IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
PetroQuest Energy, Inc., *et al.*,[1]	)	Case No. 24-12609 (CTG)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket Nos. 14 and 37**

INTERIM ORDER PURSUANT TO SECTIONS 105, 361, 362, 363, AND 364 OF THE BANKRUPTCY CODE AND RULES 2002, 4001, 6004 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (I) AUTHORIZING THE DEBTORS TO (A) USE CASH COLLATERAL, (B) OBTAIN SENIOR SECURED SUPERPRIORITY POSTPETITION FINANCING AND GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE CLAIMS, AND (C) PROVIDE ADEQUATE PROTECTION, (II) SCHEDULING A FINAL HEARING, AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the "Motion") of the above-captioned debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for the entry of an order pursuant to sections 105, 361, 362, 363, and 364 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules") and rules 2002-1, 4001-2, 9006-1, and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure for the District of Delaware (the "Local Rules") (i) authorizing the Debtors to (a) use cash collateral, (b) obtain senior secured superpriority postpetition financing and granting liens and superpriority administrative expenses claims and (c) provide adequate protection, (ii) scheduling interim and final hearings, and (iii) granting related relief, the Debtors sought, among other things, the following relief:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors' corporate headquarters and the Debtors' service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

(i) authorizing Debtor PetroQuest Energy, L.L.C., as borrower, (the "Borrower") and Debtors PetroQuest Energy, Inc. ("Parent"), PetroQuest Oil & Gas, L.L.C., and PQ Holdings, LLC, as guarantors, (the "Guarantors") to obtain a senior secured superpriority debtor-in-possession financing facility (the "DIP Facility") pursuant to the terms herein, the terms and conditions set forth in the credit agreement attached hereto as **Exhibit 1** (as may be amended, restated, supplemented or otherwise modified from time to time, in each case with the consent of the DIP Lenders (as defined below), the "DIP Credit Agreement,"[2] collectively with this order, this "Interim Order", the Final Order (as defined below), the DIP Budget (as defined below), and all other agreements, documents, and instruments delivered or executed in connection therewith to the extent that the DIP Agent (as defined below) and the DIP Lenders determine there is a need for such other agreements, documents, and instruments, in each case as amended, restated, supplemented, or otherwise modified from time to time, the "DIP Loan Documents") provided by Computershare Trust Company, National Association, as administrative agent (together with any successor administrative agents and collateral agents, the "DIP Agent"), and the parties listed on Annex B to the DIP Credit Agreement, as lenders (in such capacity, together with any successors and assigns permitted under the DIP Loan Documents, the "DIP Lenders" and, together with the DIP Agent, the "DIP Secured Parties"), which DIP Facility shall be available, subject to the terms and conditions set forth in this Interim Order and the other DIP Loan Documents, (1) during the period (the "Interim Period") from the date hereof through and including the date of entry of the Final Order by this Court in the amount of $847,500.00 (the "Interim DIP Loan"), to include a roll-up based on the interim funding of $2,057,005.50 (the "Interim Roll-Up Amount") and relevant Fees associated with the DIP Facility (2) upon entry of the Final Order, in the amount of

[2] Capitalized terms used but not defined herein have the same meaning ascribed to such terms in the DIP Credit Agreement or the Motion, as appropriate.

$847,500.00 (the "Final DIP Loan") (the Interim DIP Loan and Final DIP Loan, collectively, the "DIP Loans"), to include a roll-up based on the interim funding of $10,442,395.68 (the "Final Roll-Up Amount", and together with the Interim Roll-Up Amount, the "Roll-Up Loans") and relevant Fees associated with the DIP Facility;

(ii) the Court's authorization for the Debtors to execute, deliver, and perform, as applicable, under the DIP Credit Agreement and all other DIP Loan Documents, and to perform such other and further acts as may be necessary or appropriate in connection therewith;

(iii) the Court's authorization for the Debtors to use proceeds of the DIP Loans solely in accordance with the budget and cash flow forecast prepared by the Debtors and annexed hereto as **Exhibit 2** (as updated from time to time in accordance with the terms of the DIP Credit Agreement and the other DIP Loan Documents, subject to the prior approval of the DIP Lenders in their sole discretion, the "Initial DIP Budget"), subject to the variances permitted under the DIP Credit Agreement and as otherwise provided herein and in the other DIP Loan Documents;

(iv) the Court's authorization to grant to the DIP Agent, for the benefit of the DIP Secured Parties, in respect of the DIP Obligations (as defined below), a superpriority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code and first priority priming liens on and security interests in substantially all assets and property of the Debtors (now owned or hereafter acquired) pursuant to sections 364(c)(2), (c)(3), and (d)(1) of the Bankruptcy Code, in each case as and to the extent, set forth more fully below and in the DIP Loan Documents (including the DIP Credit Agreement);

(v) the Court's authorization for the Debtors to use "cash collateral" as such term is defined in section 363 of the Bankruptcy Code in which the Prepetition Secured Parties (as defined below) or the DIP Secured Parties has an interest (the "Cash Collateral") solely in

accordance with the DIP Budget and the DIP Credit Agreement, subject to the variances permitted under the DIP Credit Agreement;

(vi) the Court's authorization to grant, as of the Petition Date, adequate protection for the benefit of the Prepetition Secured Parties, as set forth more fully below, including the Adequate Protection Superpriority Claim, Adequate Protection Liens, and Adequate Protection Payments (each as defined below), to the extent of and as compensation for any Diminution in Value (as defined below), the payment of fees and expenses of the Prepetition Agent (as defined below) and the Prepetition Secured Parties, and the Debtors' satisfaction of the Milestones (as defined below) in accordance with the DIP Credit Agreement;

(vii) the modification or waiver by the Court of the automatic stay imposed by section 362 of the Bankruptcy Code and any other applicable stay (including Bankruptcy Rule 6004) to the extent necessary to implement and effectuate the terms and provisions of the DIP Facility and this Interim Order and the other DIP Loan Documents, and to provide for the immediate effectiveness of this Interim Order;

(viii) the scheduling by the Court of a final hearing (the "Final Hearing") to consider entry of an order (the "Final Order") granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing and the transactions contemplated by the Motion; and

(ix) entry of the Final Order.

The Court having considered the Motion, the terms of the DIP Facility and the DIP Loan Documents (including the DIP Credit Agreement), the *Declaration of Allen Wilen in Support of Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Use Cash Collateral, (B) Obtain Senior Secured Superpriority Postpetition Financing and Granting*

Liens and Superpriority Administrative Claims, and (C) Provide Adequate Protection, (II) Scheduling a Final Hearing, and (III) Granting Related Relief, the *Declaration of Angelle Perret in Support of Chapter 11 Petitions and First Day Pleadings*, and the evidence submitted at the hearing held before this Court on November 15, 2024, to consider entry of this Interim Order (the "Interim Hearing"); and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtors, their creditors, and their estates, and essential for the continued operation of the Debtors' businesses; and all objections, if any, to the entry of this Interim Order having been withdrawn, resolved, or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Petition Date**. On November 13, 2024 (the "Petition Date"), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtors have continued in the management and operation of their businesses and property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

B. **Jurisdiction and Venue**. The Court has jurisdiction over this proceeding, pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* dated February 29, 2012, from the United States District Court for the District of Delaware. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2), and the Court may enter a final

order consistent with Article III of the United States Constitution. Venue for the Chapter 11 Cases and the proceeding on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Committee Formation**. As of the date hereof, no official committee of unsecured creditors has been appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (a "Committee").

D. **Notice**. The Interim Hearing was held pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Proper, timely, adequate, and sufficient notice of the Interim Hearing and the relief requested in the Motion has been provided to (a) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"), (b) counsel to the Prepetition Secured Parties and DIP Secured Parties, (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 Office of the United States Attorney General for the State of Delaware, (e) the Internal Revenue Service, (f) those creditors holding the 30 largest unsecured claims against the Debtors' estates (excluding insiders), (g) the Securities and Exchange Commission, and (h) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). Under the circumstances, such notice of the Interim Hearing and the relief requested in the Motion complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b), (c), and (d), and the Local Rules, and no other or further notice need be provided for entry of this Interim Order.

E. **Prepetition Indebtedness**.

The Borrower is a party to that certain Term Loan Agreement, originally dated as of February 8, 2019, by and among the Borrower, as borrower, Parent, the lender parties identified on Annex B thereto (the "Prepetition Lenders"), and Computershare Trust Company, National Association, as agent for Wells Fargo Bank, National Association, as administrative agent (in such capacity, the

"Prepetition Agent", and together with the Prepetition Lenders, the "Prepetition Secured Parties"), as amended by (i) that certain Consent and Amendment to Term Loan Agreement dated as of March 19, 2020, (ii) that certain Second Amendment to Term Loan Agreement dated as of August 10, 2020, (iii) that certain Third Amendment to Term Loan Agreement dated as of March 19, 2021, (iv) that certain Fourth Amendment to Term Loan Agreement dated as of April 21, 2022, (v) that certain Fifth Amendment to Term Loan Agreement dated March 22, 2023, (vi) that certain Sixth Amendment to Term Loan Agreement dated September 3, 2024, and (vii) as otherwise amended, amended and restated, supplemented or modified from time to time prior to the date hereof (the "Prepetition Term Loan Agreement").

F. **Stipulations as to Prepetition Obligations**. Subject to the rights of any party in interest as and to the extent set forth in paragraph 11 hereof, after consultation with their attorneys, the Debtors permanently, immediately, and irrevocably admit, acknowledge, represent, stipulate, and agree with the provisions set forth in this paragraph F which stipulations shall be binding on the Debtors, their estates, and all parties in interest (collectively, the "Stipulations"):

(i) **Prepetition Obligations**. As of the Petition Date, the Debtors are justly and lawfully indebted and liable to the Prepetition Secured Parties under the Prepetition Term Loan Agreement, without objection, defense, counterclaim, or offset of any kind, in the aggregate amount of not less than $104,452,458.82 with respect to the Prepetition Loans (on account of principal and certain accrued and unpaid prepetition interest and fees), plus accrued and accruing (both before and after the Petition Date) and unpaid interest (including at the default rate), interest late fees, liquidated damages, other fees and expenses, and all other obligations under the Prepetition Term Loan Agreement, including any and all attorneys', accountants', consultants',

appraisers' and financial and other advisors' fees that are chargeable or reimbursable under the Prepetition Term Loan Agreement (collectively, the "Prepetition Obligations").

(ii) **Enforceability, etc. of the Prepetition Obligations**. The Prepetition Term Loan Agreement and the Prepetition Obligations are (a) legal, valid, binding, enforceable, and non-avoidable obligations against the Debtors and (b) not subject to any contest, attack, objection, recoupment, defense, counterclaim, offset, subordination, re-characterization, avoidance, or other claim, cause of action, or other challenge of any kind or nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise and the Debtors do not possess, and shall not assert, any claim, counterclaim, setoff, deduction, or defense of any kind, nature, or description that would in any way impair, reduce, or affect the validity, enforceability, and non-avoidability of any of the Prepetition Obligations.

(iii) **Validity, Perfection, and Priority of the Prepetition Liens**. The liens granted by the Debtors under the Prepetition Term Loan Agreement to the Prepetition Agent (the "Prepetition Liens") for the benefit of the Prepetition Secured Parties as security for the Prepetition Obligations encumber all Collateral (as defined in the Prepetition Term Loan Agreement), which includes substantially all of the Debtors' assets and property and all proceeds thereof (collectively, the "Prepetition Collateral"). The Prepetition Liens on the Prepetition Collateral have been properly recorded and perfected under applicable law and are legal, valid, binding, enforceable, non-avoidable, and not subject to contest, avoidance, attack, offset, recharacterization, subordination, or other challenge of any kind or nature under the Bankruptcy Code, under applicable non-bankruptcy law, or otherwise, and were granted to or for the benefit of the Prepetition Secured Parties for fair consideration and reasonably equivalent value. As of the Petition Date, (a) the Prepetition Liens are senior in priority over any and all other liens on the Prepetition Collateral, subject only to any

permitted Liens set forth in section 7.3 of the Prepetition Term Loan Agreement (the "Prepetition Permitted Liens") which, as of the Petition Date, were senior to the Prepetition Liens (solely to the extent any such Prepetition Permitted Liens were (i) valid, properly perfected, and non-avoidable as of the Petition Date or (ii) perfected after the Petition Date solely to the extent permitted by section 546(b) of the Bankruptcy Code), (b) the Prepetition Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors enforceable in accordance with the terms of the Prepetition Term Loan Agreement, (c) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Obligations exist, and no portion of the Prepetition Liens or Prepetition Obligations is subject to any challenge or defense including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or any other applicable law, and (d) the Debtors and their estates have no claims, objections, challenges, causes of action, and/or choses in action, including avoidance claims under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against any of the Prepetition Secured Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors, and employees arising out of, based upon, or related to the Prepetition Term Loan Agreement, (e) the Debtors have waived, discharged, and released any right to challenge any of the Prepetition Obligations, the priority of the Debtors' obligations thereunder, and the validity, extent, perfection, and priority of the liens securing the Prepetition Obligations, and (f) the Prepetition Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(iv) **Indemnity**. The Prepetition Secured Parties and the DIP Secured Parties and their Related Parties (as defined below) have acted in good faith and without negligence,

misconduct, or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the DIP Facility and the use of Cash Collateral, including in respect of the granting of the DIP Liens, the DIP Superpriority Claim, the Adequate Protection Liens, the Adequate Protection Superpriority Claim (each as defined below), and any of the other rights, privileges, remedies, and protections granted hereunder or under the DIP Loan Documents (including the DIP Credit Agreement), any challenges or objections to the DIP Facility or the use of Cash Collateral, and all documents related to and all transactions contemplated by the foregoing. Accordingly, without limitation to any other right to indemnification (including any and all rights of the Prepetition Secured Parties to indemnification under the Prepetition Term Loan Agreement), the Prepetition Secured Parties and the DIP Secured Parties and each of their respective affiliates, officers, directors, fiduciaries, employees, agents, advisors, attorneys, and representatives (collectively, the "Related Parties") shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto; *provided, however*, that the Debtors shall not indemnify the Prepetition Secured Parties against any successful Challenge under the Challenge Period (each as defined herein). No exception or defense in contract, law, or equity exists as to any obligation set forth, as the case may be, in this paragraph F(iv), in the Prepetition Term Loan Agreement, or in the DIP Credit Agreement, to indemnify and/or hold harmless any Prepetition Secured Party, DIP Secured Party, and any Related Party, as the case may be, and any such defenses are hereby waived.

(v) **No Control**. None of the DIP Secured Parties or Prepetition Secured Parties are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions

taken with respect to, in connection with, related to, or arising from the DIP Facility, the DIP Loan Documents (including the DIP Credit Agreement), and/or the Prepetition Term Loan Agreement.

(vi) **No Claims, Causes of Action**. As of the date hereof, there exist no claims or causes of action against any of the Prepetition Secured Parties, the DIP Secured Parties, or their Related Parties with respect to, in connection with, related to, or arising from the Prepetition Term Loan Agreement and/or the DIP Loan Documents (including the DIP Credit Agreement) that may be asserted by the Debtors or any other person or entity.

(vii) **Cash Collateral**. Any and all of the Debtors' cash, whether existing as of the Petition Date or thereafter, wherever located (including, without limitation, all cash or cash equivalents in the control of or on deposit or maintained by the Debtors in any account or accounts, any amounts generated by the sale or other disposition of Prepetition Collateral, and all income, proceeds, products, rents or profits of any Prepetition Collateral), constitutes Cash Collateral of the Prepetition Secured Parties.

(viii) **Default**. The Debtors are in default under the Prepetition Term Loan Agreement and an event of default has occurred thereunder.

(ix) **Release**. Effective as of the date of entry of this Interim Order, but subject to entry of the Final Order, the Debtors hereby forever and irrevocably release, discharge, and acquit all former, current and future (a) DIP Secured Parties, (b) Prepetition Secured Parties, (c) the Related Parties, (d) Affiliates of the DIP Secured Parties and Prepetition Secured Parties, and (e) officers, employees, directors, agents, representatives, owners, members, partners, financial and other advisors and consultants, legal advisors, shareholders, managers, consultants, accountants, attorneys, investment committee members, sub advisors and predecessors and successors in interest of each of the DIP Secured Parties and Prepetition Secured Parties and each

of their respective Affiliates, in each case acting in their respective capacities as such (collectively, the "Releasees") of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys' fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract, of every nature and description, arising out of, in connection with, or relating to the Prepetition Loans, the DIP Facility, the DIP Loan Documents (including the DIP Credit Agreement), the Prepetition Term Loan Agreement, and/or the transactions contemplated hereunder or thereunder including, without limitation, (x) any so-called "lender liability" or equitable subordination claims or defenses, (y) any and all claims and causes of action arising under the Bankruptcy Code, and (z) any and all claims and causes of action with respect to the validity, priority, perfection, or avoidability of the liens or claims of any of the Prepetition Secured Parties or the DIP Secured Parties (the "Releases"); *provided* that nothing in this paragraph is intended to limit or release any commitments and obligations of any of the DIP Secured Parties under the DIP Credit Agreement. The Debtors further waive and release any defense, right of counterclaim, right of setoff or deduction to the payment of the Prepetition Obligations and the DIP Obligations which the Debtors now have or may claim to have against the Releasees arising out of, connected with, or relating to any and all acts, omissions, or events occurring prior to the entry of this Interim Order by the Court.

(x) **Sale and Credit Bidding**. The DIP Secured Parties and the Prepetition Secured Parties shall have the right, subject to section 363(k) of the Bankruptcy Code, to credit bid

(independently or together) up to the full amount of the applicable outstanding Prepetition Obligations (including any Adequate Protection Superpriority Claims) and the DIP Obligations, in each case including, without limitation, any accrued interest and fees, in a sale of any DIP Collateral (as defined below) or Prepetition Collateral, as applicable, and whether such sale is effectuated through sections 363 or 1129 of the Bankruptcy Code, or otherwise.

G. **Immediate Need for Postpetition Financing and Use of Cash Collateral**. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). Good cause has been shown for entry of this Interim Order. An immediate need exists for the Debtors to use Cash Collateral on an interim basis and to obtain credit in an amount up to the Interim DIP Loan pursuant to this Interim Order and the DIP Credit Agreement in order to, among other things, enable the orderly continuation of their operations and to administer and preserve the value of their estates. In the absence of the immediate availability of such funds and liquidity in accordance with the terms hereof, the ability of the Debtors to maintain business relationships with their vendors, suppliers, licensors, licensees, and customers, to retain and pay their employees and otherwise finance their operations, including to continue to operate as a going concern, would not be possible, and immediate and irreparable harm to the Debtors and their estates and creditors would occur. Thus, the ability of the Debtors to preserve and maintain the value of their assets and maximize returns for creditors requires the availability of working capital from the DIP Loans and the use of Cash Collateral.

H. **No Credit Available on More Favorable Terms**. The Debtors have been unable to obtain credit on more favorable terms and conditions than those provided in this Interim Order, including for (a) adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense, (b) credit for money borrowed with priority over any or all

administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, (c) credit for money borrowed secured by a lien on property of the estates that is not otherwise subject to a lien, or (d) credit for money borrowed secured by a junior lien on property of the estates which is subject to a lien. The Debtors are unable to obtain credit for borrowed money without granting the DIP Liens and the DIP Superpriority Claim to (or for the benefit of) the DIP Secured Parties and without granting the adequate protection as set forth herein (in each case, subject to the Carve-Out (as defined below)).

I. **Use of Cash Collateral and Proceeds of the DIP Facility, DIP Collateral, and Prepetition Collateral**. Subject to the Challenge Period, the Debtors represent and stipulate that all of the Debtors' cash, cash equivalents, negotiable instruments, investment property, and securities constitute Cash Collateral of the Prepetition Agent on behalf of the Prepetition Secured Parties and the DIP Agent on behalf of the DIP Secured Parties. All Cash Collateral, all proceeds of the Prepetition Collateral and the DIP Collateral, including proceeds realized from any sale or disposition thereof, or from payment thereon, and all proceeds of the DIP Facility (net of any amounts used to pay fees, costs, and expenses payable under the DIP Facility pursuant to this Interim Order or the Final Order) shall be used or applied in accordance with the terms and conditions of this Interim Order, the DIP Budget (subject to variances permitted under the DIP Credit Agreement), and the DIP Loan Documents (including the DIP Credit Agreement) and for no other purpose.

J. **Adequate Protection for the Prepetition Secured Parties**. The Prepetition Secured Parties have negotiated in good faith regarding the Debtors' use of the Prepetition Collateral (including the Cash Collateral) to fund the administration of the Debtors' estates and the continued operation of their businesses, in accordance with the terms hereof and the DIP

Budget (subject to variances permitted under the DIP Credit Agreement). The Prepetition Secured Parties have agreed to permit the Debtors to use the Prepetition Collateral, including the Cash Collateral, in accordance with the terms hereof and the DIP Budget (subject to variances permitted under the DIP Credit Agreement) during the Interim Period subject to the terms and conditions set forth herein, including the protections afforded parties acting in "good faith" under section 364(e) of the Bankruptcy Code. The Prepetition Secured Parties are entitled to the adequate protection as and to the extent set forth herein pursuant to sections 361, 362, 363, and 364 of the Bankruptcy Code. Based on the Motion and on the record presented to the Court at the Interim Hearing, the terms of the proposed adequate protection arrangements and of the use of the Prepetition Collateral (including the Cash Collateral) are fair and reasonable, reflect the Debtors' prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the Prepetition Agent's consent thereto; *provided* that nothing in this Interim Order shall (i) be construed as a consent by any Prepetition Secured Party (a) that it would be adequately protected in the event debtor-in-possession financing is provided by a third party (i.e., other than the DIP Lenders) or (b) to the terms of any other such financing, including the consent to any lien encumbering the Prepetition Collateral (whether senior or junior) or to the use of Cash Collateral (except under the terms hereof), or (ii) prejudice, limit, or otherwise impair the rights of the Prepetition Agent (for the benefit of the Prepetition Secured Parties) to seek new, different, or additional adequate protection under any circumstances. The Prepetition Secured Parties' consent to the Debtors' use of Cash Collateral and the granting of DIP Liens on the Prepetition Collateral is expressly conditioned upon entry of this Interim Order and does not and shall not constitute consent other than pursuant to this Interim Order and on the terms set forth herein.

K. **Sections 506(b) and 552; Marshaling**. In light of and in exchange for (i) the DIP Secured Parties' willingness to provide the DIP Facility to the extent set forth herein, (ii) the DIP Secured Parties' agreement that their liens and superpriority claims shall be subject to the Carve-Out, as set forth herein, (ii) the Prepetition Secured Parties' agreement that their Prepetition Liens and claims, including any adequate protection liens and claims, shall be subject to the Carve-Out, as set forth herein, (iii) the consensual use of Cash Collateral consistent with the DIP Budget and the terms of this Interim Order, and (iv) the DIP Secured Parties' and the Prepetition Secured Parties' agreement to the payment (in a manner consistent with the DIP Budget (subject to permitted variances as provided in the DIP Credit Agreement) and subject to the terms and conditions of this Interim Order) of certain expenses of administration of these Chapter 11 Cases, the DIP Secured Parties, and subject to entry of the Final Order, the Prepetition Secured Parties are each entitled to a waiver of any "equities of the case" exception under section 552(b) of the Bankruptcy Code and a waiver of the provisions of section 506(c) of the Bankruptcy Code and of the equitable doctrine of marshaling and other similar doctrines upon entry of the Final Order.

L. **Extension of Financing**. The DIP Secured Parties have indicated a willingness to provide financing to the Debtors in accordance with the DIP Loan Documents (including the DIP Credit Agreement and the DIP Budget) and subject to (i) the entry of this Interim Order and the Final Order, (ii) approval of the terms and provisions of this Interim Order and the DIP Loan Documents (including the DIP Credit Agreement), including the Milestones (as defined in the DIP Credit Agreement) and the waivers set forth herein, and (iii) findings by this Court that such financing is essential to the Debtors' estates, that the DIP Secured Parties are good faith financiers, and that the reversal or modification on appeal of the authorization hereunder for the Debtors to incur the debt under the DIP Facility, or the grant hereunder of the priority of the DIP Liens and

the Adequate Protection Liens, does not affect the validity of such debt, or any priority of any such lien so granted as and to the extent provided in section 364(e) of the Bankruptcy Code.

M. **Limitation of Liability**. The Debtors stipulate and, subject to paragraph 11 and solely with respect to the DIP Loans, this Court finds that in making decisions to advance loans to the Debtors, in administering any loans, in permitting the Debtors to use Cash Collateral, in accepting the DIP Budget, or in taking any other actions permitted by this Interim Order or the DIP Loan Documents (including the DIP Credit Agreement), none of the DIP Secured Parties or Prepetition Secured Parties shall be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors.

N. **Business Judgment and Good Faith Pursuant to Section 364(e)**.

(i) The extensions of credit under the DIP Facility, and the fees paid and to be paid thereunder, are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration;

(ii) all obligations incurred, payments made, and transfers or grants of security set forth in this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement) by the Debtors are granted to or for the benefit of the DIP Secured Parties for fair consideration and reasonably equivalent value and are granted contemporaneously with the making of the loans and commitments and other financial accommodations secured thereby;

(iii) the DIP Facility was negotiated in good faith and at arm's length among the Debtors and the DIP Secured Parties; and

(iv) the use of the proceeds to be extended under the DIP Facility will be so extended in good faith and for valid business purposes and uses, as a consequence of which the DIP Secured Parties are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code.

O. **Relief Essential; Best Interest**. The relief requested in the Motion (and provided in this Interim Order) is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of the Debtors' assets and property, and satisfies the requirements of Bankruptcy Rule 6003. It is in the best interest of the Debtors' estates and consistent with the Debtors' exercise of their fiduciary duties that the Debtors are allowed to enter into the DIP Facility, incur the DIP Obligations, grant the liens and claims contemplated herein and under the DIP Loan Documents (including the DIP Credit Agreement) to the DIP Secured Parties and the Prepetition Secured Parties, and use Prepetition Collateral, including Cash Collateral, as contemplated herein.

P. **Findings Regarding Corporate Authority**. The Debtors have all requisite corporate power and authority to enter into, ratify, and perform all of their obligations under the DIP Loan Documents (including the DIP Credit Agreement) to which they are a party.

Q. **Immediate Entry**. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2), (c)(2) and (d).

NOW, THEREFORE, on the Motion of the Debtors and the record before this Court with respect to the Motion, including the record made during the Interim Hearing, and with the consent of the Debtors, the Prepetition Secured Parties, and the DIP Secured Parties, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. **Motion Granted**. The Motion is granted on an interim basis in accordance with the terms and conditions set forth in this Interim Order. Any objections to the Motion with respect to entry of this Interim Order, to the extent not withdrawn, waived or otherwise resolved, and all reservation of rights included therein, are hereby denied and overruled.

2. **DIP Facility**.

(a) **DIP Obligations, Etc**. The Debtors are expressly and immediately authorized and empowered to enter into the DIP Facility and to incur and to perform the DIP Obligations in accordance with and subject to this Interim Order (and, upon its entry, a Final Order) and the other DIP Loan Documents, to execute and deliver all DIP Loan Documents and all other related instruments, certificates, agreements, and documents, and to take all actions which may be reasonably required or otherwise necessary for the performance by the Debtors under the DIP Facility, including the creation and perfection of the DIP Liens described and provided for herein. The Debtors are hereby authorized and directed to pay all principal, interest, fees, expenses, indemnities, and other amounts described herein, in the DIP Credit Agreement, and in the other DIP Loan Documents as such shall accrue and become due hereunder or thereunder, including, without limitation, the reasonable and documented fees and expenses of the attorneys and financial and other advisors and consultants of the DIP Agent and the DIP Lenders, as and to the extent provided for herein, in the DIP Credit Agreement, and in the other DIP Loan Documents (collectively, all loans, advances, extensions of credit, financial accommodations, fees (which shall be fully earned and non-refundable upon entry of this Interim Order), expenses, and other liabilities and obligations (including indemnities and similar obligations) in respect of DIP Loans, the DIP Facility, the DIP Credit Agreement, and the other DIP Loan Documents, including all "Obligations" under and as

defined in the DIP Credit Agreement, the "DIP Obligations"). The DIP Credit Agreement, the other DIP Loan Documents, and all DIP Obligations shall represent, constitute, and evidence, as the case may be, valid and binding obligations of the Debtors, enforceable against the Debtors, their estates, and any successor thereto in accordance with their terms. All obligations incurred, payments made, and transfers or grants of security set forth in this Interim Order and in the other DIP Loan Documents by any DIP Loan Party are granted to or for the benefit of the DIP Secured Parties for fair consideration and reasonably equivalent value and are granted contemporaneously with the making of the loans and commitments and other financial accommodations secured thereby. No obligation, payment, transfer, or grant of security under the DIP Loan Documents (including the DIP Credit Agreement) as approved under this Interim Order shall be 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; *provided, however*, that the adequate protection provided in paragraph 4 of this Interim Order shall be subject to paragraph 11 below. The term of the DIP Facility shall commence on the date of entry of this Interim Order and end on the Maturity Date (as defined below), subject to the terms and conditions set forth herein and in the DIP Loan Documents (including the DIP Credit Agreement).

(b) **Authorization to Borrow**. In order to continue to operate its business, subject to the terms and conditions of this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement), the Debtors are hereby authorized to borrow under the DIP Facility and incur DIP Obligations during the Interim Period.

(c) **Roll-Up**. Upon entry of this Interim Order and the Final Order, and subject to paragraph 11 below, the Prepetition Obligations, on a 1 to 1 cashless basis, in the aggregate amounts equal to the Interim Roll-Up Amount, and the Final Roll-Up Amount, respectively, shall

be converted into DIP Obligations, without any further action by the Debtors or any other party. Upon any of the foregoing Roll-Up Loans, and subject to paragraph 11 below, the Roll-Up Loans shall cease to be indebtedness under the Prepetition Term Loan Agreement and shall be deemed DIP Obligations under the DIP Facility in all respects, including for purposes of having the benefit of section 364(e) of the Bankruptcy Code.

(d) **Conditions Precedent**. The DIP Lenders shall have no obligation to make any DIP Loans or any other financial accommodation hereunder or under the other DIP Loan Documents (including the DIP Credit Agreement) (and the Debtors shall not make any request therefor) unless all conditions precedent to making DIP Loans under the DIP Credit Agreement have been satisfied or waived in accordance with the terms of the DIP Credit Agreement.

