

ENTERED

March 24, 2025

Nathan Ochsner, Clerk

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

In re:	§	
	§	Case No. 25-90083
ENGLOBAL CORPORATION, <i>et al.</i>,	§	
	§	Chapter 11
Debtors.	§	
	§	(Jointly Administered)

**FINAL ORDER (I) AUTHORIZING THE
DEBTORS TO (A) OBTAIN SENIOR SECURED PRIMING
SUPERPRIORITY POSTPETITION FINANCING, (B) USE CASH
COLLATERAL, AND (C) GRANT LIENS AND SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (II) MODIFYING THE
AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF
(Relates to ECF #s 16 and 30)**

The Court has reviewed and considered the motion (the “DIP Motion”)¹ of ENGlobal Corporation (“ENGlobal”) and its affiliated debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), pursuant to sections 105, 361, 362, 363, 364, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (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 of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”), and the Procedures for Complex Cases in the Southern District of Texas (the “Complex Case Procedures” and, together with the Bankruptcy Local Rules, the “Local Rules”) promulgated by the United States Bankruptcy Court for the Southern District of Texas (the “Court”) seeking, among other things, entry of the Interim

¹ Capitalized terms used but not defined herein are given the meanings ascribed to such terms in the DIP Motion or the DIP Credit Agreement, as applicable.

Order (defined below) and this final order (the “Final Order” and together with the Interim Order, the “DIP Orders”):

(A) authorization for the Debtors to obtain secured post-petition financing in a principal amount not to exceed \$2,500,000 (the “DIP Facility”) consisting of (i) a maximum new money commitment of up to \$2,100,000 (the “DIP New Money Loans”) and; (ii) a conversion of \$400,000 of the Prepetition Bridge Loan (defined below) to loans under the DIP Facility (the “DIP Roll-Up Loan”, and together with the DIP New Money Loans, the “DIP Loans”) from Gulf Island Fabrication, Inc. (the “DIP Lender”) pursuant to that certain DIP Credit Agreement by and among the Debtors, as Borrowers, the DIP Lender, as Lender (the “DIP Credit Agreement” and, together with any schedules, exhibits, documents, instruments, or amendments executed and delivered therewith, the “DIP Loan Documents”);

(B) authorization for the Debtors to execute and enter into the DIP Credit Agreement upon the terms and conditions for the DIP Facility and to perform such other and further acts as may be required by the DIP Lender in connection with the DIP Loan Documents;

(C) authorization for the Debtors, immediately upon entry of this Final Order, to use the proceeds of the DIP Loans as expressly provided in the DIP Loan Documents and solely in accordance with this Final Order and the applicable Approved Budget;

(D) authorization for the Debtors to grant to the DIP Lender superpriority administrative claims pursuant to section 364(c)(1) of the Bankruptcy Code payable from and secured by Liens pursuant to section 364(c)(2) and 364(c)(3) of the Bankruptcy Code and priming liens pursuant to section 364(d) of the Bankruptcy Code on, all prepetition and post-petition property of the Debtors’ estates and all proceeds thereof;

(E) the waiver of the Debtors' right to surcharge the DIP Collateral pursuant to section 506(c) of the Bankruptcy Code subject to the provisions set forth below;

(F) the waiver of the equitable doctrine of "marshaling" and other similar doctrines as to the DIP Lender, in each case subject to the provisions set forth below;

(G) modification of the automatic stay to the extent set forth herein and in the DIP Loan Documents; and

(H) entry of this Final Order approving the relief granted herein on a final basis and authorizing the Debtors to forth with borrowing from the DIP Lender under the DIP Loan Documents up to the full amount of the DIP Facility.

The Court has considered the DIP Motion, all pleadings related thereto, including all objections to the DIP Motion, as well as the evidence submitted and the oral arguments of record made by the Debtors at the interim hearing held on March 6, 2025 (the "Interim Hearing") and the final hearing held on March 24, 2025 (the "Final Hearing"). After due deliberation and consideration, the Court finds and concludes that good and sufficient cause appears to enter this Final Order, as follows:²

1. Petition Date. On March 5, 2025 (the "Petition Date"), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in this Court, commencing the Chapter 11 Cases.

