the terms of the Plan Administrator Agreement (the "PAA"). The Confirmation Order approved the PAA and authorized the Debtors to perform thereunder. Confirmation Order ¶¶ 18-19.

WHEREAS, the Plan provides that the Post-Effective Date Debtors "shall have the authority (a) to file, withdraw or litigate to judgment objections to Claims; (b) to settle, compromise or Allow any Claim or Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; (c) to amend the Schedules in accordance with the Bankruptcy Code; and (d) to administer and adjust the claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court." Plan § 8.1.

WHEREAS, under the Plan and PAA, the Plan Administrator is empowered to, among other things, "object to Claims as provided in this Plan, and prosecute such objections [as well as] compromise and settle any issue or dispute regarding the amount, validity, priority, treatment or allowance of any Claim." Plan § 5.5.3(iv), (v); PAA § 1(b)(vi), (viii).

WHEREAS, on September 10, 2021, the Court entered that certain *Order (I) Approving the Settlement of Federal Insurance Company's 503(b)(9) Claim and (II) Amending the Litigation Funding and Cooperation Agreement* [Main Case Dkt. No. 1774] (the "First Amendment Order"), which, among other things, (i) liquidated, allowed and provided for payment of certain 503(b)(9)

[3] Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan (defined below).

claims asserted by Federal; (ii) approved Federal funding additional amounts towards the Surety Contribution in an amount of up to $1,400,000 ("First Additional Federal Funding") for a total Surety Contribution of up to $3,900,000; (iii) approved the Post-Effective Date Debtors funding up to $3,200,000, for fees and costs actually incurred in the Williams Litigation (the "Estate Contribution" and together with the Surety Contribution, collectively, the "Litigation Fund"); (iv) established specific funding sequencing and conditions for the First Additional Federal Funding and the Estate Contribution, as set forth more fully in the First Amendment Order; (v) established that in the event of any recovery by the Post-Effective Date Debtors as a result of a judgment in, or settlement of, the Williams Litigation (the "Recovery"), the Post-Effective Date Debtors and the Surety shall each be reimbursed only from and to the extent of the Recovery for all amounts advanced by each such Party into the Litigation Fund; (vi) permitted the Parties to agree in writing to increase the applicable maximum amounts of the Surety Contribution and the Estate Contribution; and (vii) granted the Surety a first priority lien to secure the Surety Contribution on the Recovery, allocated on a *pari passu basis* with the Estate Contribution and a related Debtor charge against the Recovery, all as set forth more fully in the First Amendment Order.

WHEREAS, the Cooperation Agreement was subsequently amended three more times, by (1) that certain Second Amendment to the Litigation Funding and Cooperation Agreement dated as of August 10, 2023, which, as set forth more fully therein, among other things, (i) approved Federal funding additional amounts towards the Surety Contribution up to $5,200,000; and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $4,500,000 for a total Litigation Fund amount of $9,700,000; (2) that certain Third Amendment to Litigation Funding and Cooperation Agreement dated as of December 19, 2023, which, as set forth more fully therein, among other things, (i) approved Federal funding

additional amounts towards the Surety Contribution up to $6,175,000, and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $5,475,000, for a total Litigation Fund amount of $11,650,000; and (3) that certain Fourth Amendment to Litigation Funding and Cooperation Agreement dated as of September 8, 2025, which, as set forth more fully therein, among other things, (i) approved Federal funding additional amounts towards the Surety Contribution up to $7,175,000, and (ii) approved the Post-Effective Date Debtors funding additional amounts toward the Estate Contribution up to $6,475,000, for a total Litigation Fund amount of $13,650,000. Each of the Post-Effective Date Debtors and Federal provided all of the funding required under the Cooperation Agreement, as amended.

WHEREAS, on February 4, 2025, the Court issued its *Opinion* [Williams Litigation Dkt. No. 442] (the "Decision") and subsequently entered a *Final Judgment* [Williams Litigation Dkt. No. 457] ("Final Judgment") in the Williams Litigation in favor of Welded in the amount of $102,079,431.01.