(e) **DIP Collateral**. As used herein, "DIP Collateral" shall mean all assets, interests, rights, and property of any nature whatsoever of the Debtors, including, without limitation, all property in which the Debtors and their estates have an interest (whether tangible, intangible, real, personal or mixed), whether now owned or hereafter acquired and wherever located, before or after the Petition Date, including, without limitation, all accounts, proceeds of leases, inventory, equipment, equity interests or capital stock in subsidiaries, investment property, instruments, chattel paper, contracts, patents, copyrights, trademarks and other general intangibles, commercial litigation claims, cash, any investment of such cash, inventory, accounts receivable, including intercompany accounts (and all rights associated therewith), other rights to payment whether arising before or after the Petition Date, any deposit accounts, and "cash collateral accounts", and, in each case all amounts on deposit therein from time to time, the proceeds of all claims or causes of action, and all rents, products, offspring, profits, proceeds, and substitutions thereof (including, without limitation, all Prepetition Collateral and, subject to the entry of the Final Order, all claims

or causes of action of the Borrower arising under sections 502(d), 542, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law avoidance actions under chapter 5 of the Bankruptcy Code (the "Avoidance Actions") *provided that* the lien on Avoidance Actions shall be limited to the proceeds and property recovered in connection therewith).

(f) **DIP Liens**. Effective immediately upon the entry of this Interim Order and subject to the Carve-Out, as set forth more fully in this Interim Order, the DIP Agent for the benefit of the DIP Secured Parties is hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable without the need for execution by the Borrower or Guarantors or the recordation or other filing by the DIP Secured Parties of security agreements, control agreements, pledge agreements, financing statements, or other similar documents or the possession or control by the DIP Secured Parties of any DIP Collateral (all liens and security interests granted to the DIP Agent for the benefit of the DIP Secured Parties pursuant to this Interim Order, any Final Order, and the DIP Credit Agreement, the "DIP Liens"):

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully perfected first-priority liens on and security interests in all DIP Collateral that is not subject to any liens or encumbrances immediately prior to the Petition Date, subject only to the Carve-Out; and

(ii) pursuant to section 363(c)(3) and 364(d)(1) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully perfected first priority, priming liens on and security interests in all other DIP Collateral, which liens and security interests shall be subject only to (a) any valid, enforceable, perfected, and non-avoidable lien or security interest in favor of any person other than the Prepetition Secured Parties that was in existence immediately prior to the Petition Date or that is perfected as permitted by Section 546(b) of the Bankruptcy Code, in each case, with respect to any DIP Collateral comprised of Prepetition Collateral, solely to the extent such lien is senior

to the Prepetition Liens (a "Permitted Encumbrance")[3] and (b) the Carve-Out, and senior to all other liens and encumbrances in respect of the DIP Collateral.

(g) **Other Provisions Relating to the DIP Liens**. Effective immediately upon entry of this Interim Order, 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 superpriority claims and other senior liens, including adequate protection 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 these Chapter 11 Cases under the Bankruptcy Code (except as (and solely to the extent) expressly provided herein), and the DIP Liens, the DIP Superpriority Claim, the Adequate Protection Claims, and the Adequate Protection Liens 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 Bankruptcy Code section 364 or otherwise, in these Cases (except as (and solely to the extent) expressly provided herein) or any Successor Case (as defined below), including to (i) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code, (ii) any lien or security interest existing on or arising on or after the Petition Date, including, without limitation, any lien or security interests granted in favor of any federal, state, municipal or other

[3] Nothing herein shall constitute a finding or ruling by this Court that any such Permitted Encumbrance is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including but not limited to the Debtors, the DIP Secured Parties, the Prepetition Secured Parties, or Committee (if any), to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Permitted Encumbrance and/or security interest. Notwithstanding anything to the contrary in this Interim Order or the DIP Loan Documents, nothing in this Interim Order or the DIP Loan Documents limits or adversely affects the rights, claims or defenses of any party asserting any Prepetition Permitted Liens or Excepted Liens (as defined in the DIP Credit Agreement) and the rights, claims or defenses of any such party are expressly reserved and preserved including but not limited to any rights of recoupment and/or setoff, subject to the Debtors' right to oppose or contest any of the foregoing.

domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtors, (iii) any intercompany or affiliate lien or claim; or (iv) any other lien, claim, or security interest under sections 361, 363, or 364 of the Bankruptcy Code or otherwise, in each case other than as (and solely to the extent) expressly set forth herein. The DIP Liens and the Adequate Protection Liens 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 Chapter11 Cases. The DIP Liens and, subject to the entry of the Final Order, the Adequate Protection Liens shall not be subject to section 510 of the Bankruptcy Code, to the "equities of the case" exception of section 552 of the Bankruptcy Code, or to section 506(c) of the Bankruptcy Code, or sections 549, 550, or 551 of the Bankruptcy Code.

(h) **Superpriority Administrative Claim Status**. The DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times constitute an allowed superpriority claim (the "DIP Superpriority Claim") of the DIP Agent for the benefit of the DIP Secured Parties against the Debtors, and be payable from all assets and properties 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, 363, 364, 365, 503, 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 Superpriority Claim 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 all pre- and postpetition assets and property, whether existing on the Petition Date or thereafter acquired, of the Debtors and all proceeds thereof; *provided, however*, that the DIP Superpriority Claim shall not be payable from the proceeds of Avoidance Actions or the proceeds thereof before entry of the Final Order. The DIP Superpriority Claim shall be subject only to the Carve-Out. Other than as expressly provided herein, including in paragraph 13 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 these Cases or in any Successor Case and no priority claims are or will be senior to, prior to, or *pari passu* with the DIP Liens, the DIP Superpriority Claim, or any of the DIP Obligations or with any other claims of the DIP Secured Parties arising hereunder or under the DIP Loan Documents (including the DIP Credit Agreement), or otherwise in connection with the DIP Facility.

(i) **Proceeds of DIP Loans**. All proceeds of the DIP Loans shall be funded and held in the account specified under the terms of the DIP Loan Documents (including the DIP Credit Agreement) and as otherwise agreed by the DIP Secured Parties, and such account (and any funds therein) shall be subject to a first-priority senior security interest and lien in favor of the DIP Agent, and shall be subject to a deposit control agreement in favor of the DIP Agent.

(j) **Professional Fees and Expenses**. The Debtors shall pay in cash and in full (x) on the Closing Date and (y) thereafter, from time to time, all reasonable and documented out of pocket fees, costs and expenses of the DIP Agent and the DIP Lenders (including, without limitation, fees

and disbursements of counsel, including Faegre Drinker Biddle & Reath LLP and Emmet, Marvin & Martin, LLP, financial and accounting advisors, and any other advisors) in connection with the Chapter 11 Cases, including, without limitation (i) the negotiation, preparation, execution, and entry, as applicable, of this DIP Credit Agreement, (ii) any litigation, contest, dispute, suit, proceeding or action (whether instituted by DIP Agent, the Borrower, the Guarantors, or any other person) in any way relating to this DIP Credit Agreement, and (iii) the enforcement of any rights and remedies under the DIP Credit Agreement, including, without limitation, any accrued and unpaid fees, costs, and expenses of the DIP Agent and the DIP Lenders (including, without limitation, any fees and disbursements of counsel and any other advisors to the DIP Agent and to the DIP Lenders) prior to the Petition Date. Payment of any amounts set forth in this clause (j) shall not be subject to disgorgement.

3. **Authorization and Approval to Use Cash Collateral and Proceeds of DIP Facility**. Subject to the terms and conditions of this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement) the Debtors are authorized during the Interim Period (and not beyond) to (a) use the Cash Collateral and (b) request and use proceeds of the DIP Loans, in each case as set forth in the DIP Budget (subject to variances permitted under the DIP Loan Documents) and in accordance with this Interim Order the other DIP Loan Documents (including the DIP Credit Agreement). Notwithstanding anything herein to the contrary, subject only to the Debtors' rights under paragraph 21(b) hereof and the Carve-Out, the Debtors' right (a) to request proceeds of the DIP Loans shall terminate on the earlier of (i) the date the DIP Term Loans are fully funded or reduced to zero and (ii) the Maturity Date and (b) to use proceeds of the DIP Loans or Cash Collateral shall terminate on the Maturity Date. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates or proceeds resulting

therefrom outside the ordinary course of business except as expressly permitted herein and in the other DIP Loan Documents (including the DIP Credit Agreement) (subject to any required Court approval).

4. **Adequate Protection for Prepetition Secured Parties**. The Prepetition Secured Parties shall receive adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in the value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral) from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code, including, without limitation, as a result of the use of Prepetition Collateral, including Cash Collateral, the priming of their interests in Prepetition Collateral by the DIP Facility and the Carve-Out, and the imposition or enforcement of the automatic stay (collectively, "Diminution in Value"). As adequate protection, the Prepetition Secured Parties will be granted, subject to paragraph 11 below, the following:

(a) **Adequate Protection Liens**. Pursuant to sections 361, 363(e), and 364(d) of the Bankruptcy Code, effective as of the Petition Date and perfected without the need for execution by the Borrower or the Guarantors or the recordation or other filing by the Prepetition Secured Parties of security agreements, control agreements, pledge agreements, financing statements, or other similar documents or the possession or control by the Prepetition Secured Parties of any DIP Collateral, the Prepetition Secured Parties, solely to the extent of any Diminution in Value, shall be granted valid, binding, continuing, enforceable, fully perfected replacement and additional liens on and security interests in (collectively, the "Adequate Protection Liens") all DIP Collateral. The Adequate Protection Liens shall be junior only to the DIP Liens, the Carve-Out, and any Permitted Encumbrance, and senior to all other security interests in, liens on, or claims against the DIP

Collateral. The Adequate Protection Liens shall be non-avoidable and shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code. The Adequate Protection Liens shall be enforceable against and binding upon the Borrower, the Guarantors, their estates and any successors thereto, including, without limitation, any trustee or other estate representative appointed in any Successor Case.

(b) **Adequate Protection Superpriority Claim**. To the extent of the aggregate Diminution in Value, the Prepetition Secured Parties shall be granted allowed superpriority administrative expense claims against the Borrower or the Guarantors, and their estates, as provided in section 507(b) of the Bankruptcy Code, immediately junior to the DIP Obligations and subject only to the Carve-Out, and with priority in payment over any and all other claims and administrative expense claims against the Borrower or the Guarantors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 552(b), 726, 1113, 1114, and any other provision of the Bankruptcy Code, and shall at all times be senior to the rights of the Borrower and the Guarantors, and any successor trustee or creditor in the Chapter 11 Cases or any Successor Case (the "Adequate Protection Superpriority Claims").

(c) **Adequate Protection Payments, Etc**. As further adequate protection, from and after entry of this Interim Order, the Prepetition Agent (on behalf of the Prepetition Secured Parties) shall receive from the Debtors, (1) payment in cash, as and when due under the terms of the Prepetition Term Loan Agreement, of all interest due under the Prepetition Term Loan Agreement, calculated at the default rates under the Prepetition Term Loan Agreement, and (2) (x) upon entry of this Interim Order, immediate cash payment of all accrued and unpaid fees

and disbursements (including all reasonable and documented fees, out-of-pocket costs and expenses of legal, financial, and other advisory professionals of the Prepetition Secured Parties (including, without limitation, Faegre Drinker Biddle & Reath LLP and Emmet, Marvin & Martin, LLP)) owing to the Prepetition Secured Parties under the Prepetition Term Loan Agreement, whether incurred prior to or after the Petition Date and (y) thereafter, when due, all fees and other amounts (including all reasonable and documented legal and advisory fees, out-of-pocket costs and expenses of legal, financial, and other advisory professionals of the Prepetition Secured Parties (including, without limitation, Faegre Drinker Biddle & Reath LLP)) owing to the Prepetition Secured Parties by the Debtors under the Prepetition Term Loan Agreement, provided that payment of any fees and expenses of the Prepetition Secured Parties' professionals incurred after entry of this Interim Order shall be subject to the notice and objection provisions of paragraph 27(b) (the "Adequate Protection Payments"). Payment of any amounts set forth in this clause (c)(2) shall not be subject to disgorgement or recharacterization.

5. **DIP Budget**.

(a) The DIP Budget attached hereto as **Exhibit 2** constitutes an "Initial DIP Budget" under the DIP Credit Agreement. The Borrower will subsequently provide the DIP Agent with an updated budget every Wednesday prior to the end of the DIP Budget Period (defined below) for the remaining weeks left under the Initial DIP Budget. The "DIP Budget Period" shall refer to period commencing on the date that this Interim Order is entered and ending on the Outside Effective Date (as defined in the DIP Credit Agreement). Each updated budget shall be subject to the approval of the DIP Lenders in their sole discretion (each such approved budget, a "Supplemental Approved DIP Budget" and together with the Initial DIP Budget, the "DIP Budget"); *provided* that until such time as the DIP Agent approves any updated budget, the

Borrower shall be subject to and be governed by the terms of the Initial DIP Budget or such Supplemental Approved DIP Budget, as applicable, then in effect in accordance with this Interim Order. The DIP Budget may only be amended, supplemented, modified, restated, replaced, or extended in accordance with this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement). Any such amendment, supplement, modification, restatement, replacement, or extension in accordance with the DIP Credit Agreement may be effected without further order of the Court, so long as approved by the Required Lenders (as such term is defined in the DIP Credit Agreement) of DIP Lenders. The DIP Budget is an integral part of this Interim Order and has been relied upon by the DIP Secured Parties to provide the DIP Facility and consent to this Interim Order.

(b) Pursuant to the terms of the DIP Loan Documents (including the DIP Credit Agreement), the Borrower shall provide to the DIP Agent a budget variance report (the "Budget Variance Report") on the Wednesday of every week during the DIP Budget Period, and the DIP Budget Variance Report shall set forth in reasonable detail actual receipts and disbursements of Borrower, together with a statement certifying compliance with the DIP Budget Covenant (as defined below) set forth below. The Borrower shall not permit or suffer to exist, a negative variance of 15% or more of total the total disbursements set forth in the Budget for such period (as reflected in the DIP Budget) in the aggregate from the amounts set forth in the DIP Budget (each, a "Permitted Variance"), tested on a cumulative rolling two (2) week basis (the "DIP Budget Covenant"). The Debtors shall operate in accordance with the DIP Budget and all disbursements of the Debtors shall be consistent with the provisions of the DIP Budget, subject in each case to any Permitted Variance provided herein and in the DIP Credit Agreement; *provided* that unspent

budgeted disbursements shall not be carried forward on a line-item basis and shall be counted for purposes of calculating variances.

(c) The DIP Secured Parties shall have no obligation to permit the use of proceeds of DIP Loans or Cash Collateral, and the Borrower shall have no authority to use proceeds of DIP Loans or Cash Collateral, other than in accordance with the DIP Budget, subject to the DIP Budget Covenant and as set forth in the DIP Order.

6. **Monitoring of Collateral**. The Prepetition Secured Parties, the DIP Secured Parties, and their consultants and advisors shall be given reasonable access to the Debtors' books, records, assets, and properties for purposes of monitoring the Debtors' businesses and the value of the DIP Collateral, including view access to the Debtors' accounts, at the Debtors' cost and expense, as provided in the DIP Credit Agreement.

7. **Financial Reporting, Etc**. Without limitation of the requirements of the DIP Credit Agreement, the Debtors shall provide to the DIP Secured Parties and to the Prepetition Secured Parties (and, in each case, their consultants, advisors, and professionals) (a) all financial information required under the DIP Loan Documents (including the DIP Credit Agreement) and (b) access upon reasonable notice and during regular business hours to the Debtors' books and records, assets, and properties for purposes of monitoring its businesses and the value of the DIP Collateral. The Debtors shall also provide such reports and information required to be provided in the DIP Credit Agreement and reasonably cooperate, discuss with, and provide to the DIP Secured Parties and the Prepetition Secured Parties (and, in each case, their professionals) all such information as may be reasonably requested. In addition, the Debtors hereby authorize their accountants, attorneys, financial advisors, bankruptcy professionals, and consultants to cooperate, consult with, and provide to the DIP Secured Parties and the Prepetition Secured Parties (and, in

each case, their consultants, advisors and professionals) all such information as may be reasonably requested with respect to the business, results of operations and financial condition of the Debtors consistent with the requirements set forth in the DIP Loan Documents (including the DIP Credit Agreement).

8. **Milestones**. It is a condition to the DIP Facility and the use of Cash Collateral that the Debtors shall comply with the milestones set forth in the DIP Credit Agreement (the "Milestones"). The failure to comply with any Milestone shall constitute an Event of Default (as defined in the DIP Credit Agreement) in accordance with the DIP Credit Agreement.

9. **Subordination of Intercompany, Affiliate Liens**. All intercompany or affiliate liens of the Debtors, if any (other than any liens granted to the DIP Secured Parties), will be contractually subordinated to the DIP Liens and the Adequate Protection Liens granted pursuant to this Interim Order and under the DIP Credit Agreement, on terms satisfactory to the DIP Lenders.

10. **DIP Lien and Adequate Protection Replacement Lien Perfection**. Automatically upon entry of this Interim Order, the DIP Liens and the Adequate Protection Liens, shall be deemed to be valid, binding, perfected, enforceable, non-avoidable, and effective by operation of law, and not subject to challenge as of the Petition Date, without the need of any further action of any kind; *provided, however*, that the liens associated with the Roll-Up Loans and the Adequate Protection Liens shall both be subject to the Challenge Period. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens and the Adequate Protection Liens or to entitle the DIP Liens and the Adequate Protection Liens to the priorities

granted herein. Notwithstanding the foregoing, the DIP Agent may, at the direction of the Required Lenders, file such financing statements, deeds of trust, mortgages, security agreements, notices of liens, and other similar documents and is hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, deeds of trust, mortgages, security agreements, notices, and other agreements or documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Chapter 11 Cases. The Debtors shall execute and deliver to the DIP Agent all such financing statements, mortgages, security agreements, notices and other documents as the DIP Agent may reasonably request to evidence, confirm, validate, or perfect or to insure the contemplated priority of the DIP Liens and the Adequate Protection Liens, and the Debtors shall take all such further actions that may be required under any applicable law or that the DIP Secured Parties or Prepetition Secured Parties, as applicable, may reasonably request in order to grant, preserve, protect or perfect the DIP Liens and Adequate Protection Liens granted pursuant to this Interim Order. The DIP Agent, at the direction of the Required Lenders, may file a photocopy of this Interim Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which the Debtors have real or personal property and, in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Interim Order. To the extent that a Prepetition Secured Party is the secured party under any account control agreements, listed as loss payee under any of the Debtors' insurance policies or is the secured party under any loan document, financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction to create, validate, attach, perfect, or prioritize liens (any such instrument or document, a "Security Document"), then (i) such Prepetition Secured Party shall be deemed to

maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Agent and the DIP Lenders, and such Prepetition Secured Party shall comply with the instructions of the DIP Agent with respect to the exercise of such control and (ii) the DIP Agent is also hereby deemed to be the secured party under such account control agreements, loss payee under the Debtors' insurance policies and the secured party under each such Security Document, and shall have all rights and powers attendant to that position (including, without limitation, rights of enforcement) and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement).

11. **Reservation of Certain Third-Party Rights and Bar of Challenges and Claims**.

(a) The Debtors' stipulations, admissions, agreements, Releases, and waivers contained in this Interim Order, including the Stipulations, are and shall be irrevocably binding upon the Debtors and any and all of the Debtors' successors in interest and assigns (subject to the Challenge Period, including, without limitation, any chapter 7 or chapter 11 trustee, responsible person, examiner with expanded powers, or other estate representative) in all circumstances and for all purposes.

(b) The Stipulations and all other admissions, agreements, releases, and waivers set forth in this Interim Order also are and shall be binding upon all other persons and entities (including any Committee) and each of their respective successors in interest and assigns in all circumstances and for all purposes, unless, and solely to the extent that (i) such parties in interest (including any Committee) in each case with standing and requisite authority to do so (subject in all respects to any agreement or applicable law which may limit or affect such entity's right or ability to do so) have timely filed the proper pleadings, and timely commenced the appropriate

proceedings under the Bankruptcy Code and Bankruptcy Rules, including, without limitation, as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth below in this paragraph 11), (x) objecting to or challenging any of the Stipulations or (y) otherwise asserting or prosecuting any action against the Prepetition Secured Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors, or employees in connection with or related to the matters covered by the Stipulations (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge"), no later than seventy-five (75) calendar days after the date of entry of this Interim Order for any party in interest with requisite standing (such period, the "Challenge Period" and the date that is the next calendar day after the termination of the Challenge Period shall be referred to as the "Challenge Period Termination Date"), as such date may be extended to any such party in interest by the Prepetition Agent and each applicable Prepetition Secured Party that is the subject of a Challenge or by any such later date as has been ordered by the Court for cause upon a motion filed and served within the Challenge Period (before giving effect to such extension) and (ii) the Court enters judgment in favor of the plaintiff or movant in any such timely and properly commenced Challenge proceeding, and any such judgment has become final and is not subject to any further review or appeal.

(c) Any Challenge not asserted by the timely and proper filing of a pleading by a party in interest with the requisite standing and authority as contemplated herein prior to the Challenge Period Termination Date (or any extension thereto) shall be deemed forever waived, released, and barred with respect to such party in interest. To the extent a party in interest with requisite standing and authority timely and properly commences a Challenge prior to the Challenge Period Termination Date, all claims, causes of action and other matters not specifically set forth in such

Challenge shall be deemed forever waived, released, and barred with respect to such party in interest.

(d) To the extent any Stipulations are (i) not subject to a Challenge timely and properly commenced prior to the Challenge Period Termination Date or (ii) subject to a Challenge timely and properly commenced prior to the Challenge Period Termination Date, to the extent any such Challenge does not result in a final and non-appealable judgment or order of the Court that is inconsistent with such Stipulations, then, in each case, without further notice, motion or application to, or order of, or hearing before this Court and without the need or requirement to file any proof of claim: (1) any and all such Challenges by any Committee or any other party in interest shall be deemed to be forever waived, released, and barred (including in any Successor Case), and (2) the Prepetition Obligations shall be deemed to be an allowed secured claim within the meaning of sections 502 and 506 of the Bankruptcy Code for all purposes in connection with these Chapter 11 Cases, and all of the Stipulations and all other waivers, releases, and affirmations set forth in this Interim Order (or any not properly and timely challenged) shall be in full force and effect and shall be binding, conclusive, and final on any person, entity, or party in interest, including any Committee, (in each case, and their successors and assigns) in these Chapter 11 Cases and in any Successor Case for all purposes, without any further order of the Court, and shall not be subject to challenge or objection by the Committee or any other party in interest, including, without limitation, any other statutory committee, any trustee, responsible individual, examiner with expanded powers or other representative of the Debtors' estates.

(e) If any Challenge is timely and properly filed during the Challenge Period, the Stipulations and all other waivers, releases, and affirmations contained in this Interim Order shall nonetheless remain binding and preclusive, as provided in this paragraph 11, on all other parties

in interest (including any Committee) and on any other person or entity, except for the plaintiff or movant timely and successfully asserting such Challenge, as set forth in a final, non-appealable order of a court of competent jurisdiction. Notwithstanding anything to the contrary herein, the right to commence any Challenge under this Interim Order is preserved only as against any particular Prepetition Obligation or against any Prepetition Secured Party to the extent such Challenge is commenced timely and properly prior to the Challenge Period Termination Date and, in respect of such Prepetition Obligation or Prepetition Secured Party, is otherwise waived as set forth in this paragraph 11.

(f) All remedies or defenses of any party with respect to any Challenge are hereby preserved. Nothing in this Interim Order vests or confers on any person (as defined in the Bankruptcy Code), including any Committee (if any) appointed in these Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, any Challenges with respect to the Prepetition Obligations, and an order of the Court (or any other court of competent jurisdiction) conferring such standing on a Committee or other party in interest shall be a prerequisite for the prosecution of a Challenge by the Committee or such other party in interest. If a Committee or other party in interest files a motion for standing to pursue a Challenge that includes a draft of the complaint or motion such party in interest seeks to pursue, then the Challenge Period Termination Date shall be stayed as to such movant(s) until the Court rules on the motion for standing.

(g) For the avoidance of doubt, if a chapter 7 or 11 trustee is appointed before the Challenge Period expires, then such trustee shall be deemed to be a party in interest other than the Debtors and shall not be bound by the waivers, releases, affirmations, and Stipulations of the Debtors in this Interim Order until the Challenge Period expires. Notwithstanding anything to the

contrary herein, if a Committee or other party in interest timely and properly files a Challenge within the Challenge Period that is pending as of the time a chapter 7 or chapter 11 trustee is appointed or elected in these cases, such trustee shall have the right (but not the obligation) to intervene in such Challenge and, upon such intervention, shall be deemed to have timely and properly filed such Challenge within the Challenge Period to the same extent as the party originally instituting the Challenge.

12. **Limitations on Use of DIP Facility and Cash Collateral**. Notwithstanding anything herein to the contrary, no portion of the proceeds of the DIP Facility, the DIP Collateral, the Prepetition Collateral, any Cash Collateral, or the Carve-Out and no disbursements set forth in the DIP Budget may be used, in any way, directly or indirectly (a) for any investigation, adversary action, suit, arbitration, proceeding, application, motion, objection, defense, other contested matter, or other litigation of any type, including any Challenge, adverse to the interests of any or all of DIP Lenders, the DIP Agent, the Prepetition Secured Parties, or their respective rights and remedies under the DIP Facility, this Interim Order, the Final Order, the DIP Credit Agreement, or the Prepetition Term Loan Agreement and other documents and instruments in respect of the Prepetition Obligations, including without limitation (i) any action arising under the Bankruptcy Code, (ii) any so-called "lender liability" claims and causes of action, (iii) any action with respect to the validity and extent of the DIP Obligations or Prepetition Obligations or the validity, extent, perfection and priority of the DIP Liens or Prepetition Liens, (iv) any action seeking to invalidate, set aside, avoid, reduce, set off, offset, recharacterize, subordinate (whether equitable, contractual, or otherwise), recoup against, disallow, impair, raise any defenses, cross-claims, or counterclaims, or raise any other challenges under the Bankruptcy Code or any other applicable domestic or foreign law or regulation against or with respect to the DIP Liens or the Prepetition Liens, in whole

or in part, or (v) appeal or otherwise challenge this Interim Order or the Final Order; *provided* that no more than $25,000 in the aggregate of the proceeds of the DIP Facility, the DIP Collateral, the Prepetition Collateral, and the Cash Collateral (including any proceeds of the DIP Facility, the DIP Collateral, the Prepetition Collateral, or the Cash Collateral used to fund the Carve-Out) may be used by a Committee (if any) appointed in these Chapter 11 Cases to investigate (but not prosecute or Challenge, or commence, or initiate the prosecution of, any Challenge, including the preparation of any complaint or motion on account of, or objection to) the Stipulations before termination of the Challenge Period, (b) for any other action, which with the giving of notice or passing of time, would result in an Event of Default under the DIP Facility, (c) for any purpose that is prohibited under the Bankruptcy Code, DIP Loan Documents (including the DIP Credit Agreement), this Interim Order, or the Final Order or that is not in accordance with the DIP Budget, (d) to make any payment, advance, intercompany advance or transfer, or any other remittance or transfer whatsoever (including any intercompany loans and investments) that is not in accordance with the express terms of the DIP Budget, (e) to make any payment in settlement of any claim, action, or proceeding without Bankruptcy Court approval and the prior written consent of the DIP Lenders, which consent shall not be unreasonably withheld or delayed, (f) to prevent, hinder, impede, or delay any of the DIP Secured Parties or Prepetition Secured Parties' enforcement or realization upon or exercise of rights in respect of any of the DIP Collateral or Prepetition Collateral in accordance with the DIP Credit Agreement, or (g) to seek to amend or modify any of the rights or interests granted to any of the DIP Secured Parties or Prepetition Secured Parties under this Interim Order, the DIP Credit Agreement, or the Prepetition Term Loan Agreement, in a manner adverse to any DIP Secured Party or Prepetition Secured Party, including seeking to use Cash Collateral on a contested basis, without the prior written consent of the DIP Agent.

13. **Carve-Out**.

(a) As used in this Interim Order, the "Carve-Out" means the sum of (i) all fees required to be paid to the Clerk of the Bankruptcy Court ("Court Fees") and all statutory fees required to be paid to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate ("US Trustee Fees") (without regard to the notice set forth in (iii) below), (ii) up to the amounts set forth in the respective DIP Budget line items and to the extent allowed by the Court pursuant to a fee application or fee statement on notice or other procedure permitted by any Court order allowing interim compensation or the payment of fees of ordinary course professionals, whether by interim order, final order, procedural order, or otherwise, all reasonable and documented unpaid fees and expenses, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by the Parent's director and persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "Debtor Professionals") and the Committee, if any, appointed in the Bankruptcy Case (the "Committee Professionals," and together with the Debtor Professionals, the "Professionals") at any time on or before one business day following delivery by the DIP Agent of a Carve-Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice, and (iii) Allowed Professional Fees of Professionals in an aggregate amount not to exceed $50,000 incurred after delivery by the DIP Agent of the Carve-Out Trigger Notice (the amount set forth in this clause (iii) being the "Post Carve-Out Trigger Notice Cap"); *provided* that, under no circumstances shall any success, completion, transaction or similar fees be payable from the Carve-Out; *provided, further*, that the Post Carve-Out Trigger Notice Cap shall be reduced, dollar-for-dollar, by the amount of any fees and expenses incurred and accruing by the Debtors and paid to the applicable Professionals following delivery of a Carve-Out Trigger Notice. For

purposes of this Interim Order, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent to counsel to the Debtors, the U.S. Trustee, and counsel to the Committee (if any), which notice may be delivered following the occurrence and during the continuation of an Event of Default, stating that the Post Carve-Out Trigger Notice Cap has been invoked.

(b) The Debtors shall be authorized and permitted to establish an escrow account, to be held by a qualified institutional escrow agent to be agreed upon by the Debtors and the DIP Secured Parties (the "Escrow Holder"), for the benefit of the Professionals and to fund by wire transfer such escrow on a weekly basis, in each case as provided herein and in the DIP Loan Documents (including the DIP Credit Agreement) (such account, to the extent of such deposited amounts, the "Professional Fee Reserve Account"), in an amount equal to, but not to exceed, the professional fees and costs set forth in the DIP Budget line item for Debtor Professionals for such week. The Professional Fee Reserve Account shall be funded on a weekly basis in accordance with the DIP Budget and ending on the date upon which a Carve-Out Trigger Notice is delivered, plus any amounts provided for in the DIP Budget, if any, since the most recent funding of the Professional Fee Reserve Account through the delivery of the Carve-Out Trigger Notice, in accordance with the DIP Budget. After the delivery of a Carve-Out Trigger Notice, notwithstanding anything herein to the contrary, the Debtors shall be authorized to deposit any cash on hand into the Professional Fee Reserve Account up to the amount of any remaining unpaid professional fees for each of the Professionals set forth in the DIP Budget for the period until delivery of the Carve-Out Trigger Notice plus an amount equal to the Post Carve-Out Trigger Notice Cap.