2. Debtors in Possession. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

² The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

3. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Court may enter a final order consistent with Article III of the United States Constitution.

4. DIP Motion. On the Petition Date, the Debtors filed the DIP Motion, together with a copy of the proposed DIP Credit Agreement.

5. Interim Order. After the Interim Hearing held March 6, 2025, the Court entered its *Interim Order (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* [ECF # 30] (the “Interim Order”).

6. Notice. Pursuant to the Interim Order, the Debtors filed and served a *Notice of Final Hearing* [ECF # 35] and provided proper, timely, adequate, and sufficient notice of the DIP Motion, the Final Hearing and the Objection Deadline (as defined in the Interim Order) to (a) the U.S. Trustee, (b) counsel to the DIP Lender, (c) all other parties asserting a lien on or a security interest in the assets of the Debtors to the extent reasonably known to the Debtors, (d) the United States Attorney’s Office for the Southern District of Texas, (e) the Internal Revenue Service, (f) those creditors holding the 30 largest unsecured claims against the Debtors’ estates, (g) the state attorneys general for states in which the Debtors conduct business, and (h) any additional party identified in section E of the Complex Case Procedures.

7. Debtors' Stipulations. Without prejudice to the rights of other parties in interest, including any official committee of unsecured creditors (the "Committee") appointed in the Chapter 11 Cases, but subject to any limitations contained in this Final Order, the Debtors admit, stipulate, acknowledge, and agree to the statements set forth in this paragraph (collectively, the "Debtors' Stipulations"):

(a) *The Prepetition Bridge Loan.* The Debtors are parties to that certain Loan and Security Agreement, dated February 19, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified the "Prepetition Bridge Loan Agreement" and, together with all other documentation executed in connection therewith, the "Prepetition Bridge Loan Documents"), with Gulf Island Fabrication, Inc. (the "Prepetition Bridge Lender"), as lender, and the Debtors, as Borrower. As more fully set forth in the Prepetition Bridge Loan Documents, the Prepetition Bridge Loan is secured by a first priority lien (the "Prepetition Bridge Liens") on all of the Debtors' Collateral (as defined in the Prepetition Bridge Loan Documents) (the "Prepetition Bridge Collateral"). As of the Petition Date, the Debtors were indebted and liable to the Prepetition Bridge Lender in an aggregate principal amount of not less than \$400,000, including accrued and unpaid interest, default interest, prepayment premiums, and other fees (collectively, the "Prepetition Bridge Loan Debt").

(b) *The Prepetition Shareholder Loan.* Debtor ENGGlobal Corp is party to that certain Amended and Restated Credit Agreement, dated April 24, 2024 (as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated November 11, 2024, the "Prepetition Shareholder Loan Agreement" and, together with all other documentation executed in connection therewith, the "Prepetition Shareholder Loan Documents"), with Alliance 2000, Ltd (the "Prepetition Shareholder Lender" and, together with the Prepetition Bridge Lender, the

“Prepetition Lenders”), as lender, and Debtor ENGglobal Corp, as Borrower, and Debtors ENGglobal Technologies, ENGglobal US and ENGglobal Government Services (the “Prepetition Shareholder Loan Guarantors”), as guarantors. The Prepetition Shareholder Loan is subject to that certain Subordination Agreement, dated February 19, 2025, by and among Alliance 2000, Ltd, the Debtors, and the Prepetition Bridge Lender (the “Subordination Agreement”), in which the Prepetition Shareholder Lender agreed to subordinate the Prepetition Shareholder Loan Debt (as defined herein) to the Prepetition Bridge Loan Debt. As more fully set forth in the Prepetition Shareholder Loan Documents and the Subordination Agreement, the Prepetition Shareholder Loan is secured by a junior lien (the “Prepetition Shareholder Liens”) on all of the Prepetition Bridge Collateral. As of the Petition Date, the Debtors were indebted and liable to the Prepetition Shareholder Lender in an aggregate principal amount of \$2,249,837, plus accrued and unpaid interest (collectively, the “Prepetition Shareholder Loan Debt” and, together with the Prepetition Bridge Loan Debt, the “Prepetition Debt”).