WHEREAS, on February 18, 2025, Defendants in the Williams Litigation filed a *Notice of Appeal* [Williams Litigation Dkt. No. 443] seeking to appeal the Decision and Final Judgment (the "Williams Appeal").

WHEREAS, on May 22, 2026, Welded filed a *Notice of Appeal* [Williams Litigation Dkt. No. 462] seeking to appeal the Final Judgment as to the determination of post-judgment interest and penalties (the "Welded Appeal" and together with the Williams Appeal, collectively, the "Appeals").

WHEREAS, beginning on November 20, 2025, the parties engaged in mediation of the Final Judgment and the Appeals, resulting in a settlement which included payment by the Williams Litigation plaintiffs to Welded in the amount of $75,000,000.00.

WHEREAS, on March 27, 2026, upon an unopposed motion of the Post-Effective Date Debtors, the Court entered the *Order Approving the Settlement Agreement with Transcontinental Gas Pipe Line Company, LLC, The Williams Companies, Inc., and Williams Partners Operating LLC* [Main Case Dkt. No. 2065] (the "9019 Order").

WHEREAS, on April 20, 2026, in furtherance of the settlement approved by the 9019 Order, the Williams Litigation was dismissed with prejudice. [Williams Litigation Dkt. No. 502]

WHEREAS, on April 24, 2026], in furtherance of the settlement approved by the 9019 Order, the Appeals were dismissed with prejudice. [Williams Litigation Dkt. No. 504]

WHEREAS, following the entry of the 9019 Order and the dismissal of the Williams Litigation and Appeals, the Parties engaged in discussions around the allocation of the Net Proceeds (as defined in the Cooperation Agreement) and to reconcile, among other things, (i) Federal's loss paid to date pursuant to the Surety Bond, (ii) Federal's expenses incurred in connection thereto, and (iii) Federal's contributions pursuant to the Cooperation Agreement.

WHEREAS, the Parties have engaged in extensive, good faith, and arms' length negotiations, have reached an agreement, and now wish to resolve the Federal Claims, allow the Surety Bond Claim (as defined below) and approve the distribution of Net Proceeds (as defined in the Cooperation Agreement) on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, with the foregoing background incorporated by reference, the Parties, intending to be bound, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby stipulated and agreed to by and between the Parties as follows:

1. This Stipulation becomes effective upon the date that it is approved by a Final Order of the Court (the "Stipulation Date").

2. Upon the Stipulation Date, the Parties agree and stipulate that the Federal Claims shall be resolved as follows:

a. **Proof of Claim No. 522**: The claim assigned number 522 in the Bankruptcy Cases, shall be deemed to be withdrawn and expunged from the Bankruptcy Cases in its entirety.

b. **Proof of Claim No. 529**: The claim assigned number 529 in the Bankruptcy Cases, shall be deemed to be withdrawn and expunged from the Bankruptcy Cases in its entirety.

c. **Proof of Claim No. 572:** The claim assigned number 572 in the Bankruptcy Cases, which is an assigned claim from Pipeline Supply and Service LLC to Federal pursuant to that certain Transfer of Claim Other Than for Security [Main Case Dkt. No. 879], shall be deemed to be withdrawn and expunged from the Bankruptcy case in its entirety as a result of the Notice of Satisfaction.

d. **Proof of Claim No. 551**: The claim assigned number 551 in the Bankruptcy Cases (the "Surety Bond Claim"), shall be deemed liquidated and Allowed as a Surety Bond Claim in Class 3 of the Plan in the single, aggregate amount of $73,747,044.36, which amount shall be paid by the Post-Effective Date Debtors pursuant to the Plan and in accordance with the Surety Cooperation Agreement Order. For the avoidance of doubt, the Surety Bond Claim does not include the Surety Contribution of $6,537,181,

the calculation and reimbursement of which is provided for in paragraphs 3b and 3c below..