(c) From the funds held in the Professional Fee Reserve Account, the Escrow Holder shall release to the Debtor Professionals solely such amounts as are payable from time to time

pursuant to the DIP Budget and an applicable order of the Bankruptcy Court, including an order approving interim compensation procedures in the Chapter 11 Cases and any order granting interim or final fee applications for Professionals (each, a "Fee Order"). For the avoidance of doubt, (a) in making payments from the Professional Fee Reserve Account, Escrow Holder shall be entitled to rely upon written certifications of each Debtor Professional as to the amount such Debtor Professional is authorized pursuant to the DIP Budget and an applicable order of the Bankruptcy Court to be paid at such time from the Professional Fee Reserve Account; and (b) in no circumstances shall the Escrow Holder be obligated to pay any Debtor Professional other than from the funds held, from time to time, in the Professional Fee Reserve Account in accordance with the DIP Budget and an applicable order of the Bankruptcy Court. Funds held in the Professional Fee Reserve Account shall be applied to Allowed Professional Fees that have been incurred following the Petition Date in accordance with procedures to be established in the Chapter 11 Cases. Payments and reimbursements made to a Professional prior to delivery of the Carve-Out Trigger Notice shall reduce the amounts available to such Professional under section (ii) of the Carve-Out, and neither the Professional Fee Reserve Account nor payments therefrom shall in any way increase the Carve-Out. All Allowed Professional Fees payable to Debtor Professionals shall be paid first from funds in the Professional Fee Reserve Account, if any, and, upon exhaustion thereof, from the Carve-Out (less any amounts previously funded into the Professional Fee Reserve Account). For the avoidance of doubt the DIP Liens, Prepetition Liens, and Adequate Protection Liens shall attach to, and shall have a residual right to and lien on, any excess funds in the Professional Fee Reserve Account after satisfaction of the Carve-Out in respect of Allowed Professional Fees, which excess funds shall then be used to satisfy amounts due under the DIP Facility, the Prepetition Obligations, and the Adequate Protection Payments, as applicable, in

accordance with their rights and priorities as of the Petition Date and under this Interim Order, in each case, until paid in full in cash.

(d) None of the DIP Secured Parties or the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional incurred in connection with the Chapter 11 Cases or any Successor Case under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Secured Parties or the Prepetition Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement. The DIP Secured Parties and the Prepetition Secured Parties reserve the right to review and object to any fee statement, interim application, or monthly application issued or filed by the Professionals.

14. **Payment of Compensation**. Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any of the Debtors or the Committee (if any) or shall limit or otherwise affect the right of the DIP Secured Parties or the Prepetition Secured Parties or any other party in interest to object to the allowance and payment of any such fees and expenses. No professional fees shall be paid absent a Court order allowing such payment, pursuant to a fee application or fee statement on notice, or other procedure permitted by any Court order allowing interim compensation or the payment of fees of ordinary course professionals. So long as no Event of Default exists that has not been waived in writing, the Debtors shall be permitted to pay compensation and reimbursement of expenses allowed by the Court and payable under sections 330 and 331 of the Bankruptcy Code or compensation procedures approved by the Court and in form and substance reasonably acceptable to the Debtors and the DIP Secured Parties, as the same may be due and payable, and the same shall not reduce the Post Carve-Out Trigger Notice Cap.

15. **Section 506(c) Claims**. As a further condition of the DIP Facility, any obligation of the DIP Secured Parties to make DIP Loans, and the Debtors' authorization to use the Cash Collateral and the consent of the DIP Secured Parties and the Prepetition Secured Parties to the payment of the Carve-Out to the extent provided herein, the Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in the Chapter 11 Cases or any Successor Case) shall be deemed to have waived any rights, benefits, or causes of action under section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the DIP Secured Parties, the DIP Liens, and the DIP Collateral and, subject to the entry of the Final Order, the Prepetition Secured Parties, the Adequate Protection Liens, the Prepetition Liens, and the Prepetition Collateral, and except to the extent of the Carve-Out, nothing contained in this Interim Order, the Final Order, or the DIP Credit Agreement shall be deemed a consent by the Prepetition Secured Parties or the DIP Secured Parties to any charge, lien, assessment, or claim against or in respect of the DIP Collateral or the Prepetition Collateral under sections 105 or 506(c) of the Bankruptcy Code or otherwise, and no such consent shall be implied from any other action, inaction, or acquiescence by any by any such parties.

16. **Collateral Rights; Limitations in Respect of Subsequent Court Orders**. Without limiting any other provisions of this Interim Order, unless the DIP Agent and the Prepetition Agent have provided their prior written consent, no credit shall be obtained, or indebtedness incurred that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral or entitled to priority administrative status which is superior to or *pari passu* with those granted pursuant to this Interim Order to or for the benefit of the DIP Secured Parties or the Prepetition Secured Parties. Further, the proceeds of the DIP Facility and the Cash Collateral shall

not be used for any purpose other than as permitted under the DIP Credit Agreement and consistent with this Interim Order and the DIP Budget.

17. **Proceeds of Subsequent Financing**. Without limiting the provisions and protections of paragraph 16 hereof, if at any time prior to the Maturity Date, the Debtors, the Debtors' estates, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed shall obtain credit or incur debt in violation of this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement), then all of the cash proceeds derived from such credit or debt and all Cash Collateral in the amount necessary to satisfy all DIP Obligations then outstanding shall immediately be turned over to the DIP Agent for the indefeasible repayment and satisfaction in full in cash of all DIP Obligations then outstanding. For the avoidance of doubt, if the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in these Chapter 11 Cases or any Successor Case shall obtain credit or incur debt pursuant to section 364(d) of the Bankruptcy Code at any time prior to the Maturity Date, the Prepetition Secured Parties' rights to object to the Debtors' use of Cash Collateral and assert a lack of adequate protection shall be fully preserved.

18. **Cash Management**. From and after the date of the entry of this Interim Order, the Debtors shall maintain a cash management system that is the same as or substantially similar to their prepetition cash management system or as otherwise agreed by the DIP Lenders and authorized by DIP Lenders (in their sole discretion) and the Court. The Debtors shall maintain no accounts except those identified in any order of this Court approving the maintenance of the Debtors' cash management system (the "Cash Management Order") or that may be subsequently opened pursuant to the Cash Management Order. It shall constitute an Event of Default (as defined in the DIP Credit Agreement) if the Debtors' cash management system shall not at all times be

maintained in accordance with the terms of the DIP Credit Agreement, the Cash Management Order, and this Interim DIP Order in all material respects, and otherwise in a manner which shall be reasonably satisfactory to the DIP Secured Parties in accordance with the terms of the DIP Loan Documents (including the DIP Credit Agreement). The Debtors and the financial institutions where the Debtors maintain deposit accounts (as identified in the Cash Management Order) are authorized to remit, without offset or deduction, funds in such deposit accounts upon receipt of any direction to that effect from the DIP Agent (acting at the direction of the DIP Lenders). The DIP Agent shall be deemed to have "control" over all cash management accounts for all purposes of perfection under the Uniform Commercial Code pursuant to this Interim Order and, if required or requested by the DIP Agent, pursuant to control agreements reasonably acceptable to the DIP Agent.

19. **Disposition of DIP Collateral**. It shall constitute an Event of Default (as defined in the DIP Credit Agreement) if the Debtors sell (including, without limitation, any sale and leaseback transaction), transfer (including any assignment of rights), lease, encumber or otherwise dispose of any portion of the DIP Collateral, except as expressly permitted under the DIP Credit Agreement.

20. **Survival of Certain Provisions**. In the event of the entry of any order converting any of these Chapter 11 Cases into a Successor Case, the DIP Liens, the DIP Superpriority Claim, the Adequate Protection Liens, the Adequate Protection Superpriority Claim, and the Carve-Out shall continue in this proceeding and in any Successor Case, and such DIP Liens, DIP Superpriority Claim, Adequate Protection Liens, Adequate Protection Superpriority Claim, and Carve-Out shall maintain their respective priorities as provided by this Interim Order.

21. **Events of Default; Maturity Date; Rights and Remedies Upon Event of Default**.

(a) Any automatic stay otherwise applicable to the DIP Secured Parties and the Prepetition Agent, whether arising under sections 105 or 362 of the Bankruptcy Code or otherwise, is hereby modified so that, (i) upon the occurrence and during the continuance of an Event of Default, the DIP Secured Parties, in their sole and absolute discretion, may immediately (w) deliver a notice of an Event of Default; (x) terminate any pending DIP Loans and use of Cash Collateral; (y) sweep all cash in any controlled accounts, and (z) terminate the DIP Facility and all commitments thereunder and (ii) upon and after the occurrence of the Maturity Date, the DIP Agent and the Prepetition Agent shall, without further notice to, hearing of, or order from this Court, to the extent necessary to permit the DIP Secured Parties to take any or all of the following actions, at the same time or different times, unless the Court orders otherwise, and subject only to subparagraph (b) of this paragraph 21, as applicable, be immediately entitled to exercise all of their rights and remedies in respect of the DIP Collateral and the Prepetition Collateral, in accordance with this Interim Order, the DIP Documents, and/or the Prepetition Term Loan Agreement, as applicable. The term "Maturity Date" shall mean the date that is the earliest of (i) the date that is one-hundred ten (110) days after the Petition Date, (ii) the effective date or date of the substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of a Plan of Reorganization or similar dispositive restructuring plan that has been confirmed by an order of the Bankruptcy Court; (iii) the date the Bankruptcy Court orders the conversion of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code; (iv) the date the Bankruptcy Court orders the dismissal of the Chapter 11 Cases; (v) the date on which the Borrower consummates a sale of all or substantially all of the assets of the Borrower or its Subsidiaries pursuant to Section 363 of the Bankruptcy Code or otherwise; and (vi) the occurrence of any Event of Default or the date of

acceleration of the DIP Term Loans or early termination of the DIP Term Loan Commitments hereunder or the DIP Financing Orders, including as a result of the occurrence of an Event of Default.

(b) Notwithstanding the foregoing subparagraph (a) of this paragraph 21, immediately following the giving of notice by the DIP Agent to counsel to the Debtors, the U.S. Trustee, and counsel to the Committee, if any, of the occurrence of an Event of Default under the DIP Loan Documents (the "Termination Notice") (i) all Commitments of the DIP Lenders to provide any DIP Loans shall immediately be suspended; (ii) the Debtors shall have no right to request or use any proceeds of any DIP Loans or DIP Collateral, or to use Cash Collateral, other than towards the satisfaction of the DIP Obligations and the Carve-Out, as provided in this Interim Order and the DIP Loan Documents (including the DIP Credit Agreement); *provided* that, during the Default Notice Period (as defined below), the Debtors shall be permitted solely to continue to use drawn proceeds of the DIP Facility and any Cash Collateral subject to the consent of the DIP Lenders for any critical business-related expenses necessary to operate the Debtors' businesses and preserve the DIP Collateral as determined by the Debtors in their reasonable discretion and in good faith; *provided, further* that the only basis on which the Debtors shall have the right to contest a Termination Notice shall be with respect to the validity of the Event of Default giving rise to such Termination Notice (i.e., whether or not such Event of Default has occurred or not), (iii) the Debtors shall deliver and cause the delivery of the proceeds of the DIP Loans and the DIP Collateral to the DIP Agent as provided herein and in the DIP Loan Documents (including the DIP Credit Agreement) subject to the funding of the Carve-Out, and (iv) the DIP Agent shall be permitted to apply such proceeds in accordance with the terms of this Interim Order and the other DIP Loan Documents (including the DIP Credit Agreement). The Debtors and the Committee (if

any) shall be entitled to an emergency hearing before this Court within five (5) calendar days after the Termination Notice is sent by the DIP Agent to the Debtors, the U.S. Trustee, and counsel to the Committee (if any) (such 5-calendar-day period, the "Default Notice Period"). If the Debtors, the Committee (if any), or any other party in interest does not contest the occurrence of the Event of Default within the Default Notice Period or if there is a timely contest of the occurrence of an Event of Default and the Court after notice and a hearing declines to stay the enforcement thereof, the Maturity Date shall be deemed to have occurred for all purposes and the automatic stay shall be modified to permit the DIP Agent and the DIP Lenders to exercise all remedies under this Interim Order, the Final Order, the other DIP Loan Documents (including the DIP Credit Agreement), and applicable law, including, without limitation, to (i) set-off any and all amounts in accounts maintained by the Debtors with the DIP Agent or the DIP Lenders against the DIP Obligations, (ii) to otherwise enforce any and all rights against the DIP Collateral in the possession of any of the applicable DIP Lenders, including, without limitation, disposition of the DIP Collateral solely for application towards the DIP Obligations; and (iii) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the Final Order, the other DIP Loan Documents (including the DIP Credit Agreement), or applicable law to effect the repayment of the DIP Obligations.

(c) Upon the occurrence of the Maturity Date (but subject, only in the case of the occurrence of the Maturity Date resulting from an Event of Default, to the provisions of paragraph 21(b)), the DIP Secured Parties and the Prepetition Secured Parties are authorized to exercise all remedies and proceed under or pursuant to the applicable DIP Loan Documents (including the DIP Credit Agreement), the Prepetition Term Loan Agreement, this Interim Order, and applicable law.

(d) The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified pursuant to this Interim Order and the DIP Loan Documents (including the DIP Credit Agreement) as necessary to (i) permit the Debtors to grant the Adequate Protection Liens and the DIP Liens and to incur all DIP Obligations and all liabilities and obligations to the Prepetition Secured Parties hereunder and under the DIP Credit Agreement, as the case may be, and (ii) authorize the DIP Agent and Prepetition Agent to retain and apply payments and otherwise enforce their respective rights and remedies hereunder, subject to the provisions of paragraph 21(b) hereof.

(e) The Debtors shall reasonably cooperate with the DIP Secured Parties and/or the Prepetition Secured Parties in their efforts to enforce their liens and security interests in the DIP Collateral or the Prepetition Collateral, as applicable, in accordance with this Interim Order and (other than the right to contest whether a DIP Termination Event has occurred and is continuing) the Debtors shall not take or direct any entity to take any action designed or intended to hinder or restrict in any respect such party from enforcing its rights or remedies in the DIP Collateral or the Prepetition Collateral, as applicable.

(f) Nothing included herein shall prejudice, impair, or otherwise affect the Prepetition Agent's or the DIP Agent's rights to seek (on behalf of the Prepetition Secured Parties and the DIP Secured Parties, respectively) any other or supplemental relief in respect of the Debtors (including, as the case may be, other or additional adequate protection).

22. **Applications of Proceeds of Collateral, Payments and Collections**.

(a) As a condition to the DIP Loans and the authorization to use Cash Collateral, the Debtors have agreed that proceeds of any DIP Collateral and Prepetition Collateral, any amounts held on account of the DIP Collateral or Prepetition Collateral, and all payments and collections

received by the Debtors with respect to all proceeds of DIP Collateral and Prepetition Collateral shall be used and applied in accordance with the DIP Loan Documents (including the DIP Credit Agreement) (including repayment and reduction of the DIP Obligations), the DIP Budget (subject to variances permitted under the DIP Loan Documents) and this Interim Order.

(b) Subject to the Debtors' rights under paragraph 21(b) hereof and the funding of the Carve-Out, if applicable, upon and after the occurrence of the Maturity Date, all proceeds of DIP Collateral and Prepetition Collateral, whenever received, shall be paid and applied as follows: (i) *first*, to permanently and indefeasibly repay and reduce the DIP Obligations then due and owing in accordance with the DIP Loan Documents (including the DIP Credit Agreement), until paid and satisfied in full in cash; (ii) *second*, subject to paragraph 11 hereof, to permanently and indefeasibly repay and reduce the Prepetition Obligations (including any adequate protection obligations) then due and owing in accordance with the Prepetition Term Loan Agreement, until paid and satisfied in full in cash; and (iii) *third*, to the Debtors' estates. For avoidance of doubt, nothing in this Interim Order shall be construed to limit the voluntary and mandatory repayment provisions set forth in the DIP Loan Documents (including the DIP Credit Agreement).

23. **Proofs of Claim, etc**. None of the DIP Secured Parties or the Prepetition Secured Parties shall be required to file proofs of claim in the Chapter 11 Cases or any Successor Case 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 Case to the contrary, the DIP Agent, on behalf of itself and the DIP Secured Parties, and the Prepetition Agent, on behalf of itself and the Prepetition Secured Parties, respectively, are hereby authorized and entitled (but not required), in each of their sole and absolute discretion to file (and amend or supplement, as each sees fit) a proof of claim or aggregate proofs of claim in the Chapter 11 Cases or any Successor

Case for any claim described herein; any proof of claim filed by the DIP Agent or the Prepetition Agent shall be deemed to be in addition to and not in lieu of any other proof of claim that may be filed by any of the respective DIP Secured Parties or Prepetition Secured Parties. 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 Case shall not apply to the DIP Agent, the other DIP Secured Parties, the Prepetition Agent or the other Prepetition Secured Parties.

24. **Payments Free and Clear**. Any and all payments or proceeds remitted to the DIP Secured Parties or, except as otherwise provided herein, subject to paragraph 11 hereof, the Prepetition Secured Parties, pursuant to the provisions of this Interim Order, the DIP Loan Documents (including the DIP Credit Agreement) or any subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment or other liability.

25. **Other Rights and Obligations**.

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order**. The DIP Secured Parties and the Prepetition Secured Parties have acted in good faith in connection with the DIP Facility, the DIP Loans, the DIP Loan Documents (including the DIP Credit Agreement), the Prepetition Term Loan Agreement, and this Interim Order and are entitled to rely upon the protections granted herein and by section 364(e) of the Bankruptcy Code. Based on the findings set forth in this Interim Order and in accordance with section 364(e) of the Bankruptcy Code, which is applicable to the DIP Facility as approved by this Interim Order, and notwithstanding any modification, amendment, reversal, vacatur, or stay of any or all of this Interim Order by a subsequent order of the Court or any other court, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the protections provided in section 364(e)

of the Bankruptcy Code, and no such appeal, modification, amendment, reversal, vacatur, or stay shall affect the validity and enforceability of any DIP Obligation, DIP Lien, Adequate Protection Superpriority Claim, or Adequate Protection Lien, or any other advances made hereunder or the claims, liens, security interest, or priority authorized or created hereby or pursuant to the DIP Loan Documents (including the DIP Credit Agreement). Notwithstanding any such modification, amendment, reversal, vacatur, or stay, any claim granted to the DIP Secured Parties hereunder arising prior to the effective date of such modification, amendment, reversal vacatur, or stay of any DIP Liens or of the DIP Superpriority Claim granted to or for the benefit of the DIP Secured Parties shall be governed in all respects by the original provisions of this Interim Order, and the DIP Secured Parties shall be entitled to all of the rights, remedies, privileges, and benefits, including the DIP Liens and the DIP Superpriority Claim granted herein, with respect to any such claim.

(b) **Expenses**. To the fullest extent provided in the Prepetition Term Loan Agreement and this Interim Order, the Debtors shall pay all expenses incurred by the DIP Secured Parties and the Prepetition Secured Parties (including, without limitation, the reasonable and documented fees and disbursements of their counsel, including Faegre Drinker Biddle & Reath LLP, any other advisors and any other local counsel that they shall retain and any internal or third-party appraisers, consultants, financial, restructuring or other advisors and auditors advising any such counsel) without duplication, in connection with (i) the preparation, execution, delivery, funding, and administration of the DIP Credit Agreement and the other DIP Loan Documents, including, without limitation, all due diligence fees and expenses incurred or sustained in connection therewith, (ii) the administration of the Prepetition Term Loan Agreement, (iii) the Chapter 11 Cases or any Successor Case, or (iv) enforcement of any rights or remedies under the DIP Loan

Documents (including the DIP Credit Agreement) or the Prepetition Term Loan Agreement, or applicable law, in each case whether or not the transactions contemplated hereby are fully consummated. Notwithstanding any other provisions of this Interim Order, the Prepetition Secured Parties and the DIP Secured Parties, and their advisors and professionals shall submit an invoice in summary form, which shall not be required to include time entry detail and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work-product doctrine for fees and expenses incurred after entry of this Interim Order to the Debtors, the U.S. Trustee and counsel for the Committee (if any). Thereafter, within ten (10) calendar days of presentment of such statements, if no written objections to the reasonableness of the fees and expenses charged in any such invoice (or portion thereof) is made, the Debtors shall pay in cash all such fees and expenses of the Prepetition Secured Parties, the DIP Secured Parties, and their advisors and professionals. Any objection to the payment of such fees or expenses shall be made only on the basis of "reasonableness," and shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the objecting party and the issuer of the invoice, either party may submit such dispute to the Court for a determination as to the reasonableness of the relevant disputed fees and expenses set forth in the invoice. This Court shall resolve any dispute as to the reasonableness of any fees and expenses. For the avoidance of doubt and without limiting any of the foregoing or any other provision of this Interim Order, the

fees specified in the "Costs and Expenses" section of the DIP Credit Agreement are, upon entry of this Interim Order and irrespective of any subsequent order approving or denying the DIP Facility or any other financing pursuant to section 364 of the Bankruptcy Code, entitled to all of the protections of section 364(e) of the Bankruptcy Code that may apply to such fees, and are deemed fully earned, indefeasibly paid, non-refundable, irrevocable and non-avoidable as of the date of this Interim Order.

(c) **Credit Bid**. Subject to section 363(k) of the Bankruptcy Code, the DIP Secured Parties and the Prepetition Secured Parties shall each have the right to credit bid (either directly or through one or more acquisition vehicles), up to the full amount of the DIP Obligations, the Prepetition Obligations, and the Adequate Protection Superpriority Claims, in connection with any sale of all or any portion of the Prepetition Collateral or the DIP Collateral, including (without limitation) any sale occurring pursuant to section 363 of the Bankruptcy Code or included as part of any chapter 11 plan subject to confirmation under section 1129(b)(2)(A)(ii)-(iii) of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise, without the need for further court order authorizing the same. The Debtors shall not object to any DIP Secured Party or any Prepetition Secured Party credit bidding up to the full amount of the applicable outstanding DIP Obligations or Prepetition Obligations (including any Adequate Protection Superpriority Claims), in each case including any accrued interest, fees, and expenses, in any sale of any DIP Collateral or Prepetition Collateral, as applicable, whether such sale is effectuated through sections 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise. If the DIP Agent, DIP Secured Parties, and the Prepetition Secured Parties (either directly or through one or more acquisition vehicles) make a credit bid in connection with any auction or other sale process relating to the sale or other

disposition of any Prepetition Collateral or DIP Collateral, then for purposes of such auction or sale process or any applicable order of this Court, each of the DIP Agent, DIP Secured Parties, and Prepetition Secured Parties shall be deemed to be a "qualified bidder" and its bid shall be a "qualified bid" regardless of whether any qualified bidder or qualified bid requirements are satisfied.

(d) **Lenders Not Responsible Persons**. In (i) making the decision to make the DIP Loans and consent to the use of Cash Collateral, (ii) administering the DIP Facility and the DIP Loans, (iii) extending other financial accommodations to the Debtors under the DIP Documents, and (iv) making the decision to collect the indebtedness and obligations of the Debtors, neither the DIP Agent, the DIP Secured Parties nor the Prepetition Secured Parties shall be considered to (x) owe any fiduciary obligation to the Debtors or any other party with respect to their exercise of any consent or other rights afforded them under the DIP Documents or this Interim Order or (y) be exercising control over any operations of the Debtors or acting in any way as a responsible person, or as an owner or operator under any applicable law, including without limitation, any environmental law (including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, *et seq.*, and the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*, as either may be amended from time to time, or any similar federal or state statute, but in both cases solely by reason of having made the DIP Loans).

(e) **Binding Effect**. The provisions of this Interim Order shall be binding upon and inure to the benefit of the DIP Secured Parties and the Prepetition Secured Parties, the Debtors, and their successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors)

whether in the Chapter 11 Cases, in any Successor Case, or upon dismissal of any such Chapter 11 or Chapter 7 case.

(f) **No Waiver**.

(i) The failure of the DIP Secured Parties or the Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the other DIP Loan Documents (including the DIP Credit Agreement), or the Prepetition Term Loan Agreement or otherwise, as applicable, shall not constitute a waiver of any of the DIP Secured Parties' or Prepetition Secured Parties' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to and does not constitute a waiver of, expressly or implicitly, or otherwise impair any of the rights, claims, privileges, objections, defenses, or remedies of the DIP Secured Parties or the Prepetition Secured Parties under the Bankruptcy Code or under non-bankruptcy law against any other person or entity in any court, including without limitation, the rights of the DIP Agent and the Prepetition Agent (1) to request conversion of the Chapter 11 Cases to a case under Chapter 7, dismissal of the Chapter 11 Cases, or the appointment of a trustee in the Chapter 11 Cases, (2) to propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan, or (3) to exercise any of the rights, claims or privileges (whether legal, equitable, or otherwise) on behalf of the DIP Secured Parties or the Prepetition Secured Parties.

(ii) The failure or delay on the part of any DIP Secured Parties or Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the other DIP Loan Documents (including the DIP Credit Agreement), the Prepetition Term Loan Agreement, or applicable law, as the case may be, shall not constitute a waiver of any of their respective rights hereunder, thereunder, or otherwise. No delay on the part of any party in

the exercise of any right or remedy under this Interim Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of any party under this Interim Order shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the party against whom such amendment, modification, suspension, or waiver is sought. No consents required hereunder by any DIP Secured Parties or Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or Prepetition Secured Parties, respectively.

(g) **No Third-Party Rights**. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, third party, or incidental beneficiary.

(h) **Limitation on Surcharge**. Without limiting the terms of the Carve-Out and subject to the entry of the Final Order, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases or any Successor Case at any time shall be surcharged against, and no person may seek to surcharge any costs or expenses of administration against the DIP Secured Parties, the Carve-Out (other than parties entitled to assert a right to be paid under the Carve-Out), the DIP Collateral or the Prepetition Collateral, pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise, without the prior written consent of the DIP Agent and the Prepetition Agent (and the beneficiaries of the Carve-Out in the case of a surcharge against the Carve-Out). No action, inaction or acquiescence by the DIP Secured Parties or the Prepetition Secured Parties shall be deemed to be or shall be considered evidence of any alleged consent to a surcharge against the DIP Secured Parties, the DIP Collateral, the Prepetition Secured Parties or the Prepetition Collateral.

(i) **No Marshaling**. Neither the DIP Secured Parties nor, subject to the entry of the Final Order, the Prepetition Secured Parties shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral, as applicable.

(j) **Section 552(b)**. The Prepetition Secured Parties and the DIP Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code; and, subject to the entry of the Final Order, to the extent provided therein, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Secured Parties or the Prepetition Secured Parties with respect to proceeds, product, offspring, or profits of any of the Prepetition Collateral or the DIP Collateral.

(k) **Amendment**. The Debtors and the DIP Agent may amend, modify, supplement, or waive any provision of the DIP Credit Agreement (a "DIP Loan Amendment") without further approval of the Court; *provided* that (i) such DIP Loan Amendment is not material (for purposes hereof, a "Material DIP Loan Amendment" shall mean any modification or amendment that (1) increases the interest rate (other than as a result of the imposition of the default rate) or fees charged in connection with the DIP Facility, (2) increases the commitments of the DIP Lenders to make DIP Loans under the DIP Credit Agreement, or (3) changes the Maturity Date) and is undertaken in good faith by the DIP Lenders and DIP Agent and (ii) the Debtors provide written notice of the DIP Loan Amendment on the docket. Any Material DIP Loan Amendment to the DIP Credit Agreement must be set forth in writing, signed by, or on behalf of the Debtors and the DIP Agent (after having obtained the approval of the requisite DIP Secured Parties as provided in the DIP Credit Agreement) and approved by the Court on five (5) days' notice to parties in interest

in order to be effective, *provided* that the DIP Secured Parties and the Debtors reserve the right to seek approval of any Material DIP Loan Amendment on an expedited basis.

(l) **Priority of Terms**. To the extent of any conflict between or among (i) the express terms or provisions of any of the DIP Loan Documents (including the DIP Credit Agreement), the Motion, or any other agreements, on the one hand, and (b) the terms and provisions of this Interim Order, on the other hand, unless such term or provision herein is phrased in terms of "defined in" or "as set forth in" the DIP Loan Documents (including the DIP Credit Agreement), the terms and provisions of this Interim Order prevail.

(m) **Survival of Interim Order**. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any plan in the Chapter 11 Cases, (ii) converting of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing the Chapter 11 Cases, (iv) withdrawing of the reference of the Chapter11 Cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of the Chapter 11 Cases in this Court. The terms and provisions of this Interim Order and the Prepetition Term Loan Agreement, including the DIP Liens and DIP Superpriority Claim granted pursuant to this Interim Order, the DIP Credit Agreement, and the Prepetition Term Loan Agreement and any priorities and protections granted to or for the benefit of the DIP Secured Parties and Prepetition Secured Parties (including the Adequate Protection Liens and the Adequate Protection Superpriority Claim) hereunder and thereunder shall continue in full force and effect to the fullest extent provided by section 364(e) of the Bankruptcy Code.

(n) **Enforceability**. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

(o) **No Waivers or Modification of Interim Order**. The Debtors irrevocably waive any right to seek any modification or extension of this Interim Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction, or acquiescence of the DIP Agent or the Prepetition Agent. The Debtors may not seek to modify or to alter relative lien priority of the DIP Liens, the Prepetition Liens and the Adequate Protection Liens set forth in this Interim Order.

(p) **Waiver of any Applicable Stay**. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Interim Order.

26. **Reservations to Final Order**. Notwithstanding language in this Interim Order that provides that certain relief is subject to or conditioned upon entry of a Final Order, such provisions are without prejudice to rights of parties in interest to object to the relief on a final basis and the Court's authority to determine the final relief.

27. **Final Hearing**.

(a) The Final Hearing to consider entry of the Final Order and final approval of the DIP Facility is scheduled for December 12, 2024, at 11:30 a.m. (prevailing Eastern Time) at the United States Bankruptcy Court for the District of Delaware.

(b) On or before two (2) business days after entry of this Interim Order, the Debtors shall cause to be served, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of

this Interim Order and the Motion, on any known party affected by the terms of this Interim Order, and to any other party that has filed a request for notices with this Court prior thereto. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file written objections with the Clerk of the Court no later than December 5, 2024, at 4:00 p.m. (prevailing Eastern Time), which objections shall be served on (i) proposed counsel for the Debtors, Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801 (Attn: Patrick J. Reilley (PReilley@coleschotz.com) and Melissa M. Hartlipp (MHartlipp@coleschotz.com) and 1325 Avenue of the Americas, 19th Floor, New York, NY 10019 (Attn: Daniel F.X. Geoghan (DGeoghan@coleschotz.com) and Jacob S. Frumkin (jfrumkin@coleschotz.com)); (ii) counsel to the DIP Lenders, Faegre Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036, Attn: James H. Millar (james.millar@faegredrinker.com) and Laura E. Appleby (laura.appleby@faegredrinker.com); (iii) counsel to the DIP Agent, Emmet, Marvin & Martin, LLP, 120 Broadway, 32nd Floor, New York, NY 10271, Attn: Thomas A. Pitta (tpitta@emmetmarvin.com); and (iv) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn: Benjamin A. Hackman (benjamin.a.hackman@usdoj.gov).