8. Findings Regarding the DIP Loans.

(a) *Need for Post-Petition Financing.* The Debtors have an immediate and critical need to obtain the DIP Loans. The Debtors’ ability to obtain the DIP Loans is critical to their efforts to obtain the best value for their assets pursuant to a sale process contemplated by the Debtors.

(b) *No Credit Available on More Favorable Terms.* The DIP Lender has indicated a willingness to provide the Debtors with the DIP Loans on the terms and conditions set forth in this Final Order and in the DIP Loan Documents (as defined herein). After considering all of the alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the DIP Loans to be provided by the DIP Lender pursuant to the terms of this Final Order and

the DIP Loan Documents represent the best financing presently available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain credit on more favorable terms and conditions than those provided in this Final Order.

(c) *Good Cause Shown.* Good cause has been shown for immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(c)(2), and, to the extent it applies, Bankruptcy Rule 6003, as the Court finds that entry of this Final Order is necessary to avoid immediate and irreparable harm to the Debtors and their estates. Entry of this Final Order is in the best interest of the Debtors, their estates, and creditors. The terms of the DIP Loan Documents are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with its fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

(d) *Good Faith.* The Debtors and the DIP Lender have negotiated the terms and conditions of the DIP Loan Documents and this Final Order in good faith and at arm's-length, and any credit extended and loans made to the Debtors pursuant to this Final Order shall be, and hereby are, deemed to have been extended, issued or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

9. Disposition. The DIP Motion is approved on final basis on the terms and conditions set forth in this Final Order. This Final Order shall become effective immediately upon its entry. Any objections that were made to the DIP Motion or the entry of this Final Order (to the extent such objections have not been withdrawn, waived, resolved, or settled) are hereby overruled on the merits. To the extent the terms of the DIP Loan Documents differ in any material respect from the terms of this Final Order, this Final Order shall control.

10. Approval of DIP Loan Documents. The terms and conditions of the DIP Credit Agreement are hereby approved. The Debtors are hereby authorized to execute the DIP Loan Documents, including the DIP Credit Agreement and such additional documents, instruments, and agreements as may be reasonably required by the DIP Lender to implement the terms or effectuate the purposes of this Final Order.

11. DIP Loans Authorized. Immediately upon entry of this Final Order, the Debtors are hereby authorized to borrow up to the aggregate principal amount of \$2,500,000, consisting of the DIP New Money Loans and DIP Roll-Up Loans under the terms of this Final Order and the DIP Loan Documents.

12. DIP Collateral. As security for the DIP Loan Obligations (as defined herein), effective immediately upon entry of the Final Order, pursuant to sections 361, 362, 364(c), and 364(d) of the Bankruptcy Code, the DIP Lender is hereby granted valid, binding, continuing, enforceable, non-avoidable, and automatically and properly perfected security interests and DIP Liens (defined below) on all of the Debtors' assets owned whether now existing or hereafter arising and wherever located, tangible or intangible, of each of the Debtors (the "DIP Collateral"), including, without limitation, inventory, accounts receivable, real and personal property, plants, equipment, rights under leases and other contracts, patents, copyrights, trademarks, trade names and other intellectual property and capital stock of subsidiaries, and the proceeds thereof. For the avoidance of doubt, the DIP Collateral shall not include the proceeds of any avoidance actions brought pursuant to chapter 5 of the Bankruptcy Code or section 724(a) of the Bankruptcy Code or any other avoidance actions under the Bankruptcy Code or applicable state law or foreign law equivalents (such actions, collectively, "Avoidance Actions" and the proceeds of such Avoidance Actions, "Avoidance Action Proceeds").