3. Upon the Stipulation Date, the Parties further agree and stipulate acknowledge and agree to the following with respect to the Williams Litigation Proceeds (as defined in the Plan), in accordance with the Cooperation Agreement (as amended), the Surety Cooperation Agreement Order, and the Plan:

a. **Recovery**. The total Recovery (as defined in the Cooperation Agreement, as amended) from the Williams Litigation is $75,000,000.00, consisting of the settlement payment approved pursuant to the 9019 Order. The Recovery has been received by the Post-Effective Date Debtors.

b. **Litigation Fund**. The total Litigation Fund (as defined in the Cooperation Agreement, as amended) is $13,093,217, consisting of: (i) the Surety Contribution in the actual amount of $6,537,181; and (ii) the Estate Contribution in the actual amount of $6,475,000. Additionally, the Estate advanced additional Williams Litigation expenses totaling $81,036 which have not yet been reimbursed by Federal.

c. **Reimbursement of Litigation Costs**. In accordance with Paragraph 2 of the Cooperation Agreement (as amended by the First Amendment Order), within 5 business days of the Stipulation Date, each Party shall be reimbursed from the Recovery, on a *pari passu* basis, for all amounts actually advanced into the Litigation Fund: (i) Federal shall be reimbursed in the amount of $6,537,181 (the "Federal Litigation Funding

Reimbursement"); and (ii) the Post-Effective Date Debtors shall be reimbursed in the amount of $6,556,036.

d. **Net Proceeds**. After reimbursement of the Litigation Fund as set forth in subparagraph (c) above, the total available Net Proceeds (as defined in the Cooperation Agreement) are $61,906,783.

e. **Allocation of Net Proceeds**. In accordance with Paragraph 3 of the Cooperation Agreement and the Plan, the Net Proceeds shall be allocated as follows: (i) the Estates' Share (as defined in Plan § 1.44), consisting of the Estate Reimbursement and the Estate's allocable portion of the Net Proceeds pursuant to Paragraph 3(b) and 3(c) of the Cooperation Agreement, is $6,190,678.30; and (ii) the Surety Bond Share (as defined in Plan § 1.110), consisting of the Net Proceeds allocable to the Allowed Surety Bond Claim, is $55,716,104.70. The Surety Bond Share will be distributed to Federal within five business days of the Stipulation Date.

f. **Cap on Total Distributions**. Notwithstanding anything in this Stipulation, the Plan, or the Cooperation Agreement to the contrary, the aggregate amount of all distributions and payments received by Federal on account of the Allowed Surety Bond Claim (including the Surety Bond Share and Federal's Pro Rata share of the General Unsecured Claim Distribution, but excluding the Federal Litigation Funding Reimbursement set forth in subparagraph (c) above) shall not exceed the face amount of the Allowed Surety Bond Claim of $73,747,044.36 (the "Distribution Cap"). In the event that the sum of (i) the Surety Bond Share and (ii) Federal's Pro Rata share

of the General Unsecured Claim Distribution would otherwise exceed the Distribution Cap, the distribution to Federal on account of its Pro Rata share of the General Unsecured Claim Distribution shall be reduced by the amount of such excess, and such excess amount shall be redistributed by the Plan Administrator to Holders of Allowed Class 4 Claims in accordance with the Plan.

4. On the Stipulation Date, KCC, the claims agent appointed in these Chapter 11 Cases (the "Claims Agent"), shall be directed to amend the claims register to reflect the treatment of each of Claim 522, Claim 529, Claim 572, and Claim 551, as set forth in this Stipulation, and, upon the ultimate payment of Surety Bond Claim in the amount set forth above, the Claims Agent shall mark the Surety Bond Claim fully paid, satisfied and released, pursuant to the Plan.