28. **Retention of Jurisdiction**. The Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

Dated: November 15th, 2024
Wilmington, Delaware

CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

DIP CREDIT AGREEMENT

Execution Version

SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION
TERM LOAN AGREEMENT

dated as of November 13, 2024,

among

PETROQUEST ENERGY, L.L.C.,
a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code
as Borrower,

PETROQUEST ENERGY, INC.,
a Debtor and Debtor-in-Possession under Chapter 11 of the Bankruptcy Code
as Parent

Certain Subsidiaries and Affiliates thereof, as Guarantors

the Lenders party hereto from time to time

and

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as Administrative Agent

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Exhibit E-1	-	Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Lenders)
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SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION TERM LOAN AGREEMENT

This Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (this "Agreement"), is among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "Borrower"), PetroQuest Energy, Inc., a Delaware corporation (the "Parent"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company ("PQE O&G"), PQ Holdings, LLC, a Louisiana limited liability company ("PQH," and together with Parent and PQE O&G, the "Guarantors"), the Lenders (as defined below) party hereto from time to time, and Computershare Trust Company, National Association, as administrative agent (in such capacity, the "Administrative Agent" and, together with the Borrowers, the Guarantors, and the Lenders, the "Parties" and each, a "Party").

PRELIMINARY STATEMENT:

The Borrower, the Parent, the Lenders party hereto, and the Administrative Agent are parties to that certain Term Loan Agreement, dated as of February 8, 2019 (as amended from time to time, the "Prepetition Term Loan Agreement").

The Borrower and the Guarantors (each a "Debtor" and together, the "Debtors") each commenced a voluntary case (the "Chapter 11 Cases" or the "Bankruptcy Case") on November 13, 2024 (the "Petition Date") under Chapter 11 of the Bankruptcy Code (as hereinafter defined) in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), and the Debtors continue to operate their businesses and manage them as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

The Borrower has asked the Lenders to provide it with a senior secured superpriority debtor-in-possession term loan credit facility (the "DIP Facility"), consisting of (a) $1,695,000.00 of new money delayed draw term loans that will be made available to the Borrower pursuant to the terms and subject to the conditions set forth in this Agreement and the DIP Financing Orders (the "DIP Term Loans"); and (b) Prepetition Loans in the amount of $12,499,401.18 will be deemed "rolled up" as Loans hereunder on a dollar-for-dollar basis pursuant to the terms and subject to the conditions set forth in this Agreement and the DIP Financing Orders (the "Roll-Up Loans").

The Guarantors have agreed to guarantee the obligations of the Borrower hereunder;

To provide for the repayment of the DIP Facility, the Borrower and the Guarantors have agreed to secure, and have secured, their respective Obligations by granting the Administrative Agent, for its benefit and the benefit of the other Secured Parties, subject to the Carve-Out, certain rights and protections pursuant to the terms hereof, security interests and liens pursuant to Sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code and superpriority administrative expense claims pursuant to Section 364(c)(1) of the Bankruptcy Code, in each case having the relative priorities as set forth in the DIP Financing Orders, and other rights and protections as more fully described herein and in the DIP Financing Orders.

The Borrower believes that the loans and other financial accommodations provided to the Borrower under this Agreement will preserve the value of the Borrower's business and assets during the Chapter 11 Case.

The Borrower has requested, and subject to the terms and conditions set forth in this Agreement, the Lenders have agreed to extend, the DIP Facility to the Borrower.

AGREEMENT:

In consideration of the foregoing and the mutual agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

SECTION 1. INTERPRETATION:

This Agreement is to be interpreted in accordance with the rules of construction set forth on Annex A. Capitalized terms used in this Agreement and not otherwise defined have the meanings set forth for such terms on Annex A. All annexes, schedules and exhibits to this Agreement are deemed to be a part of this Agreement.

SECTION 2. DIP FACILITY:

2.1 DIP Term Loans.

(A) Subject to the terms and conditions of this Agreement and in the DIP Financing Orders, and in reliance upon the representations set forth in this Agreement and the DIP Financing Orders, the Lenders shall make the DIP Term Loans to the Borrower in two (2) installments in an aggregate original principal amount equal to the Lenders' total DIP Term Loan Commitment (with each Lender severally making DIP Term Loans in an amount equal to such Lender's DIP Term Loan Commitment). Each Lender's DIP Term Loan Commitment shall be permanently reduced on a dollar for dollar basis by the principal amount of the DIP Term Loan made by such Lender.

(B) Subject to the terms and conditions of this Agreement and the Interim DIP Financing Order, including the satisfaction of the conditions set forth in Section 4.1, the Lenders shall make the Interim DIP Term Loan Advance to the Borrower on or after the Closing Date in the amount and as set forth in the definition of Interim DIP Term Loan Advance.

(C) Subject to the terms and conditions of this Agreement and the applicable DIP Financing Order, including this Section 2.1(C) and the satisfaction of the conditions set forth in Section 4.2, the Lenders shall make the DIP Term Loans to the Borrower, after making the Interim DIP Term Loan Advance, in one (1) additional draw (the "Final DIP Term Loan Advance"), in an amount not to exceed an amount of the Lenders' DIP Term Loan Commitment minus the Interim DIP Term Loan Advance).

(D) The obligations of the Lenders hereunder to make the Interim DIP Term Loan Advance and Final DIP Term Loan Advance are several and not joint. The failure of any Lender to make any DIP Term Loan or, as applicable, to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its applicable DIP Term Loan (including the Interim DIP Term Loan Advance and Final DIP Term Loan Advance).

2.2 Roll-Up Loans.

(A) Subject to the terms and conditions of the Interim DIP Financing Order, simultaneously with the Interim DIP Term Loan Advance, the 2024 Term Loans, including accrued and unpaid interest thereon, shall be deemed Loans advanced under this Agreement, shall constitute Roll-Up Loans and, subject to the terms and conditions set forth herein and without any further action by any party to this Agreement, shall be administered hereunder. Roll-Up Loans under this Section 2.2(A) may be prepaid or repaid but may not be reborrowed.

(B) Subject to the terms and conditions of the Final DIP Financing Order, simultaneously with the Final DIP Term Loan Advance, the 2022 Term Loans, including accrued and unpaid interest thereon shall be deemed Loans advanced under this Agreement, shall constitute Roll-Up Loans and, subject to the terms and conditions set forth herein and without any further action by any party to this Agreement, shall be administered hereunder. Roll-Up Loans under this Section 2.2(B) may be prepaid or repaid but may not be reborrowed.

2.3 Procedure for Advances.

(A) Interim DIP Term Loan Advance.

(i) The Borrower shall give the Administrative Agent and the Lenders an irrevocable Notice of Borrowing prior to 11:00 a.m. at least two Business Days prior to the Closing Date (or such shorter period as may be acceptable to the Lenders in their sole discretion), specifying (i) wire instructions of the Borrower's account(s) to which funds are to be disbursed, (ii) the requested date of the borrowing, which shall be a Business Day, and (iii) the Type of DIP Term Loans to be borrowed. A Notice of Borrowing received after 11:00 a.m. is deemed received on the next Business Day. Not later than 1:00 p.m. on the date the Borrower requests the Lenders fund the Interim DIP Term Loan Advance pursuant to a Notice of Borrowing provided by Borrower in accordance with this paragraph (A), and after the acceptance by the Lenders of the latest approved Budget as set forth in Section 6.18(B) and the Borrower having met all conditions as set forth in Section 4.1, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Lender's

Commitment Percentage of the Interim DIP Term Loan Advance to be made on such date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Interim DIP Term Loan Advance received by the Administrative Agent in immediately available funds by wire transfer to such Persons as may be designated by the Borrower in writing. The Administrative Agent shall only be required to fund after the Bankruptcy Court approves the Interim DIP Financing Order in the Chapter 11 Cases.

(B) Final DIP Term Loan Advance.

(i) The Borrower shall give the Administrative Agent and the Lenders an irrevocable Notice of Borrowing prior to 11:00 a.m. at least two Business Days prior to the date of the Final DIP Term Loan Advance, specifying (i) wire instructions of the Borrower's account(s) to which funds are to be disbursed, (ii) the requested date of the borrowing, which shall be a Business Day, (iii) the Type of DIP Term Loans to be borrowed, and (iv) the Final DIP Financing Order approving such draw has been (or will be) entered and all of the conditions to such draw set forth in Section 4.2 have been (or will be) satisfied on or prior to the date of such draw. A Notice of Borrowing received after 11:00 a.m. is deemed received on the next Business Day. Not later than 1:00 p.m. on the date the Borrower requests the Lenders fund the Final DIP Term Loan Advance pursuant to a Notice of Borrowing provided by Borrower in accordance with this paragraph (A), and after the acceptance by the Lenders of the latest approved Budget as set forth in Section 6.18(B) and the Borrower having met all conditions as set forth in Sections 4.1 and 4.2, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Lender's Commitment Percentage of the Final DIP Term Loan Advance to be made on such date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Final DIP Term Loan Advance received by the Administrative Agent in immediately available funds by wire transfer to such Persons as may be designated by the Borrower in writing.

(C) The Administrative Agent is not obligated to disburse the portion of the proceeds of any DIP Term Loans requested pursuant to this Section 2 to the extent that any Lender has not made available to the Administrative Agent its Commitment Percentage of such DIP Term Loans. If a Lender does not make available to the Administrative Agent its Commitment Percentage of any requested DIP Term Loan, then the Administrative Agent shall return the funds it received from the other Lenders with respect to such requested DIP Term Loan.

2.4 Repayment. The Borrower shall repay the aggregate outstanding principal amount of the DIP Term Loans and Roll-Up Loans in full, together with accrued interest thereon and any Fees, on the Maturity Date.

2.5 Optional Prepayments.

(A) Prepayments.

(i) The Borrower may from time to time, without premium or penalty, prepay the DIP Facility, in whole or in part, upon delivery to the Administrative Agent and the Lenders of a Notice of Prepayment not later than 11:00 a.m. at least three (3) Business Days before its intention to prepay specifying the date, which must be a Business Day, and amount of prepayment. Each optional prepayment of the DIP Facility hereunder must be in an aggregate principal amount of at least $1,000,000 or any whole multiple of $500,000 in excess thereof. A Notice of Prepayment received after 11:00 a.m. is deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Prepayment; *provided, however*, that the delivery by the Borrower of such Notice of Prepayment to each Lender directly shall satisfy this requirement. Any prepayment of the DIP Facility shall be accompanied by all accrued interest thereon and any outstanding Fees. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all of the DIP Facility with the proceeds of such refinancing may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by the Borrower in the event such refinancing or incurrence is not consummated.

(ii) Application of Optional Prepayments. All payments under this Section 2.5 shall be applied first to all Fees (other than the Exit Fee required under Section 3.3(B), costs, expenses, indemnities and other amounts due and payable hereunder, then proportionately (based on the relation of such amounts to the total amount of the relevant payment under this Section 2.5 to the payment or prepayment (as applicable) of the following amounts of the Obligations: default interest, if any, accrued interest, the Fees required under Section 3.3 and principal. All payments hereunder will be applied on a pro rata basis to the then outstanding DIP Facility.

(B) Commitment Termination.

(i) The DIP Term Loan Commitments of each Lender to fund the DIP Term Loans pursuant to Section 2.1(A) and (B) shall expire upon the earlier of the date (the "DIP Term Loan Commitment Termination Date") that (a) the DIP Term Loans are fully funded or reduced to zero and (b) the Maturity Date.

(ii) The Borrower may at any time terminate or reduce (including to zero) any undrawn amount of the DIP Term Loan Commitments upon prior notice to the Administrative Agent and the Lenders.

(iii) The Borrower shall notify the Administrative Agent and the Lenders of any election to reduce (including to zero) the DIP Term Loan Commitments under paragraph (ii) of this Section at least three (3) Business Days prior to the effective date of such reduction, specifying such election and the effective date thereof.

2.6 Mandatory Prepayments.

(A) Asset Dispositions and Involuntary Asset Dispositions.

(i) Subject to (x) the priority of Liens and application of funds set forth in the DIP Financing Orders, and (y) the use of such Net Cash Proceeds as set forth in the most-recent Budget, the Borrower shall promptly (and, in any event, within three (3) Business Days) prepay the DIP Facility in an aggregate amount equal to 100% of the Net Cash Proceeds of any Asset Disposition or Involuntary Asset Disposition received by the Borrower or any other Debtor. Subject to Section 3.3, any prepayment pursuant to this Section 2.6(A)(i) shall be applied as set forth in Section 2.6(D)(i) below.

(B) Extraordinary Receipts.

(i) Subject to (x) the priority of Liens and application of funds set forth in the DIP Financing Orders, and (y) the use of such Net Cash Proceeds as set forth in the most-recent Budget, the Borrower shall promptly (and, in any event, within three (3) Business Days) upon the receipt by the Borrower or any other Debtor of the Net Cash Proceeds of any Extraordinary Receipt, prepay the DIP Facility in an aggregate amount equal to 100% of such Net Cash Proceeds. Subject to Section 3.3, any prepayment pursuant to this this Section 2.6(B)(i) shall be applied as set forth in Section 2.6(D)(i) below.

(C) Debt Issuances.

(i) Subject to the priority of Liens and application of funds set forth in the DIP Financing Orders, the Borrower shall promptly (and, in any event, within three (3) Business Days) upon the receipt by the Borrower or any other Debtor of the Net Cash Proceeds of any Debt Issuance, prepay the DIP Facility in an aggregate amount equal to 100% of such Net Cash Proceeds. Subject to Section 3.3, any prepayment pursuant to this Section 2.6(C)(i) shall be applied as set forth in Section 2.6(D)(i) below.

(D) Application of Mandatory Prepayments. All payments under this Section 2.6 shall be applied first to all Fees (other than the Exit Fee required under Section 3.3(B), costs, expenses, indemnities and other amounts due and payable hereunder, then proportionately (based on the relation of such amounts to the total amount of the relevant payment under this Section 2.6 to the payment or prepayment (as applicable) of the following amounts of the Obligations: default interest, if any, accrued interest, the Fees required under Section 3.3 and principal. All payments hereunder will be applied on a pro rata basis to the then outstanding DIP Facility.

(E) Notice of Prepayment. Upon the occurrence of any event triggering the prepayment requirement under this Section 2.6, the Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and the Lenders.

(F) Accrued Interest. Any prepayment of the DIP Facility pursuant to this Section 2.6 shall be accompanied by all accrued interest thereon.

2.7 No Reborrowings. The Borrower may not reborrow any amounts repaid or prepaid under the DIP Term Loans or Roll-Up Loans.

SECTION 3. GENERAL LOAN PROVISIONS:

3.1 Repayment of Principal and Outstanding Obligations.

(A) The Borrower hereby unconditionally promises to pay the Administrative Agent, for the benefit of the Lenders, all amounts owed hereunder with respect to the DIP Term Loans and the Roll-Up Loans (including, for the avoidance of doubt, any PIK Amounts and the Exit Fee) on the Maturity Date. Each repayment of a DIP Term Loan and/or Roll-Up Loan shall be applied ratably to the Loans. Repayments of Loans shall be accompanied by accrued interest on the amounts repaid. Any reference in this Agreement or the Loan Documents to the Loans or the outstanding principal balance of the Loans shall include the PIK Amounts.

3.2 Interest.

(A) Interest Rate. Each Loan (including the PIK Amounts) shall bear interest at a rate *per annum* equal to the Interest Rate.

(B) Default Rate. Subject to Section 8.3, immediately upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest on the aggregate outstanding principal amount of the DIP Term Loans and Roll-Up Loans at the Default Rate, such interest being due and payable on demand.

(C) Interest Payment and Computation. The Borrower shall pay interest (at the Interest Rate or Default Rate, as applicable) on the DIP Facility in arrears on each Interest Payment Date. The aggregate outstanding principal amount of the DIP Facility shall be automatically increased on each such Interest Payment Date by the amount of such interest paid in kind (the "PIK Interest Amounts," and together with the Upfront Fee and the Unused DIP Term Loan Fee, collectively the "PIK Amounts"). For the avoidance of doubt interest shall accrue on the principal amount of the DIP Facility increased as a result of payments of interest in kind. All computations of interest are made on the basis of a 360-day year and actual days elapsed.

(D) Maximum Rate. In no contingency or event whatsoever will the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law that a court of competent jurisdiction, in a final determination, deems applicable hereto. In the event that such a court determines that the Lenders have

charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder automatically is reduced to the maximum rate permitted by Applicable Law and the Lenders shall apply such excess to the principal balance of the Obligations. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

3.3 Fees.

(A) Subject to the terms and conditions of the Interim DIP Financing Order, the Borrower shall pay to the Lenders a fee (the "Upfront Fee") equal to 2% of the Total DIP Term Loan Commitment. The Upfront Fee shall be due and payable on the date of the funding of the Interim DIP Term Loan Advance, shall be payable in kind and from and after the making of the Interim DIP Term Loan Advance shall be considered Loans advanced hereunder for all purposes of this Agreement.

(B) Subject to the terms and conditions of the Interim DIP Financing Order, the Borrower shall pay to the Lenders a commitment fee (the "Unused DIP Term Loan Fee"), which shall accrue at a rate equal to 0.50% per annum on the average daily amount by which the aggregate DIP Term Loan Commitments exceed the sum of the DIP Term Loans during the period from and including the Closing Date to the date on which such Lenders' DIP Term Loan Commitments terminate. The Unused DIP Term Loan Fee shall accrue at all times from the Closing Date until the DIP Term Loan Commitment Termination Date, including at any time during which one or more of the conditions in Section 4 are not met. The Unused DIP Term Loan Fee shall be payable in kind on the last Business Day of each month, commencing with the first such date to occur after the Closing Date, and on the DIP Term Loan Commitment Termination Date by capitalizing the amount thereof and adding such amount to the outstanding principal amount of such Lenders' DIP Term Loans on and as of such date (which amount shall automatically constitute a part of the outstanding amount of such DIP Term Loans for all purposes hereof (including the accrual of interest thereon at the rates applicable to such DIP Term Loan generally)).

(C) Subject to the terms and conditions of the Final DIP Financing Order, the Borrower agrees to pay to the Lenders a fee (the "Exit Fee") equal to 2% of the Total DIP Term Loan Commitment. The Exit Fee shall be due and payable on the Maturity Date, shall be payable in kind and from and after the Maturity Date shall be considered Loans advanced hereunder for all purposes of this Agreement.

3.4 Manner of Payment. The Borrower shall make each payment on account of the principal of or interest on the DIP Facility or of any fee, commission or other amounts payable to the Lenders under this Agreement not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders entitled to such payment in Dollars, in immediately available funds and without any set off, counterclaim or deduction whatsoever. Any payment received after 1:00 p.m. is deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt

by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each Lender its Commitment Percentage (or other applicable share as provided herein) of such payment and shall provide notice of the amount of such credit to each Lender. The Borrower shall pay each payment to the Administrative Agent of Administrative Agent's fees, expenses or other amounts payable to the Administrative Agent for the account of the Administrative Agent and shall pay any amount payable to any Lender under Sections 3.7, 3.8 or 10.2 to the Administrative Agent for the account of the applicable Lender. If any payment under this Agreement is specified to be made upon a day that is not a Business Day, it shall be made on the next succeeding day that is a Business Day and such extension of time is included in computing any interest if payable along with such payment. Notwithstanding the foregoing, each payment by the Borrower to a Defaulting Lender is applied in accordance with Section 3.10(A)(ii).

3.5 Evidence of Indebtedness. The DIP Term Loans made by each Lender will be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business and by the Administrative Agent in accordance with this Agreement. The accounts or records maintained by the Administrative Agent and each Lender are conclusive absent manifest error of the amount of the DIP Term Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so do not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent control in the absence of manifest error.

3.6 Sharing of Payments by Lenders. Subject to the DIP Financing Orders, if any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains payment in respect of any principal of or interest on any of its DIP Term Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its DIP Term Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact and (b) purchase (for cash at face value) participations in the DIP Term Loans and such other obligations of the other Lenders, or make such other adjustments as are equitable, so that the benefit of all such payments are shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective DIP Term Loans and other amounts owing them; provided:

(A) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations are rescinded and the purchase price restored to the extent of such recovery, without interest; and

(B) the provisions of this Section 3.6 may not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its DIP Term Loans to any assignee or participant.

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

3.7 Increased Costs.

(A) In the event that any Lender shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) any Change in Law shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

then, and in any such event, such Lender shall promptly give written notice to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). The Borrower agrees to pay to such Lender, upon such Lender's written request therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender shall determine after consultation with the Borrower) as shall be required to compensate such Lender for such increased costs or reductions in amounts received or receivable hereunder (a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent manifest error, be final and conclusive and binding on all the parties hereto).

(B) If any Lender determines that after the date of this Agreement the introduction of or any change in any Applicable Law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by the NAIC or any Governmental Authority, central bank or comparable agency, will have the effect of increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender based on the existence of such Lender's DIP Term Loan Commitments hereunder or its obligations hereunder, then the Borrower agrees to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased cost to such Lender or such other corporation or the reduction in the rate of return to such Lender or such other corporation as a result of such increase of capital. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable; provided that such Lender's determination of compensation owing under this Section 3.7(B) shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts, will be payable pursuant to this Section 3.7(B), will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for calculation of

such additional amounts, although the failure to give any such notice shall not release or diminish a Borrower's obligations to pay additional amounts pursuant to this Section 3.7(B) upon the subsequent receipt of such notice.

(C) Notwithstanding anything in this Agreement to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a change after the date of this Agreement in a requirement of law or government rule, regulation or order, regardless of the date enacted, adopted, issued or implemented (including for purposes of this Section 3.6).

3.8 Taxes.

(A) Defined Terms. For purposes of this Section 3.8, the term "applicable law" includes FATCA.

(B) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent is entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party is increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.8) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(C) Payment of Other Taxes by the Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(D) Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, and shall indemnify the Administrative Agent,

as Withholding Agent, in connection with any tax withholdings. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, is conclusive absent manifest error.

(E) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.4(D) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent is conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 3.8(E).

(F) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 3.8, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Required Lenders.

(G) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.8(G)(ii)(a), 3.8(G)(ii)(b) and 3.8(G)(ii)(d)) is not required if in the Lender's reasonable judgment such completion, execution or submission would

subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower:

(a) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (A) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (B) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (A) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (B) executed copies of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, or other certification documents from each beneficial owner, as applicable; provided if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign

Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.8(G)(ii)(d), "FATCA" includes any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Computershare Trust Company, National Association, both in its individual capacity and in its capacity as the Administrative Agent, has no liability to the Borrower, the Lenders or any other Person in connection with any tax withholding amounts paid or withheld from any payment pursuant to Applicable Law or arising from the Borrower's or a Lender's failure, as applicable, to timely provide an accurate, correct and complete IRS Form W-9, an appropriate IRS Form W-8 or such other documentation contemplated under this Agreement.

(H) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.8 (including by the payment of additional amounts pursuant to this Section 3.8), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments

made under this Section 3.8 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.8(H) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.8(H), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.8(H) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 3.8(H) may not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(I) Survival. Each Party's obligations under this Section 3.8 survives the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the DIP Term Loan Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(J) Tax Reporting. The Lenders and any transferees or assignees after the Closing Date will be required to provide to Administrative Agent or its agents all information, documentation or certifications reasonably requested by Administrative Agent to permit Administrative Agent to comply with its tax reporting obligations under Applicable Laws, including any applicable cost basis reporting obligations.

(K) Not less than four (4) Business Days (or such shorter period as may be agreed to by Administrative Agent) prior to any payment, distribution or transfer of funds by Administrative Agent to any Person under the Loan Documents, the payee shall provide to Administrative Agent such documentation and information as may be requested by Administrative Agent (unless such Person has previously provided the documentation or information, and so long as such documentation or information remain accurate and true). Administrative Agent shall have no duty, obligation or liability to make any payment to any Person unless it has timely received such documentation and information with respect to such Person, which documentation and information shall be reasonably satisfactory to Administrative Agent.

3.9 Mitigation Obligations; Replacement of Lenders.

(A) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.7, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account

of any Lender pursuant to Section 3.8, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its DIP Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.7 or 3.8, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(B) Replacement of Lenders. If any Lender requests compensation under Section 3.7, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.8 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.9(A), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.4), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.7 or 3.8) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that assumes such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided:

(i) the Borrower has paid to the Administrative Agent the assignment fee (if any) specified in Section 10.4;

(ii) such Lender has received payment of an amount equal to the outstanding principal of its DIP Term Loans or Roll-Up Loans, accrued interest thereon and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.7 or payments required to be made pursuant to Section 3.8, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee has consented to the applicable amendment, waiver or consent.

A Lender is not required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.10 Defaulting Lenders.

(A) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement is restricted as set forth in the definition of Required Lenders.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any DIP Term Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to its DIP Term Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (a) such payment is a payment of the principal amount of any DIP Term Loans in respect of which such Defaulting Lender has not fully funded its appropriate share and (b) such DIP Term Loans were made at a time when the conditions set forth in Section 4.1 or 4.2 were satisfied or waived, such payment is applied solely to pay the DIP Term Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any DIP Term Loans of such Defaulting Lender until such time as all DIP Term Loans are held by the Lenders pro rata in accordance with the DIP Term Loan Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 3.9(A)(ii) are deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(B) Defaulting Lender Cure. If the Borrower and the Required Lenders agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent shall so notify the Parties, whereupon as of the effective date specified in such notice and

subject to any conditions set forth therein, that Lender shall, to the extent applicable, purchase at par that portion of outstanding DIP Term Loans of the other Lenders or take such other actions as may be necessary to cause the DIP Term Loans to be held pro rata by the Lenders in accordance with the DIP Term Loan Commitments, whereupon such Lender will cease to be a Defaulting Lender. Except to the extent otherwise expressly agreed by the affected Parties, no change hereunder from Defaulting Lender to Lender constitutes a waiver or release of any claim of any Party arising from that Lender's having been a Defaulting Lender.

3.11 No Discharge; Survival.

Unless in accordance with an Acceptable Plan, the Borrower agrees that prior to payment in full in cash of the Obligations and termination of the DIP Term Loan Commitments in accordance herewith, (a) its obligations under the Loan Documents shall not be discharged by the entry of an order confirming a Plan of Reorganization and (b) the superpriority claims granted to the Administrative Agent and the Lenders pursuant to the DIP Financing Orders and the Liens granted to the Administrative Agent and the Lenders pursuant to the DIP Financing Orders shall not be affected in any manner by the entry of an order confirming a Plan of Reorganization, except to the extent set forth in an Acceptable Plan confirmed pursuant to a final, non-appealable order from the Bankruptcy Court that is consummated.

SECTION 4. CONDITIONS OF CLOSING AND BORROWING:

4.1 Conditions to Closing and Funding of Interim DIP Term Loan Advance. The obligation of the Lenders to close this Agreement and to make the Interim DIP Term Loan Advance is subject to the satisfaction of each of the following conditions:

(A) Executed Loan Documents. Each agreement, instrument or other document set forth on Annex D has been duly authorized, executed and delivered to the Administrative Agent on behalf of the Lenders and to the Lenders by the parties thereto and is in full force and effect.

(B) Interim DIP Financing Order. The Bankruptcy Court shall have entered the Interim DIP Financing Order, in a form acceptable to the Lenders (in their sole and exclusive discretion) and the Administrative Agent (in its reasonable discretion), no later than five (5) Business Days after the Petition Date, which Interim DIP Financing Order shall be in full force and effect and shall not have been reversed, vacated or stayed, and shall not have been amended, supplemented or otherwise modified without the prior written consent of the Lenders; and the Loan Parties shall be in compliance with the Interim DIP Financing Order.

(C) Governing Documents. The Lenders shall have received a certificate executed by a Responsible Officer of the Borrower certifying:

(i) the names and signatures of the officers of each Loan Party authorized to execute the Loan Documents;

(ii) the resolutions duly adopted by the Board of Directors (or equivalent governing body) of each Loan Party approving the Loan Documents;

(iii) the correctness and completeness of the copy of the Operating Agreements (or equivalent governing document) of each Loan Party attached thereto; and

(iv) the correctness and completeness of the copy of the certificate of incorporation (or equivalent governing document) of each Loan Party attached thereto.

(D) Lender Approval. The Lenders shall have received approval of the transaction contemplated hereby by the credit committee of each Lender.

(E) Initial Approved Budget. No later than two (2) days prior to the Petition Date, the Lenders shall have received, and approved, a cash forecast for the period from the Petition Date through the following eleven (11) weeks setting forth projected cash flows and disbursements (the "Initial Approved Budget").

(F) First Day Motions and Bidding Procedures Motion.

(i) The Borrower shall have provided the Lenders with a copy of the "first day" motions, including the cash management motion, and proposed orders to be filed with the Bankruptcy Court in connection with the commencement of the Chapter 11 Cases, in form and substance satisfactory to the Required Lenders.

(ii) The Bankruptcy Court shall have entered orders approving all "first day" motions, either on an interim or final basis as the case may be, other than the Interim DIP Financing Order or as may be waived by the Lenders.

(G) Restructuring Support Agreement or Plan of Reorganization. Other than as set forth herein, the Borrower shall not have executed, entered into or otherwise committed to any plan or restructuring support agreement or any other agreement or understanding concerning the terms of a Chapter 11 plan or other exit strategy without the consent of the Lenders.

(H) No Trustee, Examiner, or Receiver. No order shall have been entered appointing a trustee, examiner or receiver (or local law equivalent) with respect to the Borrower or its Subsidiaries' business, properties or assets, and no motion shall be pending seeking any such relief.

(I) Administrative Agent and Lender Expenses. The Borrower shall have paid to the Administrative Agent and the Lenders, the fees, costs and expenses then earned, due and payable under the Loan Documents (including, without limitation, the fees, costs and expenses of counsel and the other advisors to the Administrative Agent and the Lenders incurred in connection with the Chapter 11 Cases and the negotiation, preparation, execution and delivery of the Loan Documents).

(J) Payment at Closing. The Borrower has paid or made arrangements to pay contemporaneously with closing (i) to the Administrative Agent, the fees set forth or referenced in Section 3.3 and any other accrued and unpaid fees or commissions due hereunder, (ii) all reasonable fees, charges and disbursements of counsel to the Administrative Agent and the Lenders (directly to such counsel if requested by the Administrative Agent) to the extent accrued and unpaid and submitted to the Borrower prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate does not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent and the Lenders) and (iii) to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(K) The Administrative Agent and the Lenders shall have received a Notice of Borrowing from the Borrower in accordance with Section 2.3.

(L) The representations contained in this Agreement and the other Loan Documents are true and correct in all material respects, on and as of the Closing Date with the same effect as if made on and as of such date (except for any such representation that by its terms is made only as of an earlier date, which representation remains true and correct in all material respects as of such earlier date).

(M) No Default or Event of Default exists on the Closing Date with respect to such DIP Term Loans or after giving effect to the DIP Term Loans to be made on such date.

(N) Material Adverse Effect.

(i) No event, development or circumstance has occurred or exists that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect; and

(ii) there has not been any fact, event, change, effect, development, circumstance or occurrence that, individually or together with any other fact, event, change, effect, development, circumstance or occurrence, has had or would reasonably be expected to have a material and adverse effect on the ability of the Loan Parties taken as a whole to perform their respective obligations under, or to consummate the transactions contemplated by, the Loan Documents.

Notwithstanding anything to the contrary contained herein, funding of the Interim DIP Term Loan Advance shall be subject to entry of the Interim DIP Financing Order, which shall not have been vacated, reversed or stayed, appealed (and for which the appeal period has expired or has been waived), or modified or amended without the prior written consent of the Lenders in their sole discretion.