13. DIP Liens. Effective immediately upon the entry of this Final Order and subject to the Carve-Out, as set forth more fully in this Final Order, the DIP Lender is hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and unavoidable (all liens and security interests granted to the DIP Lender pursuant to the DIP Orders, the “DIP Liens”):

(a) Pursuant to Bankruptcy Code sections 507(b) and 364(c)(1), an allowed claim in the Chapter 11 Cases that has priority over any and all administrative expenses and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) or 507(b); and

(b) Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, enforceable, priming first priority, fully perfected security interests in and liens upon all of the Debtors’ rights in property of the Debtors’ estates as of the Petition Date, and all of the Debtors’ rights in property acquired post-petition (and proceeds thereof), whether now existing or hereafter acquired or arising, that secure the Prepetition Debts, which liens shall be subject to the Carve-Out; *provided, however*, that the DIP Liens shall not include liens on Avoidance Action Proceeds.

14. Perfection of DIP Liens. The DIP Liens will automatically attach to the DIP Collateral and become valid and perfected immediately upon entry of the Final Order without the requirement of any further action by the DIP Lender; *provided, however*, that if the DIP Lender determines to file any mortgages, financing statements, notice of liens or similar instruments, the Debtors will cooperate and assist in any such filings and the automatic stay shall be modified to allow such filing.

15. DIP Lien Priority. The DIP Liens shall secure all of the DIP Obligations, to the extent and subject to the priorities set forth herein, and such liens (and any super-priority claims and other senior liens granted hereunder) shall at all times have a higher priority and shall remain senior to the rights of the Debtors, any chapter 7 or chapter 11 trustee, and any secured, administrative priority, unsecured or other claims of any party in the Chapter 11 Cases (except as (and solely to the extent) expressly provided herein, but, for the avoidance of doubt, shall be subject to the Carve-Out), and the DIP Liens and the DIP Super-Priority Claims (as defined herein) granted herein shall not be made or become subject, junior, or subordinated to any “priming” or other liens, nor made *pari passu* with any other lien, security interest, or claim heretofore or hereafter granted under section 364 of the Bankruptcy Code or otherwise, in the Chapter 11 Cases (except as (and solely to the extent) expressly provided herein, but, for the avoidance of doubt, shall be subject to the Carve-Out) or any Successor Cases.

16. DIP Loan Obligations. The DIP Loans include all loans made to or for the benefit of the Debtors on or after the Petition Date under the DIP Loan Documents, together with all interest thereon, and all fees and other liabilities owed by the Debtors to the DIP Lender under the DIP Loan Documents and this Final Order (collectively, the “DIP Loan Obligations”). The DIP Loans shall: (i) bear interest payable at the rates set forth in the DIP Credit Agreement; (ii) be secured in the manner specified herein; (iii) be payable in accordance with the terms of the DIP Loan Documents; and (iv) otherwise be governed by the terms set forth herein and in the DIP Loan Documents. The DIP Liens and DIP Loan Obligations shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases, upon the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (each such case or proceeding, a “Successor Case”), and/or upon the dismissal of the Chapter 11

Cases. The DIP Liens shall not be subject to the “equities of the case” exception of section 552 of the Bankruptcy Code, section 506(c) of the Bankruptcy Code, or section 551 of the Bankruptcy Code.

17. Use of Proceeds of the DIP Loans. As a condition to providing the DIP Facility, the DIP Lender requires, and the Debtors have agreed, that all proceeds of the DIP Loans shall be used or applied solely for the purposes expressly permitted in, and in a manner consistent with, the Approved Budget (as defined herein), including (i) for working capital and general corporate purposes of the Debtors; (ii) to fund costs and expenses related to these Chapter 11 Cases, including the sale of substantially all of the assets of the Debtors; (iii) to fund the payment of interest, fees, costs, and expenses related to the DIP Loans, including the reasonable and documented fees and expenses of the DIP Lender’s professionals, including Jones Walker LLP as legal counsel to the DIP Lender; and (iv) for any other purposes specifically set forth in the Approved Budget (as defined herein).