5. Upon the Stipulation Date, Federal, on behalf of itself and its affiliates, subsidiaries, predecessors, successors, and assigns (collectively, the "Federal Releasing Parties"), shall be deemed to have fully and finally released, waived, and forever discharged the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation Agreement (as amended), and (e) any other claim Federal has asserted or could assert against the Estate Released Parties in these Chapter 11 Cases

(the "Federal Release"); *provided, however*, that the Federal Release shall not release or impair (w) Federal's right to receive (i) the Federal Litigation Funding Reimbursement, (ii) the Surety Bond Share, and (iii) Federal's Pro Rata share of the General Unsecured Claim Distribution (subject in each case to the Distribution Cap), in each case as and when due under this Stipulation, (x) Federal's rights under any Insurance Contracts to the extent such rights exist independent of the Surety Bond Claim, or (y) any claims Federal may have against third parties other than the Estate Released Parties.

6. Upon the Stipulation Date, the Post-Effective Date Debtors, the Debtors, their estates, the Plan Administrator (solely in her capacity as such), and each of their respective agents, officers, directors, employees, professionals, advisors, successors, and assigns (collectively, the "Estate Releasing Parties") shall be deemed to have fully and finally released, waived, and forever discharged Federal and its affiliates, subsidiaries, predecessors, successors, and assigns, and each of their respective agents, officers, directors, employees, professionals, advisors, consultants, attorneys, successors, and assigns (collectively, the "Federal Released Parties") from any and all claims, demands, obligations, liabilities, causes of action, damages, remedies, and rights of whatever kind or nature, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that are based upon, arise from, or are related to (a) the Surety Bond Claims, (b) the Federal Claims, (c) the Bond and the Indemnity Agreement (solely as between Federal and the Estate Released Parties), (d) the Cooperation Agreement (as amended), and (e) any other claim the Estate Releasing Parties have asserted or could assert against the Federal Released Parties in these Chapter 11 Cases (the "Estate Release"); *provided, however*, that the Estate Release shall not release or impair (w) the Estate Releasing Parties' rights to enforce the terms of this Stipulation, (x) the Estate Releasing Parties' rights or defenses relating to any

Insurance Contracts or related claims that are independent from the Surety Bond Claims, or (y) any claims that the Estate Releasing Parties may have against third parties other than the Federal Released Parties.

7. The Federal Release and the Estate Release not require any further action or documentation by any Party. For the avoidance of doubt, the Federal Release and the Estate Release are in addition to, and not in limitation of, any releases previously granted by or on behalf of Federal or the Estate Releasing Parties, as applicable, under the Plan, the Confirmation Order, or any other Final Order of the Court.

8. The Parties acknowledge that each and every covenant, warranty, release and agreement contained herein shall inure to the benefit of, and be binding upon, the agents, subsidiaries, employees, officers, directors, assigns, and successors in interest of the Parties, including, but not limited to, subsequent transferees or appointed representatives of the Post-Effective Date Debtors' estates.

9. This Stipulation is the entire agreement between the Parties hereto with respect of the subject matter hereof. This Stipulation supersedes any and all agreements, whether written or oral, that may have previously existed between the Parties with respect to the matters set forth in this Stipulation, though nothing in this Stipulation shall be construed to alter or amend the terms of the Cooperation Agreement or the Surety Cooperation Agreement Order. No statements, promises, or representations have been made by any Party to any other, or relied upon, and no consideration has been offered, promised, expected or held out other than as may be expressly provided herein.

10. Any ambiguities are not to be construed against either Party solely due to the identity of the drafter.

11. This Stipulation shall not be modified, altered or amended without the proper written consent of all Parties hereto.

12. This Stipulation shall be binding upon the successors and assigns of the Parties hereto, including trustees and estate representatives.

13. Each person signing this Stipulation represents and warrants that s/he has been duly authorized and has the requisite authority to execute and deliver this Stipulation on behalf of such Party and to bind her/his respective Party to the terms and conditions of the Stipulation.

14. This Stipulation may be executed in counterparts by counsel, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Stipulation. Delivery of an executed counterpart of a signature page of this Stipulation by telecopy or electronic mail in PDF shall be as effective as delivery of a manually executed copy of this Stipulation.

15. The Court shall retain jurisdiction to enforce the terms and conditions of this Stipulation to the full extent allowed under law.

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AGREED TO IN SUBSTANCE AND FORM THIS 17TH DAY OF JULY, 2026:

BLANK ROME LLP

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