4.2 Conditions to Funding the Final DIP Term Loan Advance.

The obligation of the Lenders to make the Final DIP Term Loan Advance is subject to the satisfaction of each of the following conditions, in addition to all of the conditions set forth in Section 4.1:

(A) Final DIP Financing Order. The Final DIP Financing Order shall have been entered by the Bankruptcy Court, in a form acceptable to the Lenders, in their sole and exclusive discretion, shall be in full force and effect, shall not have been vacated or reversed, shall not be subject to a stay and shall not have been modified or amended other than as acceptable to the Required Lenders in their sole and exclusive discretion; and the Loan Parties shall be in compliance with the Final DIP Financing Order.

(B) Second Day Orders. All "second day orders" approving on a final basis any first day orders intended to be entered on or prior to the date of entry of the Final DIP Financing Order shall have been entered by the Bankruptcy Court, shall be in full force and effect, shall not have been vacated or reversed, shall not be subject to a stay, and shall be in form and substance satisfactory to the Required Lenders.

(C) The Bankruptcy Court shall have approved the Bidding Procedures Motion in a form satisfactory to the Lenders and scheduled the auction.

(D) Compliance with Orders. The Loan Parties shall be in compliance in all material respects with each First Day Order and Second Day Order then in effect.

(E) Approved Budget. The Lenders shall have received, and approved, the Budget in form and substance acceptable to the Lenders in their sole discretion, at least two (2) Business Days before funding the Final DIP Term Loan Advance.

(F) The representations contained in this Agreement and the other Loan Documents are true and correct in all material respects, on and as of the Closing Date with the same effect as if made on and as of such date (except for any such representation that by its terms is made only as of an earlier date, which representation remains true and correct in all material respects as of such earlier date).

(G) Material Adverse Effect. No event shall have occurred, or circumstance exists, that has or could reasonably be expected to have a Material Adverse Effect.

(H) Legal Restriction. Such advance or financial accommodation shall not be prohibited by any law or regulation or any order of any court or Governmental Authority or agency.

(I) No Repudiation. No Loan Party shall have repudiated or made any anticipatory breach or repudiation of any of its obligations under any Loan Document.

SECTION 5. REPRESENTATIONS:

To induce the Administrative Agent and Lenders to enter into this Agreement and to induce the Lenders to make the DIP Term Loans, the Loan Parties represent to the Administrative Agent and the Lenders both before and after giving effect to the transactions contemplated hereunder, which representations and warranties are deemed made on the Closing Date, that:

5.1 Organization; Powers. Subject to any restrictions arising on account of the Loan Parties' status as "debtors" under the Bankruptcy Code, the Loan Parties (a) are duly organized, incorporated or formed, validly existing and (where applicable) in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) have all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on their businesses and (ii) execute, deliver and perform their obligations under the Loan Documents to which they are a party, and (c) are duly qualified and are licensed and (where applicable) in good standing under the Laws of each jurisdiction where their ownership, lease or operation of properties or the conduct of their businesses require such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.2 Authority; Enforceability.

The Transactions are within the Borrower's and each Guarantor's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action (including any action required to be taken by any class of directors of the Parent, the Borrower or any other Person, whether interested or disinterested, in order to ensure the due authorization of the Transactions). Each Loan Document to which the Borrower and each Guarantor is a party has been duly executed and delivered by the Borrower and such Guarantor and constitutes a legal, valid and binding obligation of the Borrower and such Guarantor, as applicable, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.3 Approvals; No Conflicts.

The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person (including shareholders or any class of directors, whether interested or disinterested, of the Parent, the Borrower or any other Person), nor is any such consent, approval, registration, filing or other action necessary for the validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby, except such as have been obtained or made and are in full force and effect other than (i) the recording and filing of the Security Documents as required by this Agreement and (ii) those third party approvals or consents which, if not made or obtained, would not cause an Event of Default hereunder, could not reasonably be expected to have a Material Adverse Effect or do not have an adverse effect on the enforceability of the Loan Documents, (b) will not violate any Applicable Law or regulation or the charter, by-laws or other organizational documents of the Loan Parties or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon it or any of its

Subsidiaries or its Properties, or give rise to a right thereunder to require any payment to be made by it or such Subsidiary and (d) will not result in the creation or imposition of any Lien on any Property of it or any of its Subsidiaries (other than the Liens created by the Loan Documents).

5.4 Financial Condition; No Material Adverse Effect.

(A) The Parent has furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2023, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended June 30, 2024, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the unaudited quarterly financial statements.

(B) Since September 3, 2024, (i) except as set forth on Schedule 5.4(B)(i), there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect and (ii) the business of the Parent and its Subsidiaries has been conducted only in the ordinary course consistent with past business practices, in each case except for the filing, commencement and continuation of the Chapter 11 Cases and the events that customarily result from the filing, commencement and continuation of the Chapter 11 Cases.

(C) Since June 30, 2024 to and including the Closing Date, there has been no Asset Disposition by the Borrower or any of its Subsidiaries, or any Involuntary Asset Disposition, of any material part of the business or property of the Borrower or any of its Subsidiaries, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material to the Borrower or any of its Subsidiaries, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

5.5 Litigation.

(A) There are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Parent, threatened against or affecting the Parent or any of the Parent's Subsidiaries (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve any Loan Document or the Transactions (other than those solely involving a mortgage or deed of trust (and no other Loan Documents) and which relate to a claim regarding the title of the Borrower or any Subsidiary to any Oil and Gas Property; provided (a) the mortgage and title requirements under Sections 6.13 and 6.14 would remain satisfied if such Oil and Gas Property was deemed to be not mortgaged or deemed to be a property for which satisfactory evidence of title was not delivered for purposes of such calculations

and (b) the aggregate value attributed to such Oil and Gas Properties in the most recently delivered Reserve Report which are subject to such actions, suits, investigations, proceedings or arbitrations does not exceed $2,000,000 at the time).

(B) Other than any judgment entered in the case of *Patriot Natural Gas, LLC v. PetroQuest Energy, LLC*, Case No. 2022-74164 (295th Judicial Dist., Harris County Texas), there has been no change in the status of the matters disclosed in Schedule 5.5 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

5.6 Environmental Matters.

Except for such matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(A) the Borrower and the Borrower's Subsidiaries and each of their respective Properties and operations thereon are, and within all applicable statute of limitation periods have been, in compliance with all applicable Environmental Laws;

(B) the Borrower and the Borrower's Subsidiaries have obtained all Environmental Permits required for their respective operations and each of their Properties, with all such Environmental Permits being currently in full force and effect, and none of the Borrower or the Borrower's Subsidiaries has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be protested or denied;

(C) there are no claims, demands, suits, orders, inquiries, or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Laws that is pending or, to its knowledge, threatened against the Borrower or any of the Borrower's Subsidiaries or any of their respective Properties or as a result of any operations at such Properties;

(D) none of the Properties of the Borrower or any of the Borrower's Subsidiaries contain or have contained any: (i) underground storage tanks; (ii) asbestos-containing materials; (iii) landfills or dumps; (iv) hazardous waste management units as defined pursuant to RCRA or any comparable state law or regulation; or (v) sites on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law or regulation;

(E) there has been no Release or, to the Borrower's knowledge, threatened Release, of Hazardous Materials at, on, under or from Borrower or any of the Borrower's Subsidiaries' Properties, there are no investigations, remediations, abatements, removals, or monitorings of Hazardous Materials required under applicable Environmental Laws at such Properties and, to the knowledge of the Borrower, none of such Properties are adversely affected by any Release or threatened Release of a Hazardous Material originating or emanating from any other real property;

(F) neither the Borrower nor any of the Borrower's Subsidiaries has received any written notice asserting an alleged liability or obligation under any applicable Environmental Laws with respect to the investigation, remediation, abatement, removal, or monitoring of any Hazardous Materials at, under, or Released or threatened to be Released from any real properties offsite the Borrower or any of the Borrower's Subsidiaries' Properties and, to the Borrower's knowledge, there are no conditions or circumstances that could reasonably be expected to result in the receipt of such written notice;

(G) there has been no exposure of any Person or Property to any Hazardous Materials as a result of or in connection with the operations and businesses of the Borrower's or any of the Borrower's Subsidiaries' Properties that could reasonably be expected to form the basis for a claim for damages or compensation; and

(H) the Borrower and the Borrower's Subsidiaries have provided to the Lenders complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in any of the Borrower's or the Borrower's Subsidiaries' possession or control and relating to their respective Properties or operations thereon.

5.7 Compliance with the Laws; No Defaults.

(A) It and each of its Subsidiaries is in compliance with all Applicable Laws applicable to it or its Property and all agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(B) No Default has occurred and is continuing.

5.8 Investment Company Act.

Neither the Borrower nor any of the Borrower's Subsidiaries is an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

5.9 Taxes.

It and its Subsidiaries each has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which it or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The charges, accruals and reserves on the books of it and its Subsidiaries in respect of Taxes and other governmental charges are, in the reasonable

opinion of it, adequate. No Tax Lien has been filed and, to the knowledge of it, no claim is being asserted with respect to any such Tax or other such governmental charge.

5.10 ERISA.

(A) The Borrower, each of the Borrower's Subsidiaries and each ERISA Affiliate have complied in all material respects with ERISA and, where applicable, the Code regarding each Plan.

(B) Each Plan is, and has been, established and maintained in substantial compliance with its terms, ERISA and, where applicable, the Code.

(C) No act, omission or transaction has occurred which could result in imposition on the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate (whether directly or indirectly) of (i) either a civil penalty assessed pursuant to subsections (c), (i), (l) or (m) of section 502 of ERISA or a tax imposed pursuant to Chapter 43 of Subtitle D of the Code or (ii) breach of fiduciary duty liability damages under section 409 of ERISA.

(D) Full payment when due has been made of all amounts which the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate is required under the terms of each Plan or Applicable Law to have paid as contributions to such Plan as of the date hereof.

(E) None of the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate sponsors, maintains, or contributes to an employee welfare benefit plan, as defined in section 3(1) of ERISA, including any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate in the Borrower's sole discretion at any time without any material liability.

(F) None of the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate sponsors, maintains or contributes to, or has at any time in the six-year period preceding the date hereof sponsored, maintained or contributed to, any employee pension benefit plan, as defined in section 3(2) of ERISA, that is subject to Title IV of ERISA, section 302 of ERISA or section 412 of the Code.

5.11 Disclosure; No Material Misstatements.

It has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of it or any of its Subsidiaries to the Administrative Agent or any Lender or any of their Affiliates in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading; provided, with respect to projected financial information, it represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. There is no fact peculiar to it or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or in the future is reasonably likely to have a Material Adverse Effect and which has not been set forth in this Agreement or the Loan Documents or the other documents, certificates and statements furnished to the Administrative Agent or the Lenders by or on behalf of it or any of its Subsidiaries prior to, or on, the date hereof in connection with the transactions contemplated hereby. There are no statements or conclusions in any Reserve Report which are based upon or include misleading information or fail to take into account material information regarding the matters reported therein, it being understood that projections concerning volumes attributable to the Oil and Gas Properties of it and its Subsidiaries and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that it and its Subsidiaries do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate.

5.12 Insurance.

(A) The Borrower has, and has caused all of the Borrower's Subsidiaries to have, (a) all insurance policies sufficient for the compliance by each of them with all material Applicable Laws and all material agreements and (b) insurance coverage in at least amounts and against such risk (including public liability) that are usually insured against by companies similarly situated and engaged in the same or a similar business for the assets and operations of the Borrower and the Borrower's Subsidiaries. The Administrative Agent and the Lenders have been named as additional insureds in respect of such insurance policies insuring against physical damage to equipment and facilities owned by the Borrower and the Administrative Agent has been named as loss payee with respect to Property loss insurance.

(B) Schedule 5.12 sets forth a true and complete list of all Insurance policies of the Parent and each of its Subsidiaries and the provider of each such policy.

5.13 Restriction on Liens.

Neither the Parent nor any of the Parent's Subsidiaries is a party to any material agreement or arrangement (other than Capital Leases creating Liens permitted by Section 7.3(C), but then only on the Property subject of such Capital Lease), or subject to any order, judgment, writ or decree, which either restricts or purports to restrict its ability to grant Liens to the Administrative Agent for the benefit of the Secured Parties on or in respect of their Properties to secure the Obligations.

5.14 Subsidiaries.

Except as set forth on Schedule 5.14 or as disclosed in writing to the Administrative Agent and the Lenders pursuant to Section 7.15, (a) it has no Subsidiaries, (b) each of its Subsidiaries is a Wholly-Owned Subsidiary and (c) it has no Foreign Subsidiaries.

5.15 Location of Business and Offices.

The (a) jurisdiction of organization, (b) name as listed in the public records of its jurisdiction of organization, (c) type, identity or organizational structure, (d) the location of its principal place of business and chief executive office, (e) organizational identification number in its jurisdiction of organization and (f) federal taxpayer identification number, in each case for each Loan Party, is stated on Schedule 5.15 (or as set forth in a notice delivered pursuant to Section 6.1(M)).

5.16 Properties; Titles.

(A) The Borrower and the Borrower's Subsidiaries each has good and defensible title to the Oil and Gas Properties evaluated in the most recently delivered Reserve Report and good title to all its personal Properties, in each case, free and clear of all Liens except Liens permitted by Section 7.3. After giving full effect to the Excepted Liens, the Borrower or any of the Borrower's Subsidiaries specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such Properties does not in any material respect obligate the Borrower or such Subsidiary to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of each Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase the Borrower's or such Subsidiary's net revenue interest in such Property.

(B) All material leases and agreements necessary for the conduct of the business of the Borrower and the Borrower's Subsidiaries are valid and subsisting, in full force and effect, and there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases, which could reasonably be expected to have a Material Adverse Effect.

(C) The rights and Properties presently owned, leased or licensed by the Borrower and the Borrower's Subsidiaries including all easements and rights of way, include all rights and Properties necessary to permit the Borrower and the Borrower's Subsidiaries to conduct their business in all material respects in the same manner as the Borrower's business has been conducted prior to the Closing Date.

(D) All of the Properties of the Borrower and the Borrower's Subsidiaries which are reasonably necessary for the operation of their businesses are in good working condition and are maintained in accordance with prudent business standards.

(E) The Borrower and each of the Borrower's Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to the Borrower's business, and the use thereof by the Borrower and such Subsidiary does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be

expected to result in a Material Adverse Effect. The Borrower and the Borrower's Subsidiaries either own or have valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons, with such exceptions as could not reasonably be expected to have a Material Adverse Effect.

5.17 Maintenance of Properties.

Except for such acts or failures to act as could not be reasonably expected to have a Material Adverse Effect, the Oil and Gas Properties (and Properties unitized therewith) of the Borrower and the Borrower's Subsidiaries have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Applicable Laws and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (a) no Oil and Gas Property of the Borrower or any of the Borrower's Subsidiaries is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (b) none of the wells comprising a part of the Oil and Gas Properties (or Properties unitized therewith) of the Borrower or any of the Borrower's Subsidiaries is deviated from the vertical more than the maximum permitted by Applicable Law, and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, the Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties) of the Borrower or such Subsidiary. All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by the Borrower or any of the Borrower's Subsidiaries that are necessary to conduct normal operations are being maintained in a state adequate to conduct normal operations, and with respect to such of the foregoing which are operated by the Borrower or any of the Borrower's Subsidiaries, in a manner consistent with the Borrower's or the Borrower's Subsidiaries' past practices (other than those the failure of which to maintain in accordance with this Section 5.17 could not reasonably be expected to have a Material Adverse Effect).

5.18 Gas Imbalances, Prepayments.

Except as set forth on the most recent certificate delivered pursuant to Section 6.12(B), on a net basis there are no gas imbalances, take or pay or other prepayments which would require the Borrower or any of the Borrower's Subsidiaries to deliver Hydrocarbons produced from their Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor exceeding one-half bcf of gas (on an mcf equivalent basis) in the aggregate.

5.19 Marketing of Production.

Except for contracts in effect after the Closing Date and either disclosed in writing to the Administrative Agent and the Lenders or included in the most recently delivered Reserve Report (with respect to all of which contracts the Borrower represents or that the Borrower or the Borrower's Subsidiaries are receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the subject Property's delivery capacity), no material agreements exist which are not cancelable on 60 days' notice or less without penalty or detriment for the sale of production from the Borrower or the Borrower's Subsidiaries' Hydrocarbons (including calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a) pertain to the sale of production at a fixed price and (b) have a maturity or expiry date of longer than six months from the Closing Date.

5.20 Swap Agreements.

Schedule 5.20, as of the Closing Date, and after the Closing Date, each report required to be delivered by it pursuant to Section 6.1(D), sets forth, a true and complete list of all Swap Agreements of the Parent and each of its Subsidiaries, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied) and the counterparty to each such agreement.

5.21 Use of Proceeds.

It has used the proceeds of the DIP Term Loans solely as permitted in Section 6.18. It and its Subsidiaries are not engaged principally, or as one of its or their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board).

5.22 Anti-Corruption Laws and Sanctions.

(A) None of (i) the Parent, the Borrower, any Subsidiary or, to the knowledge of the Parent, the Borrower or such Subsidiary, any of their respective directors, officers, employees or Affiliates or (ii) any agent or representative of the Parent, the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the DIP Term Loans or Roll-Up Loans, (a) is a Sanctioned Person or currently the subject or target of any Sanctions, (b) has its assets located in a Sanctioned Country, (c) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons or (d) has taken any action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws. Each of the Parent, the Borrower and their respective Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent, the Borrower and their respective Subsidiaries and their respective directors, officers, employees, agents and Affiliates with the Anti-Corruption Laws. Each of the Parent, the Borrower and their respective Subsidiaries, and to the knowledge of the Parent and the Borrower, each director,

officer, employee, agent and Affiliate of the Parent, the Borrower and each such Subsidiary, is in compliance with the Anti-Corruption Laws in all material respects.

(B) No proceeds of any DIP Term Loan have been used, directly or indirectly, by the Parent, the Borrower, any of their respective its Subsidiaries or any of its or their respective directors, officers, employees and agents (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, including any payments (directly or indirectly) to a Sanctioned Person or a Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any Party.

5.23 Budget.

Each Budget has been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed by the Borrower to be reasonable on the date such Budget was delivered.

SECTION 6. AFFIRMATIVE COVENANTS:

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash and the DIP Term Loan Commitments terminated or expired, each Loan Party shall, and shall cause each of its Subsidiaries to:

6.1 Financial Statements; Other Information.

The Parent shall furnish to the Administrative Agent (who shall make such information available to each Lender):

(A) Annual Financial Statements. Commencing with the fiscal year ending December 31, 2023 and for each fiscal year thereafter, as soon as available, but in any event in accordance with then Applicable Law and not later than 90 days after the end of each such fiscal year of the Parent, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all certified by one of its Responsible Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

(B) Quarterly Financial Statements. As soon as available, but in any event in accordance with then Applicable Law and not later than 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Parent, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the

figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Responsible Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

(C) Compliance Certificate; Public Announcements. Concurrently with any delivery of financial statements under Section 6.1(A) or Section 6.1(B), an Officer's Compliance Certificate (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.14(A) and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate. To the extent applicable, concurrently with the filing of the Parent's financial statements with the SEC for any quarterly or annual period, the Parent shall publicly announce, either in a press release or in such reports, that no Default or Event of Default exists at such time, or if a Default or Event of Default exists or if the Borrower is not so in compliance, specifying the details thereof and any action taken or proposed to be taken with respect thereto.

(D) Swap Agreement Certificate. Concurrently with the delivery of each Reserve Report hereunder, a certificate of a Responsible Officer, in form and substance satisfactory to the Required Lenders, setting forth as of a recent date, a true and complete list of all Swap Agreements of the Parent and each Subsidiary, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes set forth on a monthly basis for the remaining term of each Swap Agreement), the net mark-to-market value thereof, any new credit support agreements relating thereto not listed on Schedule 5.20, and confirming no margin required or supplied under any credit support document, and any amendments relating thereto and the counterparty to each such agreement

(E) Insurance Coverage Certificate. A certificate of insurance coverage from each insurer with respect to the insurance required by Section 5.12, in form and substance reasonably satisfactory to the Required Lenders, and, if requested by the Administrative Agent or any Lender, all copies of the applicable policies.

(F) Other Accounting Reports. Promptly upon receipt thereof, a copy of each other report or letter submitted to the Parent or any of its Subsidiaries by independent accountants in connection with any annual, interim or special audit made by them of the books of the Parent or any such Subsidiary, and a copy of any response by the Parent or any such Subsidiary, or the board of directors or other relevant governing body of the Parent or any such Subsidiary, to such letter or report.

(G) SEC and Other Filings; Reports to Shareholders. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and

other materials filed by the Parent or any Subsidiary with the SEC, or with any national securities exchange, or distributed by the Parent to its shareholders generally, as the case may be.

(H) Notices Under Material Instruments. Promptly after the furnishing thereof, copies of any financial statement, report or notice furnished to or by any Person pursuant to the terms of any preferred stock designation, indenture, loan or credit or other similar agreement, other than this Agreement and not otherwise required to be furnished to the Lenders pursuant to any other provision of this Section 6.1.

(I) Lists of Purchasers. Concurrently with the delivery of each Reserve Report effective as of the previous January 1, a list of all Persons purchasing Hydrocarbons from the Parent or any Subsidiary.

(J) Notice of Sales of Oil and Gas Properties. In the event the Borrower or any of the Borrower's Subsidiaries intends to sell, transfer, assign or otherwise dispose of any Oil or Gas Properties or any Equity Interests in any Subsidiary in accordance with Section 7.12, prior written notice of such disposition, the price thereof and the anticipated date of closing and any other details thereof requested by any Lender.

(K) Notice of Insurance and Condemnation Events. Prompt written notice, and in any event within three Business Days after it obtains knowledge thereof, of the occurrence of any Insurance and Condemnation Event or the commencement of any action or proceeding that could reasonably be expected to result in an Insurance and Condemnation Event.

(L) Information Regarding Loan Parties. Prompt written notice (and in any event within 30 days prior thereto) of any change in any Loan Party's (i) jurisdiction of organization, (ii) name as listed in the public records of its jurisdiction of organization, (iii) type, identity or organizational structure, (iv) the location of its principal place of business and chief executive office, (v) organizational identification number in its jurisdiction of organization or (vi) federal taxpayer identification number.

(M) Forecasted and Actual Production Report and Lease Operating Statements. As soon as available, but in any event not later than 45 days after the end of each fiscal quarter of the Parent, a report setting forth (i) for each calendar month for the most recently ended twelve calendar month period as of the last day of the most recently ended fiscal quarter of the Parent, the volume of production, sales attributable to production (and the prices at which such sales were made and the revenues derived from such sales) and the volume of production which was hedged for each such calendar month from the Oil and Gas Properties of the Borrower and its Subsidiaries, and setting forth the related ad valorem, severance and production taxes and lease operating expenses attributable thereto and incurred for each calendar month and (ii) (a) the "forecasted production from proved developed producing reserves" (as such term is defined below), (b) the "forecasted production from total proved reserves" (as such term is defined below) and (c) the notional

amounts and volumes of each Swap Agreement of the Parent and each Subsidiary, in each case for clauses (a), (b) and (c) above, for each calendar month for the 60 month period following the last day of the most recently ended fiscal quarter of the Parent. As used in this Agreement, (1) "forecasted production from total proved reserves" means the forecasted production of crude oil, natural gas and natural gas liquids as reflected in the most recent Reserve Report delivered to the Administrative Agent pursuant to Section 6.12, after giving effect to (A) any pro forma adjustments for the consummation of any acquisitions or dispositions since the effective date of such Reserve Report and (B) any supplements to such Reserve Report that may be delivered from time to time by the Borrower to the Administrative Agent setting forth updated well projections and other information in form and substance reasonably acceptable to the Required Lenders reflecting drilling activity and other results of operations since the effective date of such Reserve Report and (2) "forecasted production from proved developed producing reserves" means the forecasted production of crude oil, natural gas and natural gas liquids from Proved Developed Producing Reserves as reflected in the most recent Reserve Report delivered to the Administrative Agent pursuant to Section 6.12, after giving effect to (A) any pro forma adjustments for the consummation of any acquisitions or dispositions since the effective date of such Reserve Report and (B) any supplements to such Reserve Report that may be delivered from time to time by the Borrower to the Administrative Agent setting forth updated well projections and other information in form and substance reasonably acceptable to the Required Lenders reflecting drilling activity and other results of operations since the effective date of such Reserve Report.

(N) Notices of Certain Changes. Promptly, but in any event within five Business Days after the execution thereof, copies of any amendment, modification or supplement to the certificate or articles of incorporation, by-laws, any preferred stock designation or any other organic document of the Parent or any Subsidiary.

(O) Patriot Act. Promptly upon any request therefor, all documentation and other information requested by the Administrative Agent or any Lender that is required by any regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(P) Other Requested Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Parent or any Subsidiary (including any Plan and any reports or other information required to be filed with respect thereto under the Code or under ERISA) or compliance with the terms of this Agreement or any other Loan Document as the Administrative Agent or any Lender may reasonably request.

(Q) Deposit Accounts. Promptly, and no later than five Business Days after the opening or acquisition thereof, written notice (such notice to include reasonably detailed information regarding the account number, purpose and location of such Deposit Account) to the Administrative Agent of any Deposit Account opened or acquired by the Parent or any of its Subsidiaries.

Documents required to be delivered pursuant to Section 6.1(A), Section 6.1(B) or Section 6.1(G) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, are deemed to have been delivered on the date (1) on which the Parent posts such documents, provides a link thereto on the Parent's website on the Internet at www.petroquest.com, or posts such documents on the website of the claims and noticing agent appointed in the Bankruptcy Case, or (2) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided the Borrower provides to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Parent shall provide paper copies of the Officer's Compliance Certificate required by Section 6.1(C) to the Administrative Agent and the Lenders. The Administrative Agent has no obligation to request the delivery or to maintain copies of the documents referred to in this Section 6.1, and in any event has no responsibility to monitor compliance by the Parent with any such request for delivery, and each Lender is solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Parent and the Borrower acknowledge that (a) the Administrative Agent will make available to the Lenders materials or information provided by or on behalf of the Loan Parties hereunder (collectively, "Loan Party Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Parent or its securities) (each, a "Public Lender"). The Parent and the Borrower shall use commercially reasonable efforts to identify that portion of the Loan Party Materials that may be distributed by the Administrative Agent to the Public Lenders and that (i) all such Loan Party Materials will be clearly and conspicuously marked "PUBLIC" which, at a minimum, means that the word "PUBLIC" appears prominently on the first page thereof, (ii) by marking Loan Party Materials "PUBLIC," the Parent and the Borrower are deemed to have authorized the Administrative Agent and the Lenders to treat such Loan Party Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Parent or its securities for purposes of United States Federal and state securities laws (provided that, to the extent such Loan Party Materials constitute Information, they shall be treated as set forth in Section 10.5), (iii) all Loan Party Materials marked "PUBLIC" are permitted to be made available by the Administrative Agent through a portion of the Platform designated "Public Investor" and (iv) the Administrative Agent is entitled to treat any Loan Party Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.2 Notices of Material Events.

Furnish to the Administrative Agent and the Lenders prompt written notice of the following:

(A) the occurrence of any Default;

(B) the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting the Parent or any Affiliate thereof not previously disclosed in writing to the Lenders or any material adverse development in any

action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders) that, in either case, if adversely determined, could reasonably be expected to result in liability in excess of $2,000,000; and

(C) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 6.2 shall be accompanied by a statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

6.3 Existence; Conduct of Business.

It shall, and shall cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each other jurisdiction in which its Oil and Gas Properties is located or the ownership of its Properties requires such qualification, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect; provided the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.11.

6.4 Payment of Obligations.

It shall, and shall cause each Subsidiary to, pay its obligations, including Tax liabilities of it and all of its Subsidiaries before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) it or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect or result in the seizure or levy of any Property of it or any of its Subsidiaries.

6.5 Performance of Obligations.

The Borrower shall pay the Obligations in accordance with the terms thereof, and the Parent and the Borrower each shall, and shall cause each of its Subsidiaries to, do and perform every act and discharge all of the obligations to be performed and discharged by them under the Loan Documents at the time or times and in the manner specified therein.

6.6 Operation and Maintenance of Properties.

The Borrower, at the Borrower's own expense, shall, and shall cause each of the Borrower's Subsidiaries to:

(A) operate its Oil and Gas Properties and other material Properties or cause such Oil and Gas Properties and other material Properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Applicable Laws, including applicable pro ration requirements and Environmental Laws, and

all rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom, except, in each case, where the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(B) keep and maintain all Property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted), preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its material Oil and Gas Properties and other material Properties, including all equipment, machinery and facilities;

(C) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness, except those contested in good faith by appropriate proceedings, accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and shall do all other things necessary to keep unimpaired their respective rights with respect thereto and prevent any forfeiture thereof or default thereunder;

(D) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the material obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other material Properties; and

(E) to the extent it is not the operator of any Property, use reasonable efforts to cause the operator to comply with this Section 6.6.

6.7 Insurance.

The Borrower shall, and shall cause each of the Borrower's Subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The loss payable clauses or provisions in such insurance policy or policies insuring against physical damage to equipment and facilities owned by the Borrower shall be endorsed in favor of and made payable to the Administrative Agent as its interests may appear and such policies shall name the Administrative Agent and the Lenders as "additional insureds" and provide that the insurer will give prior notice as required under such insurance policies of any cancellation to the Administrative Agent. With respect to Mortgaged Property located in the State of Texas, the Borrower (a) is required to (i) keep such Mortgaged Property insured against damage in the amount the Administrative Agent (at the direction of the Required Lenders) specifies, (ii) purchase the insurance from an insurer that is authorized to do business in the State of Texas or an eligible surplus lines insurer and (iii) name the Administrative Agent as the person to be paid under the policy in the event of a loss and (b) must deliver to the Administrative Agent a copy of such policy and proof of the payment of premiums. If the Borrower fails to meet any requirement listed in clause (a) or (b) above, the Administrative Agent

(at the direction of the Required Lenders) may obtain collateral protection insurance on behalf of the Borrower at the Borrower's expense.