18. DIP Super-Priority Claims. The DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times constitute allowed super-priority administrative expense claims (the “DIP Super-Priority Claims”) of the DIP Lender against the Debtors, and be payable from and have recourse to all assets and property of the Debtors, with priority over any and all other administrative expenses, adequate protection claims, diminution in value claims, and all other claims asserted against the Debtors now existing or hereafter arising of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all other administrative expenses or other claims arising under any other provisions of the Bankruptcy Code, including sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(b), 506(b), 506(c), 507(a),

507(b), 507(d), 546, 726, 1113, or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy, or attachment, subject only to the Carve-Out, which DIP Super-Priority Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered an administrative expense allowed under section 503(b) of the Bankruptcy Code and shall be payable from and have recourse to all pre- and post-petition assets and property, whether existing on the Petition Date or thereafter acquired, of the Debtors and all proceeds thereof. The DIP Super-Priority Claims shall be subject and subordinate only to the Carve-Out. Other than as expressly provided herein, including in paragraph 18 hereof with respect to the Carve-Out, no costs or expenses of administration, including, without limitation, Professional Fees allowed and payable under sections 328, 330, and 331 of the Bankruptcy Code, or otherwise, that have been or may be incurred in the Chapter 11 Cases or in any Successor Cases and no priority claims are or will be senior to, prior to, or *pari passu* with the DIP Liens, the DIP Super-Priority Claims, or any of the DIP Obligations or with any other claims of the DIP Lender arising hereunder or otherwise in connection with the DIP Facility.

19. Maturity Date. Pursuant to the DIP Credit Agreement, on the applicable Maturity Date, all DIP Obligations shall be immediately due and payable, all commitments to extend credit under the applicable DIP Facility will terminate.

20. Certain Events of Default. The occurrence of any of the following events, unless waived by the DIP Lender in writing and in accordance with the terms of the DIP Credit Agreement, shall constitute an event of default (collectively, the “Events of Default”): (a) any “Event of Default” identified in this Final Order; (b) the failure of the Debtors to perform, in any respect, any of the terms, provisions, conditions, covenants, or obligations under this Final Order; or (c) the occurrence of an “Event of Default” under the DIP Credit Agreement.

21. Rights and Remedies Upon Event of Default. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby modified to the extent necessary to permit the DIP Lender to enforce all rights under the DIP Loan Documents (subject to the terms of this Final Order) and (i) upon the occurrence and during the continuation of an Event of Default that has not been waived by the DIP Lender or the Maturity Date, declare by written notice (A) the termination, reduction or restriction of any further DIP Commitment to the extent any such DIP Commitment remains and (B) all DIP Obligations to be immediately due and payable, without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Debtors (such notice, a “Termination Notice”) (which notice shall be filed on the docket of these Chapter 11 Cases) and (ii) upon the occurrence and during the continuation of an Event of Default that has not been waived by the DIP Lender or the Maturity Date, after the giving of five (5) business days’ prior written notice (such five (5) business day period, the “Remedies Notice Period”) to lead restructuring counsel to the Debtors, lead counsel to the Committee (if any), and the U.S. Trustee, the DIP Lender may, subject to the terms of this Final Order, exercise all rights and remedies provided for in the DIP Loan Documents and applicable law, including (a) immediately terminate and/or revoke the Debtors’ right under this Final Order and any other DIP Loan Documents to use any cash collateral; (b) terminate the DIP Facility and any DIP Loan Documents as to any future liability or obligation of the DIP Lender but without affecting any of the DIP Obligations or the DIP Liens securing such DIP Obligations; (c) declare all DIP Obligations to be immediately due and payable; and (d) invoke the right to charge interest at the default rate under the DIP Loan Documents. Following the delivery of such notice and prior to exercising remedies with respect to any DIP Collateral, the DIP Lender shall file a motion (the “Stay Relief Motion”) seeking emergency relief from the automatic stay. In any hearing regarding any exercise of rights or

remedies under the DIP Loan Documents, the Debtors may seek relief from the Court seeking to stay the DIP Lender's exercise of any rights and remedies. The Debtors shall not object to any request for such Stay Relief Motion to be heard on shortened notice. Until such time as the Stay Relief Motion has been adjudicated by the Court, the Debtors shall continue to have the right to use cash collateral solely to pay necessary expenses to avoid irreparable harm to the Debtors' estates, fund the Carve-Out, and meet payroll obligations, in each case in accordance with the terms of this Final Order and the Approved Budget during the Remedies Notice Period and pending any final determination from the Court. As soon as reasonably practicable following receipt of a Termination Notice, the Debtors shall file a copy of the same on the docket of the Chapter 11 Cases.