6.8 Books and Records; Inspection Rights.

The Parent shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Parent shall, and shall cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

6.9 Compliance with Laws.

The Parent shall, and shall cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

6.10 Environmental Matters.

(A) The Borrower shall, at the Borrower's sole expense: (i) comply, and shall cause the Borrower's Properties and operations and each of the Borrower's Subsidiaries and each such Subsidiary's Properties and operations to comply, with all applicable Environmental Laws, the breach of which could be reasonably expected to have a Material Adverse Effect; (ii) not Release or threaten to Release, and shall cause each Subsidiary not to Release or threaten to Release, any Hazardous Material on, under, about or from any of the Borrower's or the Borrower's Subsidiaries' Properties or any other property offsite the Property to the extent caused by the Borrower or any of the Borrower's Subsidiaries' operations except in compliance with applicable Environmental Laws, the Release or threatened Release of which could reasonably be expected to have a Material Adverse Effect; (iii) timely obtain or file, and shall cause each Subsidiary to timely obtain or file, all Environmental Permits, if any, required under applicable Environmental Laws to be obtained or filed in connection with the operation or use of the Borrower or the Borrower's Subsidiaries' Properties, which failure to obtain or file could reasonably be expected to have a Material Adverse Effect; (iv) promptly commence and diligently prosecute to completion, and shall cause each Subsidiary to promptly commence and diligently prosecute to completion, any assessment, evaluation, investigation, monitoring, containment, cleanup, removal, repair, restoration, remediation or other remedial obligations (collectively, the "Remedial Work") in the event any Remedial Work is required or reasonably necessary under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of any Hazardous Material on, under, about or from any of the Borrower's or the Borrower's Subsidiaries' Properties, which failure to commence and diligently prosecute to completion could

reasonably be expected to have a Material Adverse Effect; (v) conduct, and cause its Subsidiaries to conduct, their respective operations and businesses in a manner that will not expose any Property or Person to Hazardous Materials that could reasonably be expected to form the basis for a claim for damages or compensation; and (vi) establish and implement, and shall cause each Subsidiary to establish and implement, such procedures as may be necessary to continuously determine and assure that the Borrower's and the Borrower's Subsidiaries' obligations under this Section 6.10(A) are timely and fully satisfied.

(B) The Borrower shall promptly, but in no event later than five days of the occurrence of a triggering event, notify the Administrative Agent and the Lenders in writing of any threatened action, investigation or inquiry by any Governmental Authority or any threatened demand or lawsuit by any Person against it or its Subsidiaries or their Properties of which the Borrower has knowledge in connection with any Environmental Laws if the Borrower could reasonably anticipate that such action will result in liability (whether individually or in the aggregate) in excess of $2,000,000.

(C) The Borrower shall, and shall cause each of the Borrower's Subsidiaries to, provide environmental assessments, audits and tests in accordance with the most current version of the American Society of Testing Materials standards upon request by the Required Lenders and no more than once per year in the absence of any Event of Default (or as otherwise required to be obtained by the Administrative Agent or the Lenders by any Governmental Authority) in connection with any future acquisitions of Oil and Gas Properties or other Properties.

6.11 Further Assurances.

(A) It shall, and shall cause each of its Subsidiaries to, at its own expense, promptly execute and deliver to the Administrative Agent all such other documents, agreements and instruments reasonably requested by the Required Lenders to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of it or any of its Subsidiaries, as the case may be, in the Loan Documents or to further evidence and more fully describe the collateral intended as security for the Obligations, or to correct any omissions in this Agreement or the other Loan Documents, or to state more fully the obligations secured by the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Loan Documents or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be reasonably necessary or appropriate, in the sole discretion of the Required Lenders, in connection therewith.

(B) Each Loan Party authorizes the Administrative Agent and the Lenders to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Loan Party where permitted by law. A carbon, photographic or other reproduction of the Security

Documents or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(C) Notwithstanding any provision in any of the Loan Documents to the contrary, in no event will any Excluded Deposit Account be encumbered by any Security Document; provided, the Parent shall not, and shall not permit any of its Subsidiaries to, permit to exist any Lien on any Excluded Deposit Account except Liens permitted by Section 7.3(E).

6.12 Reserve Reports.

(A) On or before March 1, May 10, August 10 and November 10 of each year, the Borrower shall furnish to the Administrative Agent (who shall make such information available to the Lenders) a Reserve Report evaluating the Oil and Gas Properties, including oil and gas Swap Agreements in place at the end of each quarter, of the Borrower and the Borrower's Subsidiaries as of the immediately preceding January 1, April 1, July 1 and October 1, respectively. The Reserve Report as of January 1 of each year shall be prepared by one or more Approved Petroleum Engineers, and the April 1, July 1 and October 1 Reserve Reports of each year shall be prepared by or under the supervision of the chief engineer of the Borrower who shall certify such Reserve Report to be true and accurate and to have been prepared in accordance with the procedures used in the immediately preceding January 1st Reserve Report. The values of the Oil and Gas Properties set forth in a Reserve Report are the present values of such Oil and Gas Properties discounted at 10% per annum.

(B) With the delivery of each Reserve Report, the Borrower shall provide to the Administrative Agent and the Lenders a certificate from a Responsible Officer certifying that in all material respects (i) the information contained in the Reserve Report and any other information delivered in connection therewith is true and correct in all material respects, (ii) the Borrower or the Borrower's Subsidiaries owns good and defensible title to the Oil and Gas Properties evaluated in such Reserve Report and such Properties are free of all Liens except for Liens permitted by Section 7.3, (iii) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take or pay or other prepayments in excess of the volume specified in Section 5.18 with respect to the Oil and Gas Properties evaluated in such Reserve Report which would require the Borrower or any of the Borrower's Subsidiaries to deliver Hydrocarbons either generally or produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (iv) none of their Oil and Gas Properties have been sold since the date of the most recently delivered Reserve Report except as set forth on an exhibit to the certificate, which certificate shall list all of its Oil and Gas Properties sold and in such detail as reasonably required by the Required Lenders, (v) attached to the certificate is a list of all marketing agreements entered into subsequent to the later of the Closing Date or the most recently delivered Reserve Report which the Borrower could reasonably be expected to have been obligated to disclose under Section 5.19 had such agreement been in effect on the Closing Date and (vi)

attached thereto is a schedule of the Oil and Gas Properties evaluated by such Reserve Report that are Mortgaged Properties and demonstrating that such Mortgaged Properties represent at least the Threshold Amount of the total value of the Oil and Gas Properties in compliance with Section 6.14(A).

6.13 Title Information.

(A) On or before the delivery to the Administrative Agent and the Lenders of each Reserve Report required by Section 6.12(A), the Borrower will deliver title information in form and substance acceptable to the Required Lenders covering (i) enough of the Oil and Gas Properties evaluated by such Reserve Report that were not included in the immediately preceding Reserve Report, so that the Administrative Agent has received, together with title information previously delivered to the Administrative Agent, satisfactory title information on at least the Threshold Amount of the total value of the Proved Reserves attributable to the Oil and Gas Properties evaluated by such Reserve Report, and (ii) any additional unproven and undeveloped interests obtained by Borrower in the Louisiana Austin Chalk Properties and Cotton Valley Properties since the delivery of the immediately preceding Reserve Report.

(B) If the Borrower has provided title information for additional Properties under Section 6.13(A), the Borrower shall, within 90 days of notice from the Required Lenders that title defects or exceptions exist with respect to such additional Properties, either (i) cure any such title defects or exceptions (including defects or exceptions as to priority) which are not permitted by Section 7.3 raised by such information, (ii) substitute acceptable Mortgaged Properties with no title defects or exceptions except for Excepted Liens (other than Excepted Liens described in clauses (E), (G) and (H) of such definition) having an equivalent value or (iii) deliver title information in form and substance acceptable to the Required Lenders so that the Administrative Agent has received, together with title information previously delivered to the Administrative Agent, satisfactory title information on (x) at least the Threshold Amount of the value of the Oil and Gas Properties evaluated by such Reserve Report and (y) such additional unproven and undeveloped interests obtained by Borrower in the Louisiana Austin Chalk Properties and Cotton Valley Properties since the delivery of the immediately preceding Reserve Report.

6.14 Additional Collateral; Additional Guarantors.In connection with each delivery of a Reserve Report, the Borrower shall review such Reserve Report and the list of current Mortgaged Properties (as described in Section 6.12(B)(vi)) to ascertain whether the Mortgaged Properties represent (i) at least the Threshold Amount of the total value of the Oil and Gas Properties evaluated in the most recently completed Reserve Report and (ii) all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, in each case, after giving effect to exploration and production activities, acquisitions, dispositions and production. In the event that the Mortgaged Properties do not represent at least the Threshold Amount of such total value and/or all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, as applicable, then (i) the

Borrower shall, and shall cause the Borrower's Subsidiaries to, grant, within 30 days of delivery of the certificate required under Section 6.12(B), to the Administrative Agent as security for the Obligations a first-priority Lien interest (provided that Excepted Liens of the type described in clauses (A) to (D) and (F) of the definition thereof may exist, but subject to the provisos at the end of such definition) on additional Oil and Gas Properties, including any unproven and undeveloped acreage, as applicable, not already subject to a Lien of the Security Documents such that after giving effect thereto, the Mortgaged Properties represent at least the Threshold Amount of such total value and all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, respectively, and (ii) to the extent applicable, the Parent shall promptly file a Form 8-K, or include such information as part of any filing of the Parent's financial statements, with the SEC announcing that the Borrower has complied with this Section 6.14(A). All such Liens will be created and perfected by and in accordance with the provisions of the Security Documents, all in form and substance reasonably satisfactory to the Required Lenders and in sufficient executed (and acknowledged where necessary or appropriate) counterparts for recording purposes.

(A) It shall promptly cause each of its Subsidiaries (other than the Borrower) to guarantee the Obligations pursuant to the Guaranty Agreement. The Parent shall at all times guarantee the Obligations pursuant to the Guaranty Agreement. In connection with any such guarantee, it shall, or shall cause such Subsidiary to promptly (but with respect to any Subsidiary formed or acquired after the date hereof, no later than ten days after the date of such formation or acquisition), (i) execute and deliver the Guaranty Agreement or a supplement to the Guaranty Agreement as required by the Required Lenders, (ii) pledge all of the Equity Interests of such Subsidiary (including delivery of original certificates evidencing the Equity Interests of such Subsidiary, together with an appropriate undated stock or equity powers for each certificate duly executed in blank by the registered owner thereof) and (iii) execute and deliver such other additional closing documents, certificates and legal opinions as are reasonably requested by the Required Lenders in connection with this Section 6.14(B).

(B) The Parent and the Borrower shall not, and shall not permit any of their Subsidiaries to, permit to exist any Lien on any "building" or "manufactured (mobile) home" (each as defined in Regulation H promulgated under the Flood Insurance Laws) except Excepted Liens.

(C) The Parent shall, and shall cause each of the Parent's Subsidiaries to, grant to the Administrative Agent, contemporaneously with the granting of a Lien on any Property to secure any Debt incurred pursuant to Section 7.2(I), as security for the Obligations, a first priority, perfected Lien (subject only to Excepted Liens) on the same Property pursuant to Security Documents in form and substance reasonably satisfactory to the Required Lenders. In connection therewith, the Parent shall and shall cause each of the Parent's Subsidiaries to execute and deliver such other additional closing documents, certificates and legal opinions as are reasonably requested by the Required Lenders.

(D) The Parent shall cause any Person guaranteeing any Debt incurred pursuant to Section 7.2(I) to contemporaneously become a Guarantor hereunder in accordance with Section 6.14(B).

6.15 ERISA Compliance.

The Parent shall promptly furnish and shall cause the Parent's Subsidiaries and any ERISA Affiliate to promptly furnish to the Administrative Agent (a) promptly after the filing thereof with the United States Secretary of Labor or the IRS, copies of each annual and other report with respect to each Plan or any trust created thereunder and (b) immediately upon becoming aware of the occurrence of any "prohibited transaction," as described in section 406 of ERISA or in section 4975 of the Code, in connection with any Plan or any trust created thereunder, a written notice signed by a Responsible Officer, the Subsidiary or the ERISA Affiliate, as the case may be, specifying the nature thereof, what action the Parent, the Parent's Subsidiaries or the ERISA Affiliate is taking or proposes to take with respect thereto, and, when known, any action taken or proposed by the IRS or the Department of Labor with respect thereto.

6.16 Swap Agreements.

The Parent or its Subsidiaries may enter into Swap Agreements in the ordinary course of business with an Approved Counterparty and not for speculative purposes from time to time in accordance with Section 7.18. The Parent or the Borrower shall maintain the hedge position established by the Swap Agreements identified in the most recent certificate delivered under Section 6.1(D) during the period specified therein until sold, assigned, monetized, transferred, cancelled, terminated, unwound or otherwise disposed of in accordance with Section 7.18.

6.17 Marketing Activities.

The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, engage in marketing activities for any Hydrocarbons or enter into any contracts related thereto other than (a) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from their Proved Reserves attributable to Oil and Gas Properties during the period of such contract, (b) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from Proved Reserves attributable to Oil and Gas Properties of third parties during the period of such contract associated with the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries that the Borrower or one of the Borrower's Subsidiaries has the right to market pursuant to joint operating agreements, unitization agreements or other similar contracts that are usual and customary in the oil and gas business and (c) other contracts for the purchase or sale of Hydrocarbons of third parties (i) which have generally offsetting provisions (i.e. corresponding pricing mechanics, delivery dates and points and volumes) such that no "position" is taken and (ii) for which appropriate credit support has been taken to alleviate the material credit risks of the counterparty thereto.

6.18 Use of Proceeds and Budget.

(A) Unless otherwise approved by the Administrative Agent in writing (at the direction of the Required Lenders), the proceeds of the DIP Term Loans shall be used by the

Borrower strictly in accordance with the Budget and subject to the covenant set forth below in Section 6.18(B) (including variances).

(B) The Borrower shall also deliver to the Administrative Agent and Lenders the Budget, delivered on Wednesday of each week commencing with the Petition Date, showing actual receipts and disbursements through and including the immediately preceding week. The Budget attached to the Interim DIP Financing Order constitutes the Initial Approved Budget. The Borrower will subsequently provide the Lenders with an updated budget every Wednesday prior to the end of the Budget Period for the remaining weeks left under the Initial Approved Budget.

(C) Every week, beginning on the Wednesday that is one week following the Petition Date, the Borrower shall deliver to the Administrative Agent and the Lenders supplements to the Budget showing projected receipts and disbursements for the subsequent 11-week period. The timing and delivery of the Budget may be modified by written agreement of the Borrower and the Administrative Agent (acting at the direction of a majority in interest of Lenders). Each updated budget shall be subject to the approval of the Lenders in their sole discretion (each such approved budget, a "Supplemental Approved DIP Budget" and together with the Initial Approved Budget, the "Budget"); provided that until such time as the Lenders approve any updated budget, the Borrower shall be subject to and be governed by the terms of the Initial Approved Budget or such Supplemental Approved DIP Budget, as applicable, then in effect.

(D) Beginning on the Wednesday that is the first week following the Petition Date, and measured weekly thereafter, the Borrower shall not permit the actual total disbursements (excluding any disbursements that are or would be reimbursable by a liquidator) to exceed, on a trailing one-week basis, 115% of the total disbursements set forth in the Budget for such period (each, a "Permitted Variance").

(E) The Borrower shall hold weekly calls with the Lenders following the delivery of the updated Budget on a day and time to be mutually agreed upon by the Borrower and the Lenders.

6.19 Collateral Matters.

Subject to the Carve-Out and the DIP Financing Orders, all Obligations of the Loan Parties shall be:

(A) Entitled to superpriority claim status under section 364(c)(1) of the Bankruptcy Code with priority over all administrative expense claims and unsecured claims existing as of the Petition Date or arising thereafter under the Bankruptcy Code, including, without limitation, the prepetition claims and adequate protection claims of the Prepetition Lenders (the "DIP Superpriority Claims"). The DIP Superpriority Claims may be repaid from any cash of the Debtors, including without limitation, Cash Collateral (within the meaning of the DIP Financing

Orders) and, following entry of the Final DIP Financing Order, the proceeds of Avoidance Actions and Avoidance Action Proceeds;

(B) secured, pursuant to section 364(c)(2) of the Bankruptcy Code, by valid, enforceable, first priority, fully perfected security interests in and liens on all of the Debtors' rights in property of the Debtors' estates as of the Petition Date that, as of the Petition Date, were unencumbered (and do not become perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code) (including, following entry of the Final DIP Financing Order, Avoidance Action Proceeds);

(C) secured, pursuant to section 364(c)(3) of the Bankruptcy Code, by valid, enforceable, fully perfected security interests in and liens on all of the Debtors' rights in property of the Debtors' estates as of the Petition Date that, as of the Petition Date, were subject to valid, perfected and non-avoidable liens and unavoidable liens in existence immediately prior to the Petition Date, if any, that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (the "Permitted Prior Liens"), which security interests and liens shall be junior and subordinate only to such Permitted Prior Liens and the Carve-Out; and

(D) secured, pursuant to section 364(d)(1) of the Bankruptcy Code, by 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 obligations in respect of the Prepetition Term Loan Agreement.

The Collateral shall also include any and all hereafter acquired or arising property, rents, issues, products, offspring, proceeds and profits generated by any item of Collateral and, following entry of the Final DIP Financing Order, liens on proceeds of any Avoidance Actions.

The Liens shall not be subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of any Debtor and their estates under section 551 of the Bankruptcy Code, (ii) any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of any Debtor, or (iii) any intercompany or affiliate liens of any Debtor.

The Collateral will be free and clear of other liens, claims and encumbrances, except valid, perfected, enforceable and unavoidable liens, rights of recoupment enforceable in bankruptcy, and rights of setoff permissible under section 553 of the Bankruptcy Code, in each case except as otherwise agreed by the applicable creditor or lienholder, as applicable, in existence as of the Petition Date and permitted pursuant to Prepetition Credit Agreements, if any, and any other Permitted Prior Liens.

The Borrower acknowledges that the Liens shall automatically attach to the Collateral and became valid and perfected immediately upon entry of the Interim DIP Financing Order without

the requirement of any further action by the Lender; provided that if the Lender determines to file any financing statements, notice of liens or similar instruments, the Debtors will cooperate and assist in any such filings.

6.20 Chapter 11 Milestones.

The Loan Parties shall comply with and meet the following milestones as the same may be extended, waived, or otherwise modified with the prior written consent of the Required Lenders in their sole discretion (which may be by email) without further order by the Bankruptcy Court (collectively, the "Chapter 11 Milestones" and each a "Chapter 11 Milestone"):

(A) The Bankruptcy Court shall have entered the Interim DIP Financing Order by the date that is no later than five (5) Business Days after the Petition Date;

(B) The Debtors shall have filed the motion seeking entry of the Bidding Procedures Order and Sale Order (the "Bidding Procedures Motion") by no later than ten (10) days after the Petition Date;

(C) The Bankruptcy Court shall have entered the Final DIP Financing Order by the date that is no later than thirty (30) days after the Petition Date;

(D) The Bankruptcy Court shall have entered the order approving the Bidding Procedures Motion by no later than twenty-eight (28) days after the filing of the Bidding Procedures Motion;

(E) The Bankruptcy Court shall have entered the order approving the Sale Transaction by no later than seventy-nine (79) days after the Petition Date;

(F) The Debtors shall have closed the Sale Transaction by no later than eighty-five (85) days after the Petition Date; and

(G) The Plan Effective Date shall have occurred by no later than one hundred ten (110) days after the Petition Date.

The Loan Parties shall also provide the Administrative Agent and the Lenders with drafts of all first day pleadings, second day pleadings, sale pleadings and plan pleadings in the Bankruptcy Case two (2) days prior to the anticipated filing date, subject to waiver by the Lenders in their sole discretion.

6.21 Compliance with Anti-Corruption Laws and Sanctions.

The Parent and the Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent, the Borrower, their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.22 Deposit Accounts.

Each Loan Party shall provide the Administrative Agent with an Account Control Agreement in form and substance reasonably satisfactory to the Required Lenders duly executed by such Loan Party and the financial institute maintaining each Deposit Account of such Loan Party other than (a) Excluded Deposit Accounts and (b) Deposit Accounts used for the payment of corporate credit cards so long as the aggregate amount on deposit in such Deposit Accounts does not exceed $100,000 at any time.

SECTION 7. NEGATIVE COVENANTS:

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash and the DIP Term Loan Commitments terminated or expired, the Loan Parties shall not, and shall not permit any of their respective Subsidiaries to:

7.1 [Reserved].

7.2 Debt.

It shall not, and shall not permit any of its Subsidiaries to, incur, create, assume or suffer to exist, aside from the Obligations and any Prepetition Debt, any Debt.

7.3 Liens.

It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any of its Properties (now owned or hereafter acquired), except the Liens securing the Obligations and the Excepted Liens.

7.4 Restricted Payments.

The Parent shall not, and shall not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, return any capital to its Equity Interest holders or make any distribution of its Property to its Equity Interest holders, except in accordance with the Budget.

7.5 Investments; Acquisitions

The Parent and the Borrower shall not, and shall not permit any of their Subsidiaries to, make or permit to remain outstanding any Investments in or to any Person or acquire any Oil and Gas Properties, except in accordance with the Budget.

7.6 Nature of Business; International Operations.

The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, (a) allow any material change to be made in the character of its business as an independent oil and gas exploration and production company or (b) acquire or make any expenditure (whether such expenditure is capital, operating or otherwise) in or related to, any Oil and Gas Properties not located within the geographical boundaries of the United States.

7.7 Limitation on Leases.

It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any obligation for the payment of rent or hire of Property of any kind whatsoever (real or personal but excluding Capital Leases and leases of Hydrocarbon Interests) under leases or lease agreements which would cause the aggregate amount of all payments made by the Parent and any of its Subsidiaries pursuant to all such leases or lease agreements, including any residual payments at the end of any lease, to exceed $100,000 in any calendar month during the life of such leases.

7.8 Use of Proceeds.

The Borrower shall not permit the proceeds of the DIP Term Loans to be used for any purpose other than those permitted by Section 6.18 and the Budget.

7.9 ERISA Compliance.

It shall not, and shall not permit any of its Subsidiaries to, at any time:

(A) engage in, or permit any ERISA Affiliate to engage in, any transaction in connection with which it, any of its Subsidiaries or any ERISA Affiliate could be subjected to either a civil penalty assessed pursuant to subsections (c), (i), (l) or (m) of section 502 of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code;

(B) fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or Applicable Law, it, any of its Subsidiaries or any ERISA Affiliate is required to pay as contributions thereto; or

(C) contribute to or assume an obligation to contribute to, or permit any ERISA Affiliate to contribute to or assume an obligation to contribute to (i) any employee welfare benefit plan, as defined in section 3(1) of ERISA, including any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any material liability, or (ii) any employee pension benefit plan, as defined in section 3(2) of ERISA, that is subject to Title IV of ERISA, section 302 of ERISA or section 412 of the Code.

7.10 Sale or Discount of Receivables.

Except for receivables obtained by the Borrower or any of the Borrower's Subsidiaries in the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, discount or sell (with or without recourse) any of its notes receivable or accounts receivable, except in accordance with the Budget or as part of an Acceptable Plan with the consent of the Required Lenders in their sole discretion.

7.11 Mergers.

It shall not, and it shall not permit any of its Subsidiaries to, merge into or with or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property to any other Person (whether now owned or hereafter acquired), or liquidate or dissolve except for (a) such mergers that are expressly contemplated to be made by the Budget or (b) such mergers that are made pursuant to an Acceptable Plan with the consent of the Required Lenders in their sole discretion.

7.12 Asset Dispositions.

The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, make any Asset Disposition (including any forfeiture of any Property except where such forfeiture is being contested in good faith by appropriate proceedings) or sell, assign, monetize, transfer, cancel, terminate, unwind or otherwise dispose of any Swap Agreement in respect of commodities, except for (a) such Asset Dispositions that are expressly contemplated to be made as an Asset Disposition by the Budget; (b) such Asset Dispositions that are made pursuant to an Acceptable Plan with the consent of the Required Lenders in their sole discretion; or (c) such Asset Disposition is made in accordance with the order approving the Bidding Procedures Motion and approved by the Bankruptcy Court pursuant to Section 363 of the Bankruptcy Code.

7.13 New Deposit Accounts

(A) No Loan Party will open or otherwise establish or acquire, or deposit, credit or otherwise transfer any cash, cash receipts, securities, financial assets or any other property into a deposit account or securities account other than any deposit account or securities account established with the prior consent of the Lenders and in which the Lenders have been granted a first-priority perfected Lien pursuant to the applicable DIP Financing Order or "first day" order.

7.14 Environmental Matters.

It shall not, and shall not permit any of its Subsidiaries to, cause or permit any of its Property to be in violation of, or do anything or permit anything to be done which will subject any such Property to a Release or threatened Release of Hazardous Materials, exposure to any Hazardous Materials, or to any Remedial Work under any Environmental Laws, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances, if any, pertaining to such Property where such violations, Release or threatened Release, exposure, or Remedial work could reasonably be expected to have a Material Adverse Effect.

7.15 Transactions with Affiliates.

It shall not, and shall not permit any of its Subsidiaries to, enter into any transaction, including any purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate (other than with any Guarantor and the Borrower) unless such transactions are otherwise permitted under this Agreement, or contemplated by the Budget or Acceptable Plan and are upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not an Affiliate.

7.16 Subsidiaries.

It shall not, and shall not permit any of its Subsidiaries to, (a) create or acquire any additional Subsidiary unless it gives written notice to the Administrative Agent and the Lenders of such creation or acquisition and complies with Section 6.14(B) and Section 6.18(B), (b) sell, assign or otherwise dispose of any Equity Interests in any Subsidiary except in compliance with Section 7.12(D), (c) except as set forth on Schedule 5.14, have any Subsidiaries that are not Wholly-Owned Subsidiaries or (d) have any Foreign Subsidiaries.

7.17 Negative Pledge Agreements; Dividend Restrictions.

It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any contract, agreement or understanding (other than the Loan Documents or Capital Leases creating Liens permitted by Section 7.3(C)) which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property in favor of the Administrative Agent and the Lenders or restricts any Subsidiary from paying dividends or making distributions to any Loan Party, or which requires the consent of or notice to other Persons in connection therewith.

7.18 Gas Imbalances, Take-or-Pay or Other Prepayments.

It shall not, and shall not permit any of its Subsidiaries to, allow gas imbalances (except those arising out of a third party's election not to take its share of gas), take-or-pay or other prepayments with respect to the Oil and Gas Properties of it or any of its Subsidiaries that would require it or such Subsidiary to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor to exceed one half bcf of gas (on an mcf equivalent basis) in the aggregate.

7.19 Swap Agreements.

(A) [Reserved].

(B) [Reserved].

(C) In no event may any Swap Agreement contain any requirement, agreement or covenant for the Borrower or any of its Subsidiaries to post collateral or margin to secure their obligations under such Swap Agreement or to cover market exposures.

(D) It shall not, and not permit any of its Subsidiaries to, sell, assign, transfer, cancel, terminate, unwind or otherwise dispose of any Swap Agreements if the effect of such action (when taken together with any other Swap Agreements executed contemporaneously with the taking of such action) would have the effect of canceling its positions under such Swap Agreements unless (i) the Parent or the Borrower has given prior written notice to the Administrative Agent of such action and (ii) the Borrower has (after giving effect to any termination payments associated with termination) at least $25,000,000 consisting of (a) unrestricted cash or Cash Equivalents plus (b) the aggregate DIP Term Loan Commitments at such time.

7.20 Holding Company.

(A) The Parent shall not conduct or otherwise engage in any business or operations other than (i) transactions contemplated by the Loan Documents or the provision of administrative, legal, accounting and management services to or on behalf of the Borrower or any of its Subsidiaries, (ii) the ownership of the equity interests of the Borrower and the exercise of rights and performance of obligations (including entering into guarantees of any such obligations subject to Section 7.5) in connection therewith, (iii) the entry into, and exercise of rights and performance of obligations in respect of, (a) this Agreement and the other Loan Documents to which the Parent is a party, and any other agreement to which the Parent is a party on the date hereof, in each case as amended, supplemented, waived or otherwise modified from time to time, and any refinancings, refundings, renewals or extensions thereof, (b) contracts and agreements with officers, directors and employees of the Parent or the Borrower relating to their employment or directorships, (c) insurance policies and related contracts and agreements and (d) equity subscription agreements, registration rights agreements, voting and other stockholder agreements, engagement letters, underwriting agreements and other agreements in respect of its debt and equity securities or any offering, issuance or sale thereof, (iv) the offering, issuance and sale of its debt and equity securities, (v) the filing of registration statements, and compliance with applicable reporting and other obligations, under federal, state or other securities laws, (vi) the listing of its debt and equity securities and compliance with applicable reporting and other obligations in connection therewith, (vii) the retention of transfer agents, private placement agents, underwriters, counsel, accountants and other advisors and consultants, (viii) the performance of obligations under and compliance with the Parent's organic documents, or any Applicable Law, ordinance, regulation, rule, order, judgment, decree or permit, including as a result of or in connection with the activities of the Borrower and its Subsidiaries, (ix) the incurrence and payment of its operating and business expenses and any taxes for which it may be liable and (x) other activities incidental or related to the foregoing.

(B) The Parent shall not own, lease, manage or otherwise operate any properties or assets (other than in connection with the activities described in Section 7.19(A)) or incur, create, assume or suffer to exist any Debt (other than such as may be incurred, created or assumed or exist in connection with the activities described in Section 7.19(A)).

(C) The Parent shall not permit PQH or PQE O&G to (i) own, lease, manage or otherwise operate any properties or assets other than (a) interests in Oil and Gas Properties that it holds as nominee for certain third parties that hold legal title to such interests and in which neither the Parent, the Borrower or any of their respective subsidiaries claim an equitable interest and (b) other de minimis assets or (ii) incur, create, assume or suffer to exist any Debt.

7.21 [Reserved].

7.22 Prepayment of Prepetition Debt.

(A) It shall not make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or redemption or acquisition for value of (including without limitation, by way of depositing money or securities with the Administrative Agent with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Debt of the Loan Parties (other than (i) the Obligations arising under the Loan Documents and (ii) payments in respect of Debt expressly contemplated under the Budget (subject to Permitted Variances), in each case, to the extent permitted by the DIP Financing Orders, the First and Second Day Orders and adequate protection payments as set forth in the DIP Financing Orders).

7.23 Compliance with the Budget.

(A) It shall not, except as approved in advance in writing by the Required Lenders (or the Administrative Agent at the direction of the Required Lenders), directly or indirectly:

(i) use any cash or the proceeds of any DIP Term Loans in a manner or for a purpose other than those consistent with this Agreement, the DIP Financing Orders and the approved Budget (other than a Permitted Variance);

(ii) permit a disbursement causing any variance from the approved Budget other than a Permitted Variance; or

(iii) transfer cash or Cash Equivalents to a Subsidiary or Affiliate other than payments set forth in and consistent with the approved Budget (subject to any Permitted Variance).

It is understood and agreed, for the avoidance of doubt, that Permitted Variances under this Agreement shall be limited to variances in excess of aggregate disbursements of items contemplated by the approved Budget and not for the purposes of additional categories or types of expenditures or disbursements not expressly contemplated in the approved Budget.

7.24 Chapter 11 Modifications.

(A) Borrower shall not, without the prior written consent of the Required Lenders (or the Administrative Agent at the direction of the Required Lenders): (a) make or permit to be made any change, amendment or modification, to the DIP Financing Orders or (b) incur, create, assume or suffer to exist or permit any claim or Lien against the Borrower ranking *pari passu* with or senior to the claims and Liens of the Administrative Agent and the other Secured Parties hereunder, except as expressly permitted under the Interim DIP Financing Order approved by the Bankruptcy Court (including the Carve-Out) as of the Effective Date or under the Final DIP Financing Order, as applicable.

7.25 Additional Bankruptcy Matters.

(A) Borrower shall not do any of the following other than as expressly permitted by the DIP Financing Orders or as may be agreed to in writing by the Required Lenders (or the Administrative Agent at the direction of the Required Lenders):

(i) enter into any agreement to return any of its inventory to any of its creditors for application against any Prepetition Debt, prepetition trade payables or other prepetition claims under Section 546(c) of the Bankruptcy Code or agree that any creditor may take any set-off or recoupment against any of its Prepetition Debt, prepetition trade payables or other prepetition claims based upon any such return pursuant to Section 553(b)(1) of the Bankruptcy Code or otherwise if, after giving effect to any such agreement, set-off or recoupment, the aggregate amount applied to Prepetition Debt, prepetition trade payables and other prepetition claims subject to all such agreements, set-offs and recoupments since the Petition Date would exceed $100,000;

(ii) seek, consent to, or permit to exist, without timely filing an objection, without the prior written consent of the Required Lenders (or the Administrative Agent at the direction of the Required Lenders), any order granting authority to take any action that is prohibited by the terms of this Agreement, the DIP Financing Orders or the other Loan Documents or refrain from taking any action that is expressly required to be taken by the terms of this Agreement, the DIP Financing Orders or any of the other Loan Documents;

(iii) assert, join, investigate, support or prosecute any claim or cause of action against (i) any of the Secured Parties, unless such claim or cause of action is solely to enforce the Loan Documents against any of the Secured Parties or (ii) any Prepetition Secured Party;

(iv) subject to the terms of the DIP Financing Orders and subject to Section 8, object to, contest, prevent or interfere with in any manner the exercise of rights and remedies by the Administrative Agent, the Lenders or other Secured Parties with respect to the Collateral following the occurrence of an Event of Default, including, without limitation, a motion or petition by any Secured Party to lift an applicable stay of proceedings to do the foregoing (provided, that, the Loan Parties may contest or dispute whether an Event of Default has occurred in accordance with the terms of the DIP Financing Orders);

(v) hold any proceeds of the DIP Term Loans in any account other than a Controlled Account, pending withdrawal and application thereof in accordance with this Agreement;

(vi) other than in connection with an Asset Disposition permitted by Section 7.12 or an Acceptable Plan, without the prior written consent of the

Required Lenders, move to assume or reject any material lease, license, or other Material Contract of the Borrower pursuant to Section 365 of the Bankruptcy Code; or

(vii) except as expressly provided or permitted hereunder (including, without limitation, to the extent pursuant to any First and Second Day Orders) and the then approved Budget (including Permitted Variances thereto), make any payment or distribution to any Subsidiary, Affiliate or insider of the Borrower.

SECTION 8. DEFAULT AND REMEDIES:

8.1 Events of Default. Each of the following constitutes an Event of Default:

(A) the Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan, or any repayment premium or fee due hereunder, or any other amount payable hereunder or under any other Loan Document;

(B) any representation or warranty made or deemed made by or on behalf of the Parent, the Borrower or any Subsidiary in or in connection with any Loan Document or any amendment or modification of any Loan Document or waiver under such Loan Document, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, proves to have been materially incorrect when made or deemed made;

(C) the Parent, the Borrower or any Subsidiary fails to observe or perform any covenant, condition or agreement contained in Section 6 or in Section 7, including, but not limited to the DIP Milestones contained in Section 6.20 and those requirements concerning the budget contained in Section 6.18;

(D) the Parent, the Borrower or any Subsidiary fails to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 8.1(A), 8.1(B), or 8.1(C)) or any other Loan Document, and such failure continues unremedied for a period of 30 days after the earlier to occur of (i) notice thereof from the Administrative Agent (at the written direction of any Lender) or any Lender to the Borrower and (ii) a Responsible Officer of the Parent, the Borrower or such Subsidiary otherwise becoming aware of such default;

(E) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the Redemption thereof or any offer to Redeem to be made in respect thereof, prior to its scheduled maturity or require the Parent, the Borrower or any Subsidiary to make an offer in respect thereof;

(F) the appointment of or application for a receiver, trustee, custodian, examiner, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary or for a substantial part of its or their assets, and, in any such case, such proceeding or petition continues undismissed for 30 days or an order or decree approving or ordering any of the foregoing is entered.

(G) the Parent, the Borrower or any Subsidiary who is not party to the Bankruptcy Case (i) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, aside from the contemplated Bankruptcy Case, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceedings described in Section 8.1(F), (iii) applies for or consents to the appointment of a receiver, trustee, custodian, examiner, sequestrator, conservator, or similar official for the Parent, the Borrower, or any Subsidiary or for a substantial part of its or their assets, (iv) files an answer admitting the material allegations of a petition filed against it or them in any such proceeding, (v) makes a general assignment for the benefit of creditors, or (vi) takes any action for the purpose of effecting any of the forgoing;

(H) (i) except for any judgment entered in the case of *Patriot Natural Gas, LLC v. PetroQuest Energy, LLC*, Case No. 2022-74164 (295th Judicial Dist., Harris County Texas), one or more judgments for the payment of money in an aggregate amount in excess of $2,000,000 (to the extent not covered by independent third party insurance provided by insurers of the highest claims paying rating or financial strength as to which the insurer does not dispute coverage and is not subject to an insolvency proceeding) or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, are rendered against the Parent, the Borrower, any Subsidiary or any combination thereof and the same remain undischarged for a period of 30 consecutive days during which execution is not effectively stayed, or any action is legally taken by a judgment creditor to attach or levy upon any assets of the Parent, the Borrower or any Subsidiary to enforce any such judgment;

(I) any Loan Document, for any reason, except to the extent permitted by the terms thereof, ceases to be in full force and effect and valid, binding and enforceable in accordance with their terms against the Borrower or a Guarantor party thereto or is repudiated by any of them, or cease to create a valid and perfected Lien of the priority required thereby on any of the collateral purported to be covered thereby, except to the extent permitted by the terms of this Agreement, or the Parent, the Borrower or any Subsidiary or any of their Affiliates so state in writing;

(J) there occurs any circumstance or circumstances that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(K) any subordination provision in any document or instrument governing Debt that is purported to be subordinated to the Obligations or any subordination provision in any subordination agreement that relates to any Debt that is to be subordinated to

the Obligations, or any subordination provision in any guaranty by the Borrower or any of its Subsidiaries of any such Debt, shall cease to be in full force and effect, or any Person (including the holder of any such Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision;

(L) any court order enjoins, restrains, or prevents the Borrower, the Parent, or any of its Subsidiaries from conducting any material part of its business;

(M) the Borrower shall file a motion in the Chapter 11 Case without the prior express written consent of the Required Lenders (or the Administrative Agent at the direction of the Required Lenders), to obtain additional financing from a party other than the Lenders under Section 364(d) of the Bankruptcy Code or to use Cash Collateral of a Lender under Section 363(c) of the Bankruptcy Code;

(N) the Bankruptcy Court shall enter an order (i) approving payment of any prepetition claim other than (x) as provided for in the First and Second Day Orders, (y) as otherwise contemplated hereunder and by the approved Budget or (z) as otherwise consented to by the Required Lenders (or the Administrative Agent at the direction of the Required Lenders) in writing in their reasonable discretion, (ii) granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to any holder of any security interest to permit foreclosure on any assets having a book value in excess of $100,000 in the aggregate, or (iii) except, as expressly provided in the DIP Financing Orders, approving any settlement or other stipulation not approved by the Required Lenders (or the Administrative Agent at the direction of the Required Lenders) with any prepetition secured creditor of the Borrower or its Subsidiary providing for payments as adequate protection or otherwise to such secured creditor;

(O) an order with respect to the Chapter 11 Cases shall be entered by the Bankruptcy Court (i) appointing a trustee under Section 1104, (ii) appointing an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code, or (iii) converting the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code;

(P) The entry of a final non-appealable order in the Chapter 11 Cases charging any of the DIP Collateral under section 506(c) of the Bankruptcy Code against the Lenders or Administrative Agent;

(Q) an order shall be entered by the Bankruptcy Court dismissing the Chapter 11 Cases which does not contain a provision for termination of all DIP Term Loan Commitments, and indefeasible payment in full in cash of all Obligations upon entry thereof;

(R) an order with respect to the Chapter 11 Cases shall be entered by the Bankruptcy Court without the express prior written consent of the Required Lenders (and with respect to any provisions that affect the rights or duties of the Administrative Agent,

the Administrative Agent, not to be unreasonably withheld, conditioned or delayed), (i) to revoke, vacate, reverse, stay, modify, supplement or amend the DIP Financing Orders (other than the modifications to the Interim DIP Financing Order by the Final DIP Financing Order) or (ii) to permit, unless otherwise contemplated by the DIP Financing Orders, any administrative expense or any claim (now existing or hereafter arising, of any kind or nature whatsoever) to have administrative priority equal or superior to the administrative priority of the Obligations (other than the Carve Out);

(S) No Contestation; Surcharge.

(i) an application for any of the orders described in Section 8.1(O) above shall be made by the Borrower or any such application shall be made by a Person other than the Borrower and such application is not contested by the Borrower in good faith or the relief requested is not withdrawn, dismissed or denied within ten (10) days after the filing or (ii) the Borrower shall file a motion seeking (or the Borrower shall not object to any other Person seeking), or any other Person shall obtain an order authorizing, any of the Collateral or collateral securing the Prepetition Debt to be surcharged pursuant to Section 506(c) of the Bankruptcy Code;

(T) the entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of the Borrower to file a Plan of Reorganization pursuant to Section 1121 of the Bankruptcy Code, without the prior written consent of the Required Lenders;

(U) the Borrower or any of its Subsidiaries shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Borrower or any of its Subsidiaries) any other Person's motion to, avoid or disallow in whole or in part the Lenders' claims or Liens in respect of the Obligations or contest any provision of any Loan Document or any provision of any Loan Document shall cease to be effective;

(V) the Borrower, Guarantors or any of their Subsidiaries or Affiliates shall fail to comply with the Interim DIP Financing Order or the Final DIP Financing Order;

(W) any order by the Bankruptcy Court is entered granting any administrative or superpriority claim that is *pari passu* with or senior to those of the Secured Parties or any Lien that is senior to the Liens securing the Obligations, other than in accordance with the DIP Financing Orders;

(X) without the Required Lenders' consent, the filing by the Borrower of any motion or other request with the Bankruptcy Court seeking authority to consummate a sale of material assets or equity or all or substantially all of the Borrower's or any of its Subsidiaries' assets or equity, or the consummation of any such sale;

(Y) the Borrower or any of its Subsidiaries, or any person claiming by or through the Borrower or any of its Subsidiaries, obtain court authorization to commence, or commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against any of the Administrative Agent, the Collateral Agent, the Lenders, or the Prepetition Parties, in each case relating to this Agreement or Prepetition Debt, as applicable;

(Z) the filing by the Borrower of a Plan of Reorganization other than an Acceptable Plan; or

(AA) a Change in Control occurs without the Required Lenders consent.

8.2 Remedies.

Notwithstanding anything in Section 362 of the Bankruptcy Code, but subject to the applicable DIP Financing Order, if any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(A) declare the DIP Term Loan Commitment of each Lender to be terminated, whereupon such DIP Term Loan Commitments shall be terminated;

(B) declare the unpaid principal amount of all outstanding DIP Term Loans and, if after the Interim DIP Financing Order is entered, the Roll-Up Loans, all interest accrued and unpaid thereon, and all other amounts (including any Fees) owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(C) exercise on behalf of any Lender all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Obligations.

8.3 Rights and Remedies Cumulative; Non-Waiver.

The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy does not preclude the exercise of any other rights or remedies, all of which are cumulative, and are in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege operates as a waiver thereof, nor does any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or be construed to be a waiver of any Event of Default. No course of dealing between the Loan Parties, the Administrative Agent and the Lenders or their respective agents or employees is effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

8.4 Crediting of Payments and Proceeds.

In the event that the Obligations have been accelerated pursuant to Section 8.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Obligations and all net proceeds from the enforcement of the Obligations shall be applied by the Administrative Agent as follows:

(A) first, to payment of that portion of the Obligations constituting fees, losses, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent under the Loan Documents in its capacity as such;

(B) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause second payable to them;

(C) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the DIP Facility ratably among the Lenders in proportion to the respective amounts described in this clause third payable to them;

(D) fourth, to payment of that portion of the Obligations constituting unpaid principal of the DIP Facility, ratably among the Lenders in proportion to the respective amounts described in this clause fourth payable to them; and

(E) last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

8.5 Credit Bidding.

(A) The Administrative Agent (at the written direction of the Required Lenders), on behalf of itself and the Lenders, has the right to credit bid and purchase for the benefit of the Administrative Agent and the Lenders all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the Uniform Commercial Code, including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with Applicable Law. Such credit bid or purchase may be completed through one or more acquisition vehicles formed by the Administrative Agent to make such credit bid or purchase and, in connection therewith, the Administrative Agent is authorized, on behalf of itself and the Lenders, to adopt documents providing for the governance of the acquisition vehicle or vehicles, and assign the applicable Obligations to any such acquisition vehicle in exchange for Equity Interests or debt issued by the applicable acquisition vehicle (which shall be deemed to be held for the ratable account of the applicable Lenders on the basis of the Obligations so assigned by each Lender).

(B) Except as otherwise provided in any Loan Document or with the written consent of the Required Lenders, no Lender shall take any enforcement action, accelerate obligations under any of the Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral.

8.6 Injunctive Relief.

The Borrower recognizes that, in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrower agrees that the Lenders, at the Lenders' option, are entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

SECTION 9. AGENCY:

9.1 Appointment and Authority.

Each of the Lenders irrevocably appoints Computershare Trust Company, National Association to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents to which the Administrative Agent is a party and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof. The provisions of this Section 9 are solely for the benefit of the Administrative Agent and the Lenders and neither the Borrower nor any other Loan Party have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender.

The Person serving as the Administrative Agent hereunder has the same rights and powers in its capacity as a Lender as any other Lender, if applicable, and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" includes, unless otherwise expressly indicated or unless the context otherwise requires, the Person serving as the Administrative Agent hereunder in its individual capacity, if such Person is a Lender. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions.

(A) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents to which it is a party, and its duties

hereunder are administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as is expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent is not required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents to which it is a party, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(B) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request or direction of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent believes in good faith shall be necessary, under the circumstances) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent is not deemed to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(C) The Administrative Agent is not responsible for and has no duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith and the Administrative Agent is not required to calculate, recalculate, verify, review or certify any calculation or any other mathematical or numerical information, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the perfection or priority of any Lien created or purported to be created by the Security Documents or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(D) The Lenders direct the Administrative Agent to execute and deliver the Loan Documents to which it is a party on the Closing Date. Whether or not so expressly stated therein, in entering into, or taking (or forbearing from) any action under or pursuant to, the Loan Documents, the Administrative Agent has all of the rights, immunities, indemnities and other protections granted to it under this Agreement (in addition to those that may be granted to it under the terms of such other agreement or agreements).

(E) The Person serving as the Administrative Agent may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Affiliate thereof as if such Person was not the Administrative Agent and without any duty to account therefor to the Lenders.

(F) The powers conferred on the Administrative Agent under the Security Documents are solely to protect the Administrative Agent's interest in the Collateral, do not impose any duty upon it to exercise any such powers and are subject to the provisions of this Agreement. The Administrative Agent is accountable only for amounts that it actually receives as a result of the exercise of such powers and the Administrative Agent and any of its officers, directors, employees or agents are not responsible for any act or failure to act, except for gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). Unless otherwise directed by the Required Lenders, the Administrative Agent has no responsibility for taking any necessary steps to protect, preserve or exercise rights against any Person with respect to any of the Collateral and is relieved of all responsibility for the Collateral upon surrendering it to the Borrower or any other designated Person. In no event does the Administrative Agent have any duty, responsibility, obligation or liability with respect to monitoring the Collateral or the condition thereof, and the Collateral Agent is not required to take any action to protect against any diminution in value of the Collateral.

(G) Notwithstanding any provision of this Agreement or the other Loan Documents to the contrary, the Administrative Agent is not required to (i) make or give any determination (including whether a matter is satisfactory to the Administrative Agent or whether to deem a matter necessary, desirable, proper or advisable), agreement, consent, approval, request, notice, consultation, designation, appointment, election, judgment or direction, (ii) file, record or prepare any Uniform Commercial Code financing or continuation statements or similar documents or instruments in any jurisdiction for purposes of creating, perfecting or maintaining any Lien or security interest or otherwise perfect any security interest or maintain any perfection or priority, (iii) make any inspection or (iv) release or sell Collateral or otherwise exercise any rights or remedies of a secured party (including voting rights), in each case, without the written direction of the Required Lenders.

(H) Notwithstanding any provision of this Agreement or the other Loan Documents to the contrary, before taking or omitting any action to be taken or omitted by the Administrative Agent under the terms of this Agreement and the other Loan Documents, the Administrative Agent may seek the written direction of the Required Lenders (which written direction may be in the form of an e-mail), and the Administrative Agent is entitled to rely (and is fully protected in so relying) upon such direction. The Administrative Agent is not liable with respect to any action taken or omitted to be taken by it in accordance with such direction. If the Administrative Agent requests such direction with respect to any action, the Administrative Agent is entitled to refrain

from such action unless and until the Administrative Agent has received such direction, and the Administrative Agent does not incur liability to any Person by reason of so refraining. If the Administrative Agent so requests, it must first be indemnified to its satisfaction by the directing Lenders against any and all liability and expense which may be incurred by the Administrative Agent by reason of taking or continuing to take, or omitting, any action directed by any of the Lenders. Any provision of this Agreement or the other Loan Documents authorizing the Administrative Agent to take any action does not obligate the Administrative Agent to take such action.

(I) The Administrative Agent is never required to use, risk or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder or under the other Loan Documents (including no obligation to grant any credit extension or to make any advance hereunder).

(J) Delivery of reports, documents and other information to the Administrative Agent is for informational purposes only and the Administrative Agent's receipt of the foregoing does not constitute constructive knowledge of any event or circumstance or any information contained therein or determinable from information contained therein.

(K) The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Administrative Agent, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Administrative Agent. The parties hereto shall provide the Administrative Agent with such information as it may request including each party's name, physical address, tax identification number and other information that will help the Administrative Agent identify and verify each party's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

(L) In no event is the Administrative Agent liable on any theory of liability for any special, indirect, consequential or punitive damages (including lost profits) even if the Administrative Agent has been advised of the possibility of such damages and regardless of the form of action. The Administrative Agent is not responsible for delays or failures in performance resulting from acts beyond its control. Such acts include, but are not limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes, terrorist attacks or other disasters.

(M) The Administrative Agent shall have no responsibility for interest or income on any funds held by it under the Loan Documents and any funds so held shall be held un-invested pending distribution thereof.

(N) In no event shall the Administrative Agent be liable on account of any loss, including without limitation, any loss of principal or interest, or for any breakage fees or penalties in connection with the purchase or liquidation of any investment made in accordance with a written instruction of the Borrower or the Required Lenders.

9.4 Reliance by Administrative Agent.

The Administrative Agent is entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a DIP Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received written notice to the contrary from such Lender prior to the making of such DIP Term Loans. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and is not liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent, which sub-agents may be Affiliates of the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 9 apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent. The Administrative Agent is not responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Administrative Agent.

(A) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders have the right, in consultation with the Borrower, to appoint a successor, which must be a bank or trust company, but in no event may be a Defaulting Lender. If no such successor shall have been so appointed by the Required Lenders and has accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as is agreed by the Required Lenders) (the "Resignation Effective Date"), then in any event such resignation becomes effective in accordance with such notice on the Resignation Effective Date and (i) the retiring Administrative Agent is discharged from its duties and obligations hereunder and under the other Loan Documents, except that until a successor Administrative Agent is appointed, any Collateral held by the Administrative Agent on behalf of the Secured Parties under any of the Loan Documents shall continue to be held by the resigning Administrative Agent as bailee until such time as a successor Administrative Agent is appointed, and (ii) except for any fees, expenses or indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through such Administrative Agent shall instead be

made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided in this Section 9.6(A). The Administrative Agent has the right, at the cost and expense of the Borrower, to petition a court of competent jurisdiction regarding the delivery of any Collateral it holds as bailee.

(B) Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor succeeds to and becomes vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to fees, expenses and indemnity payments owed to the retiring Administrative Agent) and the retiring Administrative Agent is discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not discharged earlier as provided in Section 9.6(A)). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 9 and Section 10.2 continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(C) Any Person into which the Administrative Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Administrative Agent is a party, or any Person succeeding to the corporate trust services business of the Administrative Agent is the successor of the Administrative Agent hereunder without the execution or filing of any paper with any Party or any further act on the part of any of the Parties.

9.7 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it from time to time deems appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8 Collateral and Guaranty Matters.

(A) The Lenders irrevocably authorize and direct the Administrative Agent, upon the written direction of the Required Lenders and at the expense of the Borrower:

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (a) upon termination of all DIP Term Loan Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (b) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other

disposition permitted under the Loan Documents or (c) subject to Section 10.3, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.3(C); and

(iii) to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement pursuant to this Section 9.8.

(B) The Administrative Agent is not responsible for, and has no duty to ascertain or inquire into any representation or warranty regarding, the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.9 Erroneous Payment.

(A) If the Administrative Agent (x) notifies a Lender or any other Secured Party, or any Person who has received funds on behalf of a Lender or other Secured Party (any such Lender, other Secured Party or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its reasonable discretion (whether or not after receipt of any notice under immediately succeeding clause (B)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 9.9 and held in trust for the benefit of the Administrative Agent, and such Lender, or such other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion

thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect *provided that* any such interest shall only be payable by a Lender to the extent of, and in an amount equal to, interest actually accrued on the Erroneous Payment in favor of that Lender during such period. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(B) Without limiting immediately preceding Section 9.9(A), each Lender, each other Secured Party or any Person who has received funds on behalf of a Lender or other Secured Party (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or such other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (a) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (b) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or such other Secured Party shall use commercially reasonable efforts to (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.9(B).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 9.9(B) shall not have any effect on a Payment Recipient's

obligations pursuant to Section 9.9(A) or on whether or not an Erroneous Payment has been made.

(C) Each Lender or other Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or such other Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or such other Secured Party under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under the preceding Section 9.9(A).

(D) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with preceding clause (A), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon not less than five (5) Business Days' notice from the Administrative Agent to such Lender at any time, then effective thereupon (with the consideration therefor being acknowledged by the parties hereto), (a) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Acceptance (or, to the extent applicable, an agreement incorporating an Assignment and Acceptance by reference pursuant to an approved electronic platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such notes shall not affect the effectiveness of the foregoing assignment), (b) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (c) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (d) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (e) the Administrative Agent will reflect in the Register its ownership interest in the Loans

subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 10.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(E) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or other Secured Party, to the rights and interests of such Lender or such other Secured Party, as the case may be) under the Loan Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (provided that the Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower; *provided that* this Section 9.9(E) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrower relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; *provided, further, that* for the avoidance of doubt, the immediately preceding clause shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or from the proceeds of Collateral.

(F) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(G) Each party's obligations, agreements and waivers under this Section 9.9 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

SECTION 10. MISCELLANEOUS:

10.1 Governing Law.

This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby are governed by, and construed in accordance with, the law of the State of New York.

10.2 Expenses; Indemnity; Damage Waiver.

(A) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and the Lenders (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and for the Lenders), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby are consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or for any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights (a) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.2, or (b) in connection with the DIP Term Loans and Roll-Up Loans made hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such DIP Term Loans or Roll-Up Loans.

(B) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an

"Indemnitee") against, and hold each Indemnitee harmless from, any and all fees, losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee and including out-of-pocket attorneys' fees and expenses and court costs incurred by any Indemnitee in enforcing the indemnity), and shall indemnify and hold harmless each Indemnitee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the Parties of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any DIP Term Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or a Lender or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity is not, as to any Indemnitee, available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 10.2(B) does not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, or similar costs arising from any non-Tax claim.

(C) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Sections 3.7(D), 10.2(A) or 10.2(B) to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of the Administrative Agent, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Commitment Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided the unreimbursed expense or indemnified loss, fee, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

(D) Waiver of Consequential Damages. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any

agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any DIP Term Loan or the use of the proceeds thereof. No Indemnitee referred to in Section 10.2(B) will be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct and actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(E) Payments. All amounts due under this Section 10.2 are payable promptly after demand therefor.

(F) Survival. Each Party's obligations under this Section 10.2 survive the resignation or replacement of the Administrative Agent hereunder and the termination of the Loan Documents and payment of the obligations hereunder.

10.3 Amendments, Waivers and Consents.

Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent at the written direction of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower; provided no amendment, waiver or consent may:

(A) increase the DIP Term Loan Commitment of any Lender (or reinstate any DIP Term Loan Commitment terminated pursuant to Section 8.2) or the amount of DIP Term Loans of any Lender, in any case, without the written consent of such Lender;

(B) waive, extend or postpone any date fixed by this Agreement or any other Loan Document for any payment (it being understood that a waiver of a mandatory prepayment under Section 2.5 only requires the consent of the Required Lenders) of principal, interest, fees or other amounts due to the Lenders (or any of them) or any mandatory reduction of the DIP Term Loan Commitment hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby;

(C) reduce the principal of, or the rate of interest specified herein on, any DIP Term Loan or (subject to Section 10.3(I)) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby; provided only the consent of the Required Lenders is necessary to waive any obligation of the Borrower to pay interest at the rate set forth in Section 3.1(B) during the continuance of an Event of Default;

(D) change Section 3.5 or Section 8.5 in a manner that would alter the pro rata sharing of payments or order of application required thereby without the written consent of each Lender directly and adversely affected thereby;

(E) change any provision of this Section 10.3 or reduce the percentages specified in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(F) consent to the assignment or transfer by any Loan Party of such Loan Party's rights and obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 7.12), in each case, without the written consent of each Lender;

(G) release (i) the Parent, (ii) all of the Subsidiary Guarantors or (iii) Subsidiary Guarantors comprising substantially all of the credit support for the Obligations, in any case, from the Guaranty Agreement (other than as authorized in Section 9.8), without the written consent of each Lender;

(H) release all or substantially all of the Collateral or release any Security Document (other than as authorized in Section 9.8 or as otherwise specifically permitted or contemplated in this Agreement or the applicable Security Document) without the written consent of each Lender; or

(I) affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document without the written consent of the Administrative Agent in addition to the Lenders required hereunder;

Notwithstanding anything to the contrary herein, no Defaulting Lender has any right to approve or disapprove any amendment, waiver or consent hereunder, except that the DIP Term Loan Commitment of such Lender may not be increased or extended without the consent of such Lender.

10.4 Successors and Assigns.

(A) Successors and Assigns Generally. The provisions of this Agreement are binding upon and inure to the benefit of the Parties and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.4(B), (ii) by way of participation in accordance with the provisions of Section 10.4(D) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.4(E) (and any other attempted assignment or transfer by any Party hereto is null and void). Nothing in this Agreement, expressed or implied, may be construed to confer upon any Person (other than the Parties, their respective successors and assigns permitted

hereby, Participants to the extent provided in Section 10.4(D) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(B) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its DIP Term Loan Commitment and the DIP Term Loans and Roll-Up Loans at the time owing to it); provided any such assignment is subject to the following conditions:

(i) Minimum Amounts.

(a) in the case of an assignment of the entire remaining amount of the assigning Lender's DIP Term Loan Commitment or the DIP Term Loans or Roll-Up Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in clause (b) below in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(b) in any case not described in clause (a) above, the aggregate amount of the DIP Term Loan Commitment (which for this purpose includes DIP Term Loans outstanding thereunder) or, if the applicable DIP Term Loan Commitment is not then in effect, the principal outstanding balance of the DIP Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) is not less than $5,000,000 unless each of the Required Lenders and, so long as no Default or Event of Default exists, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the DIP Term Loan or the DIP Term Loan Commitment assigned.

(iii) Required Consents. No consent is required for any assignment except to the extent required by Section 10.4(B)(i)(b) and, in addition:

(a) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) is required unless (1) a Default or Event of Default exists at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided the Borrower is deemed to have consented to any such assignment unless it has objected thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

(b) the consent of the Required Lenders (or the Administrative Agent at the direction of the Required Lenders, with such consent not to be unreasonably withheld or delayed) is required for assignments in respect of any DIP Term Loans or Roll-Up Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recording fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment may be made to (1) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (2) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment may be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment is effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower, the applicable pro rata share of DIP Term Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (1) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon) and (2) acquire (and fund as appropriate) its full pro rata share of all DIP Term Loans in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under Applicable Law without compliance with the provisions of this Section 10.4(B)(iv), then the assignee of such interest is deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.4(C), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder is a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, has the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder is, to the extent of the interest assigned by such Assignment

and Assumption, released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender ceases to be a Party) but continues to be entitled to the benefits of Sections 3.6, 3.7 and 10.2 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender constitutes a waiver or release of any claim of any Party arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph is treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.4(D).

(C) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the DIP Term Loan Commitments of, and principal amounts (and stated interest) of the DIP Term Loans and Roll-Up Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register are conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(D) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights or obligations under this Agreement (including all or a portion of its DIP Term Loan Commitment or the DIP Term Loans or Roll-Up Loans owing to it); provided (i) such Lender's obligations under this Agreement remain unchanged, (ii) such Lender remains solely responsible to the other Parties for the performance of such obligations and (iii) the Borrower, the Administrative Agent and Lenders continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender is responsible for the indemnity under Section 10.3(C) with respect to any payments made by such Lender to its Participants.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender retains the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.3 that affects such Participant. The Borrower agrees that each Participant is entitled to the benefits of Sections 3.6 and 3.7 (subject to the requirements and limitations therein, including the requirements under Section 3.7(G) (it being understood that the documentation required under Section 3.7(G) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by

assignment pursuant to Section 10.4(B); provided such Participant (A) agrees to be subject to the provisions of Section 3.8 as if it were an assignee under Section 10.4(B) and (B) is not entitled to receive any greater payment under Sections 3.6 or 3.7, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.8(B) with respect to any Participant. To the extent permitted by law, each Participant also is entitled to the benefits of Section 8.3 as though it were a Lender; provided such Participant agrees to be subject to Section 3.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided no Lender has any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register are conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) has no responsibility for maintaining a Participant Register.

(E) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided no such pledge or assignment releases such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a Party.

10.5 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent and the Lenders shall maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other Party, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.5, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (g) on a confidential basis to (i) any rating agency in connection with rating the Parent, the Borrower or

their Subsidiaries or the DIP Term Loans or Roll-Up Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the DIP Term Loans or Roll-Up Loans, (h) with the consent of the Parent or the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.5 or (ii) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the DIP Term Loan Commitments.

For purposes of this Section, "Information" means all information received from the Parent, the Borrower or any of their Subsidiaries relating to the Parent, the Borrower or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Parent, the Borrower or any of their Subsidiaries; provided, in the case of information received from the Parent, the Borrower or any of their Subsidiaries after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.5 is considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.6 Submission to Jurisdiction; Venue; Waiver of Jury Trial.