22. Challenge Period. Subject to the Challenge Period below, the Debtors' Stipulations as to the validity and enforceability of the Prepetition Debt of the DIP Lender and Prepetition Shareholder Loan Lender are approved and confirmed; provided that other parties-in-interest shall have until May 5, 2025 (and, with respect to a Committee, sixty (60) days after formation thereof), and if, prior to the expiration of the Challenge Period, (a) the Chapter 11 Cases convert to chapter 7, or (b) if a chapter 11 trustee is appointed, then, in each such case, twenty-one (21) days from the appointment or election of such trustee, to complete an investigation of the Debtors' Stipulations and (x) the validity, enforceability, priority of the liens and security interest granted pursuant to the Prepetition Bridge Loan and Prepetition Shareholder Loan; (y) the amount of the Prepetition Debt claims against the Debtors that arose before the commencement of the Chapter 11 Cases (collectively, the "Challenge Period"). If, by no later than the end of the Challenge Period, none of the categories of parties listed in the preceding sentence file a motion for standing attaching a proposed complaint or, to the extent such party already has the requisite standing,

commence a proceeding with the Bankruptcy Court contesting the validity, enforceability, priority of the liens and security interest granted by the Debtors pursuant to the Prepetition Bridge Loan or Prepetition Shareholder Loan, the, as of the expiration of the Challenge Period, all parties in interest shall be deemed to be forever barred, waived and estopped from contesting the Debtors' Stipulations or the validity, enforceability, priority, rights, claims, liens and security interests regarding the Prepetition Bridge Loan and Prepetition Shareholder Loan as of the Petition Date.

23. Binding Effect. Upon the entry of this Final Order, or the execution and delivery of the DIP Loan Documents, whichever occurs first, the Final Order and the DIP Loan Documents shall constitute valid, binding and continuing obligations of the Debtors, enforceable against each Debtor thereto in accordance with the terms thereof. No obligation, payment, transfer or grant of security under the DIP Loan Documents or this Final Order shall be stayed, restrained, voided, voidable, or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

24. Carve-Out. Notwithstanding anything to the contrary in this Final Order, the DIP Facility shall be subject and subordinate to the carve-out described herein (the "Carve-Out"). The Carve-Out is 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; and (ii) allowed and unpaid claims for unpaid fees, success fees, costs and expenses (the "Professional Fees") incurred by persons or firms (the "Professionals") retained by the Debtors or Committee, if any, whose retention is approved by the Bankruptcy Court pursuant to sections 327, 328 or 363 and 1103 of the Bankruptcy Code, subject to the terms of the Approved Budget, the Interim Order, the Final Order and any other interim or other compensation orders entered by the Bankruptcy Court that are incurred (A) at any time before delivery to the Debtors

of a Carve-Out Trigger Notice (as defined herein), whether allowed by the Bankruptcy Court prior to the delivery of a Carve-Out Trigger Notice, subject to any limits imposed by the Approved Budget, the Interim Order or Final Order; and (B) after the occurrence and during the continuance of an Event of Default (as defined below) and delivery of written notice (the “Carve-Out Trigger Notice”) thereof (which may be by email) to the Debtors, the Debtors’ counsel, the United States Trustee, and lead counsel for the Committee, if any, in an aggregate amount not to exceed \$150,000 for the Debtors’ Professionals and \$50,000 for the Committee Professionals, if any; *provided, however*, that nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement or compensation described in clauses (i) or (ii)(A) or (ii)(B) above, on any grounds. The Carve-Out may be funded to an administrative reserve account (the “Carve-Out Account”) in an amount not to exceed the amount budgeted for the respective Professionals in the Approved Budget, which account shall be used to pay Professional Fees and any unpaid fees to the U.S. Trustee. As cash flow permits, and assuming no issuance of a Carve-Out Trigger Notice, the Debtors shall pay the amounts set forth in the Approved Budget for Professional Fees into the Carve-Out Account.

25. Approved Budget. The Approved Budget attached hereto as **Exhibit 1** constitutes an “Approved Budget.” On the Friday of every other week (every two weeks), commencing with April 4, 2025 (or more frequently at the option of the DIP Loan Parties to accommodate changes in business operating activity), an updated 13-week forecast for the subsequent 13 weeks of the DIP Loan Parties in a form consistent with past practice, broken down by week, which shall include the anticipated uses of the Loans for such period (each, a “Proposed Budget”), which Proposed Budget shall modify and supersede any prior Budget upon the approval of the DIP Lender in its reasonable discretion (which approval may be delivered by the DIP Lender by e-mail

correspondence); *provided* that (i) the most recently delivered Proposed Budget shall be deemed approved five (5) Business Days following delivery thereof to the DIP Lender, unless the DIP Lender shall object to the same in writing on or before such date and (ii) if the DIP Lender objects to such Proposed Budget, the DIP Loan Parties and the DIP Lender will work in good faith to reconcile the Proposed Budget; *provided, further*, that, for the avoidance of doubt, until the conditions for the most recently delivered Proposed Budget are met, the prior Approved Budget shall remain in full force and effect for all purposes.

26. Budget Compliance. The Debtors shall at all times comply with the Approved Budget and shall not conduct their business in a manner that causes cash disbursements for Operating Expenses (as defined in the DIP Credit Agreement) to materially deviate upward (cumulative of all Operating Expense line items) from the applicable Approved Budget. In the event of a dispute between the Debtors and DIP Lender regarding permitted variances from the Approved Budget, the Court may, after notice and an expedited hearing, determine whether such variance constitutes an Event of Default.

27. Reporting and Information. Following the Closing Date, the Debtors shall provide to the DIP Lender weekly submissions of open accounts payable aging, open account receivable aging, open project pipeline by segment, bank account cash balances, including receipts and disbursements, and loan balance reconciliations (i) for each of the Debtors in a form satisfactory to the DIP Lender, and (ii) for each of the Debtors in the most detailed form as that provided to any creditor or party in interest (including a Committee) in the Chapter 11 Cases.

28. Milestones. The Debtors shall comply with the Milestones set forth in the DIP Credit Agreement (each of which may be extended or waived with the prior written consent of the DIP Lender at its sole discretion, which may be by email, without further order of the Court).

29. Section 364(e) Protections. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect (a) the validity of any DIP Loan Obligations incurred pursuant the DIP Orders or the DIP Loan Documents, or (b) the validity or enforceability of any claim, lien, security interest or priority authorized or created hereby or pursuant to the DIP Loan Documents. Notwithstanding any such reversal, modification, vacation or stay, the DIP Loan Obligations shall be governed in all respects by the provisions of this Final Order and the DIP Loan Documents, and the DIP Lender shall be entitled to all of the rights, remedies, protections and benefits granted under Bankruptcy Code section 364(e), this Final Order, and the DIP Loan Documents with respect to all incurrence of the DIP Loan Obligations.

30. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order, and in a manner consistent with the Approved Budget, the Debtors are authorized to use Cash Collateral. All cash and cash equivalents of the Debtors, whenever or wherever acquired, and the proceeds of all collateral pledged to the DIP Lender, constitute “Cash Collateral”, as contemplated by section 363(a) of the Bankruptcy Code. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any Debtor’s use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Final Order (including with respect to the Carve-Out).

31. Payment of DIP Lender’s Fees and Expenses. The Debtors are authorized and directed to pay the reasonable and documented fees, costs, and expenses of the DIP Lender, including any and all expenses of the DIP Lender’s counsel, professional advisors, or in house administration and shall reimburse such amounts promptly upon demand.

32. Section 506(c) Claims. Upon entry of this Final Order, except to the extent of the Carve-Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from any DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender, and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender; and the Debtors shall irrevocably waive and shall be prohibited from asserting any claim described in this paragraph, under section 506(c) of the Bankruptcy Code or otherwise, for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Lender upon the DIP Collateral.

33. Section 552(b). Upon entry of this Final Order, (a) the DIP Lender shall be entitled to all rights and benefits of section 552(b) of the Bankruptcy Code, (b) the “equities of the case” exception under sections 552(b)(i) and (ii) of the Bankruptcy Code shall not apply to such parties with respect to the proceeds, products, rents, issues or profits of any of the DIP Collateral or the Prepetition Collateral, and (c) no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, may be charged against proceeds, product, offspring or profits from any of the DIP Collateral or the Prepetition Collateral under section 552(b) of the Bankruptcy Code.

34. Proofs of Claim. The DIP Lender shall not be required to file a proof of claim in the Chapter 11 Cases or any Successor Cases for any claim described herein. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in the Chapter 11 Cases or any Successor Cases to the contrary, the DIP Lender is hereby authorized and entitled, in its sole

and absolute discretion but not required, to file (and amend or supplement) a proof of claim in the Chapter 11 Cases or any Successor Cases for any claim described herein. Any order entered by the Court in relation to the establishment of a bar date for any claim (including, without limitation, administrative claims) in the Chapter 11 Cases or any Successor Cases shall not apply to the DIP Lender.

35. Credit Bidding. Upon entry of this Final Order, the DIP Lender shall have the right to credit bid (pursuant to section 363(k) of the Bankruptcy Code and/or other applicable law) the DIP Loans, in whole or in part, in connection with any sale or disposition of assets by the Debtors in the Chapter 11 Cases and shall not be prohibited from making such credit bid “for cause” under section 363(k) of the Bankruptcy Code. Without limiting the foregoing, the DIP Lender may assign all or any portion of the DIP Obligations owed to it to an acquisition vehicle, affiliate, or any other Person (any such Person, the “Agent Assignee”). The Agent Assignee shall have the right to “credit bid” any prepetition or post-petition secured obligations so assigned to it or assigned to or owned by any of its affiliated entities in any sale of the Debtors’ assets.

36. Indemnification. The Debtors will indemnify and hold harmless the DIP Lender and its respective affiliates, officers, directors, employees, agents, advisors, attorneys and representatives from and against all losses, liabilities (including coverage of environmental liabilities), claims, damages or other expenses arising out of or relating to the DIP Loan Documents and the Debtors’ use of the financing provided thereunder. The indemnification will survive and continue for the benefit of all such persons or entities.

37. Taxing Authorities. Notwithstanding any other provisions in this Final Order or any other final orders pertaining to the use of cash collateral in these Chapter 11 Cases, any statutory liens on account of ad valorem taxes (the “Tax Liens”) held by the Texas Taxing

Authorities³ shall neither be primed by nor made subordinate to any liens granted to any party hereby to the extent the Tax Liens are valid, senior, perfected, and unavoidable, and all parties' rights to object to the priority, validity, amount, and extent of the claims and Tax Liens asserted by the Texas Taxing Authorities are fully preserved.

38. Miscellaneous Provisions. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the Debtors, and their respective successors and assigns. The provisions of this Final Order and any actions taken pursuant thereto (a) shall survive the entry of any order (i) confirming any chapter 11 plan in the Chapter 11 Cases that is not a DIP Lender approved plan, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing the Chapter 11 Cases; and (b) shall continue in full force and effect notwithstanding the entry of any such order, and the claims, liens, and security interests granted pursuant to the DIP Order shall maintain their priority as provided by this Final Order until all of the DIP Loan Obligations are indefeasibly paid in full and discharged in accordance with the terms of this Final Order and the DIP Credit Agreement.

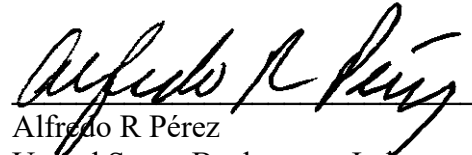
39. Waiver of Stay. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 7062 or 9024, any other Bankruptcy Rule or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

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

³ As defined in the *Joint Limited Objection of the Texas Taxing Authorities* [ECF # 53].

41. General Authorization. The Debtors and the DIP Lender are authorized to take any and all actions necessary to effectuate the relief granted in this Final Order.

Signed: March 24, 2025



Alfredo R Pérez
United States Bankruptcy Judge