(A) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it shall not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the Bankruptcy Court, or, if the Bankruptcy Court lacks or cannot exercise subject matter jurisdiction, the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the Parties irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the Parties agrees that a final judgment in any such action, litigation or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document affects any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Loan Party or its properties in the courts of any jurisdiction.

(B) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.6(A). Each of the Parties irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(C) Service of Process. Each Party other than the Administrative Agent irrevocably consents to service of process in the manner provided for notices in Section 10.7. Nothing in this Agreement affects the right of any Party to serve process in any other manner permitted by Applicable Law.

(D) WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.6(D).

10.7 Notices.

(A) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.7(B)) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(i) if to the Borrower or any other Loan Party, to it at the addresses for it as set forth on Annex C;

(ii) if to the Administrative Agent, to it at the addresses for it as set forth on Annex C;

(iii) if to a Lender party to this Agreement on the Closing Date, to it at the addresses for it as set forth on Annex C;

(iv) if to a Lender party to this Agreement after the Closing Date, to it at its address (or facsimile number) set forth in its Administrative Questionnaire;

(v) if to the United States Trustee appointed in the Bankruptcy Case, to it at its address (or facsimile number) which will be provided at the outset of the Bankruptcy Case; and

(vi) if to any statutory committee appointed in the Bankruptcy Case, to it at its address (or facsimile number) to be provided upon appointment.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, are deemed to have been given when received and notices sent by facsimile are deemed to have been given when sent (except that, if not given during normal business hours for the recipient, is deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in Section 10.7(B), are effective as provided in Section 10.7(B).

(B) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided the foregoing does not apply to notices to any Lender pursuant to Section 2.2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such section by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (a) notices and other communications sent to an e-mail address are deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (b) notices or communications posted to an Internet or intranet website are deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in clause (a) above, of notification that such notice or communication is available and identifying the website address therefor; provided, for both clauses (a) and (b) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication is deemed to have been sent at the opening of business on the next business day for the recipient.

(C) Change of Address. Any Party may change its address or facsimile number for notices and other communications hereunder by notice to the other Parties.

(D) Platform.

(i) Each Loan Party agrees that the Administrative Agent may, but is not obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express,

implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event will the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section 10.7, including through the Platform.

10.8 Reinstatement of Obligations.

To the extent any Loan Party makes a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the Collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied are revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

10.9 Severability.

Any provision of this Agreement or any other Loan Document that is prohibited or unenforceable in any jurisdiction is, as to such jurisdiction, ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

10.10 Integration.

This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

10.11 No Implied Waivers.

No failure to exercise and no delay in exercising any right or remedy under this Agreement operates as a waiver thereof. No single or partial exercise of any right or remedy under this Agreement, or any abandonment or discontinuance thereof, precludes any other or further exercise

thereof or the exercise of any other right or remedy. No waiver or consent under this Agreement is applicable to any events, acts or circumstances except those specifically covered thereby.

10.12 USA PATRIOT Act.

The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, each of them is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the PATRIOT Act.

10.13 Counterparts; Effectiveness.

This Agreement may be executed in counterparts (and by different Parties in different counterparts), each of which constitutes an original, but all of which when taken together constitute a single contract. Except as provided in Section 4.1, this Agreement becomes effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other Parties. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format is effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption are deemed to include electronic signatures or the keeping of records in electronic form, each of which is of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws or regulations based on the Uniform Electronic Transactions Act.

(Signature pages follow)

The Parties have executed and delivered this Agreement as of the date first above written.

Borrower:

PETROQUEST ENERGY, L.L.C.

By: _____
Name: Charles T. Goodson
Title: CEO & President

Parent:

PETROQUEST ENERGY, INC.

By: _____
Name: Charles T. Goodson
Title: CEO & President

PETROQUEST OIL & GAS, L.L.C.

By: _____
Name: Charles T. Goodson
Title: CEO & President

PQ HOLDINGS, LLC

By: _____
Name: Charles T. Goodson
Title: CEO & President

Administrative Agent:

COMPUTERSHARE TRUST COMPANY,
NATIONAL ASSOCIATION,
as Administrative Agent

By:_____
Name: Michael Pinzon
Title: Vice President

Lenders:

NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Lender

By: MacKay Shields LLC, as investment subadvisor

By:_____
Name: Andrew Susser
Title: Executive Managing Director

NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Lender

By: MacKay Shields LLC, as investment subadvisor

By:_____
Name: Andrew Susser
Title: Executive Managing Director

NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Lender

By: MacKay Shields LLC, as investment subadvisor

By:_____
Name: Andrew Susser
Title: Executive Managing Director

CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Lender

By: Eric Soderlund
Name: Eric Soderlund
Title: Authorized Signatory

CORRE HORIZON FUND, LP, as a Lender

By: Eric Soderlund
Name: Eric Soderlund
Title: Authorized Signatory

CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Lender

By: _____
Name: Thomas P. Krasner
Title: Portfolio Manager

MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Lender

By: _____
Name: Thomas P. Krasner
Title: Portfolio Manager

ANNEX A

Rules of Construction

1. Definitions. As used in this Agreement, the following terms have the following meanings:

"2022 Term Loans" means the term loans made to the Borrower by the Lenders on the Fourth Amendment Closing Date pursuant to the Prepetition Term Loan Agreement.

"2024 Term Loans" means the terms loans made to the Borrower by the Lenders on the Sixth Amendment Closing Date pursuant to the Prepetition Term Loan Agreement.

"Acceptable Plan" means a bankruptcy plan acceptable to the Required Lenders.

"Account Control Agreement" means an agreement which grants the Administrative Agent "control" as defined in the Uniform Commercial Code in effect in the applicable jurisdiction over the applicable Deposit Account.

"Administrative Agent" has the meaning set forth for such term in the introduction to this Agreement.

"Administrative Agent's Office" means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 10.7.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" has the meaning set forth for such term in the introduction to this Agreement.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Parent, the Borrower or their respective Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder.

"Applicable Law" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities and all orders and decrees of all courts and arbitrators.

"Approved Counterparty" means (a) a Lender or any Affiliate of a Lender and (b) any other Person whose issuer rating or long term senior unsecured debt rating, at the time the Swap Agreement is entered into, is A-/A3 by S&P or Moody's (or their equivalent) or higher (or whose obligations under the applicable Swap Agreement are guaranteed by an Affiliate or other credit

support provider of such Person meeting such minimum rating standards at the time the Swap Agreement is entered into).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Approved Petroleum Engineers" means (a) Netherland, Sewell & Associates, Inc., (b) Ryder Scott Company Petroleum Consultants, L.P. and (c) any other independent petroleum engineers reasonably acceptable to the Required Lenders.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, in substantially the form of **Exhibit D** or any other form approved by the Administrative Agent.

"Asset Disposition" means the sale, transfer, assignment, conveyance, farm-out, license, lease or other disposition of any Property (including any disposition of Equity Interests) by any Loan Party or any Subsidiary thereof (or the granting of any option or other right to do any of the foregoing). The term "Asset Disposition" does not include (a) the sale of inventory in the ordinary course of business, (b) the transfer of assets to the Borrower, Parent or any Subsidiary Guarantor pursuant to any other transaction permitted pursuant to Section 7.11, (c) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction, (d) the disposition of any Swap Agreement, and (e) dispositions of Investments in cash and Cash Equivalents, and (f) the transfer by any Loan Party of its assets to any other Loan Party.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" means Chapter 11, 11 U.S.C. 101 et seq.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases.

"Board" means the Board of Governors of the Federal Reserve System of the United States or any successor Governmental Authority.

"Borrower" has the meaning set forth for such term in the introduction to this Agreement.

"Budget" means the latest eleven-week (11-week) (or such other duration, as agreed between the Lenders and Borrower) detailed cash projection and statement of sources and uses of the Borrower, including anticipated uses of the DIP Term Loans, to be delivered prior to the

funding of the DIP Term Loans and each week thereafter, and which shall be approved by the Lenders of the DIP Term Loans each week, in their sole discretion; provided, that unused variance amounts in any Budget for a prior period shall not be carried forward on a line item basis without the approval of the Lenders of the DIP Term Loans; provided, further, that such amounts shall be counted for purposes of calculating any variances in the Budget hereunder.

"Budget Period" means the period commencing on the date that the Interim DIP Financing Order is entered and ending on the Effective Date.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which banks in New York City are closed.

"Capital Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, recorded as capital leases on the balance sheet of the Person liable (whether contingent or otherwise) for the payment of rent thereunder.

"Carve-Out" has the meaning assigned to such term in the Interim DIP Financing Order or the Final DIP Financing Order, as applicable.

"Cash Equivalents" means Investments of the type described in Sections 7.5(C), 7.5(D) and 7.5(E).

"Change in Control" means an event or series of events by which:

(A) at any time, the Parent fails to own all of the Equity Interests of the Borrower; or

(B) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than a Permitted Holder becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a "person" or "group" shall be deemed to have "beneficial ownership" of all Equity Interests that such "person" or "group" has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of more than 50% of the Equity Interests of the Parent entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Parent or (ii) a majority of the members of the board of directors (or other equivalent governing body) of the Parent do not constitute Continuing Directors; or

(C) there has occurred under any indenture or other instrument evidencing any Debt or Equity Interests in excess of $1,000,000 any "change in control" or similar provision (as set forth in the indenture, agreement or other evidence of such Debt) obligating the Parent, the Borrower or any of their respective Subsidiaries to repurchase, redeem or repay all or any part of the Debt or Equity Interests provided for therein.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority; or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, are in each case deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Chapter 11 Cases" has the meaning set forth for such term in the introduction to this Agreement.

"Closing Date" means the date on which the conditions specified in Section 4.1 are satisfied (or waived in writing by the Required Lenders in accordance with Section 10.3).

"Code" means the Internal Revenue Code of 1986.

"Collateral" means the collateral security for the Obligations pledged or granted pursuant to the Security Documents.

"Commitment Percentage" means, with respect to any Lender at any time, the percentage of the total Term DIP Term Loan Commitments of all the Lenders represented by such Lender's DIP Term Loan Commitment. If the DIP Term Loan Commitments have terminated or expired, the Commitment Percentage means, with respect to any Lender at any time, the percentage of the total outstanding principal balance of the DIP Term Loans represented by the outstanding principal balance of such Lender's DIP Term Loans. The Commitment Percentage of each Lender in respect of the DIP Term Loans as of the Closing Date is set forth opposite the name of such Lender on Annex B. The Commitment Percentage of each Lender in respect of the 2022 Term Loans, on the Closing Date, is set forth opposite the name of such Lender on Annex B. The Commitment Percentage of each Lender in respect of the 2024 Term Loans, on the Closing Date, is set forth opposite the name of such Lender on Annex B.

"Confirmation Order" shall mean a final order of the Bankruptcy Court under the Chapter 11 Cases that confirms the Plan of Reorganization.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Continuing Directors" means the directors (or equivalent governing body) of the Parent on the Closing Date and each other director (or equivalent) of the Parent if, in each case, such other Person's nomination for election to the board of directors (or equivalent governing body) of the Parent is approved by more than 50% of the then Continuing Directors.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. For the purposes of this definition, and without limiting the generality of the foregoing, any Person that owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of the directors or other governing body of a Person (other than as a limited partner of such other Person) will be deemed to "control" such other Person. "Controlling" and "Controlled" have meanings correlative thereto.

"Cotton Valley Properties" means the geologic formation of oil and gas properties and related Hydrocarbons commonly referred to as the "Cotton Valley" located within the State of Texas.

"Debt" means, for any Person, the sum of the following (without duplication): (a) all obligations of such Person for borrowed money or evidenced by bonds, bankers' acceptances, debentures, notes or other similar instruments; (b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments; (c) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of Property or services; (d) all obligations under Capital Leases; (e) all obligations under Synthetic Leases; (f) all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such Person, whether or not such Debt is assumed by such Person; (g) all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss; (h) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the Debt or Property of others; (i) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business; (j) obligations to pay for goods or services even if such goods or services are not actually received or utilized by such Person; (k) any Debt of a partnership for which such Person is liable either by agreement, by operation of Applicable Law but only to the extent of such liability; (l) Disqualified Capital Stock; and (m) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment. The Debt of any Person includes all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under GAAP.

"Debt Issuance" means the issuance of any Debt for borrowed money by any Loan Party or any of its Subsidiaries.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Debtors" means, collectively, the following: Parent, Borrower, PQE O&G, and PQH (each, also, a "Debtor").

"Default" means any of the events specified in Section 8.1 that with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

"Default Rate" means an interest rate equal to the Interest Rate plus 2.0%.

"Defaulting Lender" means, subject to Section 3.10(B), any Lender that (a) has failed to (i) fund all or any portion of its DIP Term Loans within two (2) Business Days of the date such DIP Term Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or (ii) pay to the Administrative Agent or any Lender (upon notice by such Lender to the Administrative Agent that it has not been paid) any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower (and the Borrower has so notified the Administrative Agent) or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a DIP Term Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, is specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender will cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become subject to a Bail-in Action and the Administrative Agent has received written notice thereof; provided that a Lender is not a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any Lender who is determined to be a Defaulting Lender under any one or more of clauses (a) through (d) above is deemed to be a Defaulting Lender (subject to Section 3.10(B)) upon delivery of written notice of such determination to the Borrower and each Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above is conclusive and binding absent manifest error.

"Deposit Account" means any operating, administrative, cash management, collection activity, demand, time, savings, passbook or other deposit account maintained with a bank or other financial institution.

"DIP Facility" has the meaning set forth for such term in the introduction to this Agreement.

"DIP Financing Orders" means the Interim DIP Financing Order and/or the Final DIP Financing Order, as applicable.

"DIP Term Loan" means the Interim DIP Term Loan Advance and the Final DIP Term Loan Advance.

"DIP Term Loan Commitment" means (a) as to any Lender, the obligation of such Lender to make a portion of the DIP Term Loans to the account of the Borrower hereunder on the applicable borrowing date in an aggregate principal amount not to exceed the amount set forth opposite such Lender's name on Annex B, as such amount may be reduced or otherwise modified at any time or from time to time pursuant to the terms hereof and (b) as to all Lenders, the aggregate commitment of all Lenders to make such DIP Term Loans.

"Disqualified Capital Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, requires the payment of dividends (other than dividends payable solely in Equity Interests which do not otherwise constitute Disqualified Capital Stock) or matures or is mandatorily redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is convertible or exchangeable for Debt or redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock) at the option of the holder thereof, in whole or in part, on or prior to the date that is one year after the earlier of (a) the Maturity Date and (b) the date on which there are no DIP Term Loans or other Obligations hereunder outstanding and all of the DIP Term Loan Commitments are terminated.

"Dollars" or "$" means, unless otherwise qualified, dollars in lawful currency of the United States.

"Domestic Subsidiary" means any Subsidiary organized under the laws of any political subdivision of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) above or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) above and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.4(B)(iii), 10.4(B)(v) and 10.4(B)(vi) (subject to such consents, if any, as may be required under Section 10.4(B)(iii)).

"Environmental Laws" means any and all Applicable Laws pertaining in any way to health, safety, the environment, the preservation or reclamation of natural resources, or the management, Release or threatened Release of any Hazardous Materials, in effect in any and all jurisdictions in which the Borrower or any of the Borrower's Subsidiaries is conducting, or at any time has conducted, business, or where any Property of the Borrower or any Subsidiaries of Borrower is located, including the Oil Pollution Act of 1990 ("OPA"), the Clean Air Act, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980 ("CERCLA"), the Federal Water Pollution Control Act, the Occupational Safety and Health Act of 1970, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Safe Drinking Water Act, the Toxic Substances Control Act, the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Law, the Outer Continental Shelf Lands Act of 1953 and other environmental conservation or protection Applicable Laws.

"Environmental Permit" means any permit, registration, license, notice, approval, consent, exemption, variance or other authorization required under or issued pursuant to applicable Environmental Laws.

"Equity Interests" means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person and (f) any and all warrants, rights or options to purchase any of the foregoing.

"Equity Issuance" means (a) any issuance by any Loan Party or any Subsidiary thereof of shares of its Equity Interests to any Person that is not a Loan Party (including in connection with the exercise of options or warrants or the conversion of any debt securities to equity) and (b) any capital contribution from any Person that is not a Loan Party into any Loan Party or any Subsidiary thereof. The term "Equity Issuance" does not include (i) any Asset Disposition or (ii) any Debt Issuance.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder.

"ERISA Affiliate" means any Person who together with any Loan Party or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

"Erroneous Payment" has the meaning set forth for such term in Section 9.9(A).

"Erroneous Payment Deficiency Assignment" has the meaning set forth for such term in Section 9.9(D).

"Erroneous Payment Impacted Class" has the meaning set forth for such term in Section 9.9(D).

"Erroneous Payment Return Deficiency" has the meaning set forth for such term in Section 9.9(D).

"Erroneous Payment Subrogation Rights" has the meaning set forth for such term in Section 9.9(E).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" has the meaning set forth for such term in Section 8.1.

"Excepted Liens" means, at any time, Liens in respect of property of the Borrower or any of its Subsidiaries:

(A) (i) Liens granted pursuant to any Loan Document securing the Obligations pursuant to the Loan Documents and (ii) Liens granted as adequate protection on account of the secured Prepetition Loans pursuant to the DIP Financing Orders;

(B) Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(C) Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(D) statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(E) contractual Liens which arise in the ordinary course of business under operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements,

injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; provided that any such Lien referred to in this clause (D) does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the Borrower or any of the Borrower's Subsidiaries or materially impair the value of such Property subject thereto;

(F) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution; provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by the Borrower or any of the Borrower's Subsidiaries to provide collateral to the depository institution;

(G) easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of the Borrower or any of the Borrower's Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by the Borrower or any of the Borrower's Subsidiaries or materially impair the value of such Property subject thereto;

(H) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business; and

(I) judgment and attachment Liens not giving rise to an Event of Default; provided that any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and no action to enforce such Lien has been commenced;

provided Liens described in clauses (A) through (E) above remain "Excepted Liens" only for so long as no action to enforce such Lien has been commenced, and no intention to subordinate the superpriority Lien granted in favor of the Administrative Agent and the Secured Parties is to be implied or expressed by the permitted existence of such Excepted Liens.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Deposit Account" means any Deposit Account, existing as of the Closing Date, which is solely used for purposes of funding payroll, payroll taxes or employee benefit payments or which solely contains cash of any Person, other than the Parent or any Subsidiary, and which cash is held in such Deposit Account solely on behalf of, and for the benefit of, such third party.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a DIP Term Loan, Roll-Up Loan or DIP Term Loan Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the DIP Term Loan, Roll-Up Loan or DIP Term Loan Commitment (other than pursuant to an assignment request by the Borrower under Section 3.9(B)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.8, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a Party or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.8(G) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Exit Fee" has the meaning assigned to such term in Section 3.3(C).

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person not in the ordinary course of business, including, without limitation, tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings), condemnation awards (and payments in lieu thereof), indemnity payments and any purchase price adjustments and any cash received in connection with the settlement or other resolution (including by judgment) of any litigation, arbitration or other dispute.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Fees" means the (i) Upfront Fee, (ii) Unused DIP Term Loan Fee, and (iii) Exit Fee.

"Final DIP Financing Order" means the order of the Bankruptcy Court approving the DIP Facility on a final basis in form and substance satisfactory to the Administrative Agent and the Required Lenders in their sole discretion, as the same may be amended, modified or supplemented from time to time with, the consent of the Required Lenders (and with respect to amendments, modifications or supplements that adversely affect the rights or duties of the Administrative Agent in any respect, the Administrative Agent).

"Final DIP Financing Order Availability Date" means the date of the Borrowing on which the conditions precedent set forth in Sections 4.1 and 4.2 have been satisfied or waived, which date shall be on or after one (1) Business Day following the entry of the Final DIP Financing Order.

"Final DIP Term Loan Advance" has the meaning assigned to such term in Section 2.1(C).

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fourth Amendment" means the Fourth Amendment to the Prepetition Term Loan Agreement dated as of the Fourth Amendment Closing Date by and among Borrower, Parent, Administrative Agent and Lenders.

"Fourth Amendment Closing Date" means April 21, 2022.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Approvals" means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" and "Guarantors" means the Parent, PQE O&G, and PQH.

"Guaranty Agreement" means the unconditional guaranty agreement of even date herewith executed by the Parent, PQE O&G, and PQH in favor of the Administrative Agent, for the benefit of the Secured Parties.

"Hazardous Material" means any substance regulated or as to which liability might arise under any applicable Environmental Law including (a) any chemical, compound, material, product,

byproduct, substance or waste defined as or included in the definition or meaning of "hazardous substance," "hazardous material," "hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "contaminant," "pollutant," or words of similar meaning or import found in any applicable Environmental Law, (b) Hydrocarbons, petroleum products, petroleum substances, natural gas, oil, oil and gas waste, crude oil and any components, fractions, or derivatives thereof and (c) radioactive materials, explosives, asbestos or asbestos containing materials, polychlorinated biphenyls, radon, infectious or medical wastes.

"Hydrocarbon Interests" means all rights, titles, interests and estates now owned or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Hydrocarbons" means oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Initial Approved Budget" has the meaning assigned to such term in Section 4.1(E).

"Insurance and Condemnation Event" means the receipt by any Loan Party or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective Property.

"Interim DIP Financing Order" means the order of the Bankruptcy Court approving the DIP Facility on an interim basis, in the form of **Exhibit F** hereto or otherwise satisfactory to the Administrative Agent and the Required Lenders in their sole discretion, as the same may be amended, modified or supplemented from time to time with the consent of the Required Lenders (and with respect to amendments, modifications or supplements that affect the rights or duties of the Administrative Agent, the Administrative Agent).

"Interim DIP Term Loan Advance" means the loans advanced to the Borrower in the amount of $847,500.00 authorized in accordance with the Interim DIP Financing Order.

"IRS" means the United States Internal Revenue Service.

"Interest Payment Date" means the last Business Day of each calendar month and the Maturity Date.

"Interest Rate" means a rate *per annum* equal to eight percent (8.0%).

"Investment" means, for any Person, (a) the acquisition (whether for cash, Property, services or securities or otherwise) of Equity Interests of any other Person or any agreement to

make any such acquisition (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale), (b) the making of any deposit with, or advance, loan or capital contribution to, the purchase or other acquisition of any other Debt of or equity participation or interest in, or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding 90 days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business), (c) the purchase or acquisition (in one or a series of transactions) of Property of another Person that constitutes a business unit or (d) the entering into of any guarantee of, or other contingent obligation (including the deposit of any Equity Interests to be sold) with respect to, Debt or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

"Involuntary Asset Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Loan Parties.

"Lenders" means the Persons listed on Annex B and any other Person that becomes party to this Agreement pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party to this Agreement pursuant to an Assignment and Assumption.

"Lien" means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement relating to such asset.

"Loan" means DIP Term Loans, Roll-Up Loans (including any Fees or PIK Interest Amounts), as applicable.

"Loan Documents" means, collectively, this Agreement, Security Documents, the Guaranty Agreement, and each other document, instrument, certificate and agreement executed and delivered by the Loan Parties or any of their respective Subsidiaries in favor of or provided to the Administrative Agent or any Lender in connection with this Agreement or otherwise referred to herein or contemplated hereby.

"Loan Parties" means, collectively, the Borrower and the Guarantors.

"Louisiana Austin Chalk Properties" means the geologic formation of oil and gas properties and related Hydrocarbons commonly referred to as the "Austin Chalk" located within the State of Louisiana.

"Material Adverse Effect" means, with respect to the Parent and the other Loan Parties, (a) a material adverse effect on the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of such Persons, taken as a whole, (b) a material impairment of the ability of any such Person to perform its obligations under the Loan Documents to which it is a party, (c) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document or (d) a material adverse effect on the legality,

validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Maturity Date" means the date that is the earliest of (i) the date that is one-hundred ten (110) days after the Petition Date, (ii) the effective date or date of the substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of a Plan of Reorganization or similar dispositive restructuring plan that has been confirmed by an order of the Bankruptcy Court; (iii) the date the Bankruptcy Court orders the conversion of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code; (iv) the date the Bankruptcy Court orders the dismissal of the Chapter 11 Cases; (v) the date on which the Borrower consummates a sale of all or substantially all of the assets of the Borrower or its Subsidiaries pursuant to Section 363 of the Bankruptcy Code or otherwise; and (vi) the occurrence of any Event of Default or the date of acceleration of the DIP Term Loans or early termination of the DIP Term Loan Commitments hereunder or the DIP Financing Orders, including as a result of the occurrence of an Event of Default.

"Moody's" means Moody's Investors Service, Inc.

"Mortgaged Property" means any Property owned by the Borrower or any Subsidiary Guarantor which is subject to the Liens existing and to exist under the terms of the Mortgages.

"Mortgages" means each mortgage, deed of trust or other real property security document encumbering any real property and any other Property the Required Lenders require to be mortgaged, whether now or hereafter owned by any Loan Party, executed by such Loan Party in favor of the Administrative Agent, for the benefit of the Secured Parties.

"Net Cash Proceeds" means, as applicable, (a) with respect to any Asset Disposition, Involuntary Asset Disposition, or Insurance and Condemnation Event, the gross proceeds received by any Loan Party or any of its Subsidiaries therefrom (including any cash, Cash Equivalents, deferred payment pursuant to, or by monetization of, a note receivable or otherwise, as and when received) less the sum of (i) in the case of an Asset Disposition or Involuntary Asset Disposition, all income taxes and other taxes assessed by, or reasonably estimated to be payable to, a Governmental Authority as a result of such transaction (provided that if such estimated taxes exceed the amount of actual taxes required to be paid in cash in respect of such Asset Disposition or Involuntary Asset Disposition, the amount of such excess constitutes Net Cash Proceeds), (ii) all reasonable and customary out-of-pocket fees and expenses incurred in connection with such transaction or event and (iii) the principal amount of, premium, if any, and interest on any Debt secured by a Lien on the asset (or a portion thereof) disposed of, which Debt is required to be repaid in connection with such transaction or event and (b) with respect to any Equity Issuance or Debt Issuance, the gross cash proceeds received by any Loan Party or any of its Subsidiaries therefrom less all reasonable and customary out-of-pocket legal, underwriting and other fees and expenses incurred in connection therewith.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 10.3 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Notice of Borrowing" means a written notice substantially in the form of **Exhibit A**.

"Notice of Prepayment" means a written notice substantially in the form of **Exhibit B**.

"Obligations" means all amounts owing to any Administrative Agent or any Lender pursuant to the terms of this Agreement or any other Loan Document (including principal, interest, any contingent indemnification and reimbursement obligations, or other payments required under Section 10.2, Fees, and all fees and other expenses required to be paid pursuant to the Loan Documents).

"OFAC" means the United States Department of the Treasury's Office of Foreign Assets Control.

"Officer's Compliance Certificate" means a certificate of a Responsible Officer of the Parent substantially in the form of **Exhibit C**.

"Oil and Gas Properties" means (a) Hydrocarbon Interests, (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests, (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party

to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to any Loan Document or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.8(B)).

"Parent" has the meaning set forth for such term in the introduction to this Agreement.

"Parties" has the meaning set forth for such term in the introduction to this Agreement.

"Participant" has the meaning set forth for such term in Section 10.4(D).

"Participant Register" has the meaning set forth for such term in Section 10.4(D).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Payment Recipient" has the meaning set forth for such term in Section 9.9(A).

"Permitted Holders" means (i) Corre Partners Management, LLC and any of its Affiliates and Related Funds, (ii) the clients, funds and accounts to which the High Yield team of MacKay Shields LLC provides discretionary investment management services, and (iii) Concise Capital Management, LP and any of its Affiliates and Related Funds.

"Permitted Refinancing Debt" means Debt (for purposes of this definition, "new Debt") incurred in exchange for, or proceeds of which are used to refinance, all of, or a portion of, the DIP Facility (the "Refinanced Debt"); provided (a) such new Debt is in an aggregate principal amount not in excess of the sum of (i) the aggregate principal amount then outstanding of the Refinanced Debt (or, if the Refinanced Debt is exchanged or acquired for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, such lesser amount) and (ii) an amount necessary to pay any fees and expenses including premiums, related to such exchange or refinancing, (b) such new Debt has a stated maturity no earlier than stated maturity of the Refinanced Debt and an average life no shorter than the average life of the Refinanced Debt, (c) such new Debt has a stated interest rate that is a market-based rate, (d) such new Debt does not contain any covenants which are materially more onerous to the Parent and its Subsidiaries than those imposed by the Refinanced Debt, (e) such new Debt (and any guarantees thereof) is otherwise on terms and documentation satisfactory to the Required Lenders and (f) (i) such new Debt is secured by no more collateral (if any) than the Refinanced Debt and the property constituting such collateral is not changed and (ii) the obligors, whether direct or contingent, in respect of Refinanced Debt are not changed.

"Permitted Variance" has the meaning set forth for such term in Section 6.18(D).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petition Date" means November 13, 2024.

"PIK Amounts" has the meaning set forth for such term in Section 3.2(C).

"Plan" means any employee pension benefit plan, as defined in section 3(3) of ERISA, which (a) is currently or hereafter sponsored, maintained or contributed to by the Borrower or the Borrower's Subsidiary or an ERISA Affiliate or (b) was at any time during the six calendar years preceding the date hereof, sponsored, maintained or contributed to by the Borrower or the Borrower's Subsidiary or an ERISA Affiliate.

"Plan Effective Date" means the effective date of an Acceptable Plan.

"Plan of Reorganization" a plan of reorganization with respect to the Debtors pursuant to the Chapter 11 Cases.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"PQE O&G" has the meaning set forth for such term in the introduction to this Agreement.

"PQH" has the meaning set forth for such term in the introduction to this Agreement.

"Prepetition Debt" means all Debt and other obligations of the Debtors arising before the Petition Date.

"Prepetition Loans" means the "2022 Term Loans" and "2024 Term Loans" as defined in the Prepetition Term Loan Agreement.

"Prepetition Term Loan Agreement" means that certain Term Loan Agreement, originally dated as of February 8, 2019, by and among the Borrower, Parent, the Lenders party thereto, and the Administrative Agent, as amended by (i) the Consent and Amendment to Term Loan Agreement dated as of March 19, 2020, (ii) the Second Amendment to Term Loan Agreement dated as of August 10, 2020, (iii) the Third Amendment to Term Loan Agreement dated as of March 19, 2021, (iv) the Fourth Amendment to Term Loan Agreement dated as of April 21, 2022, (v) the Fifth Amendment to Term Loan Agreement dated March 22, 2023, (vi) the Sixth Amendment to Term Loan Agreement dated September 3, 2024, and (vii) as otherwise amended, amended and restated, supplemented or modified from time to time prior to the date hereof.

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed, movable or immovable, and whether tangible or intangible, including Equity Interests.

"Proved Reserves" means "Proved Reserves" as defined in the Definitions for Oil and Gas Reserves (in this paragraph, the "Definitions") promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question. "Proved Developed

Producing Reserves" means Proved Reserves that are categorized as both "Developed" and "Producing" in the Definitions.

"Recipient" means the Administrative Agent or any Lender, as applicable.

"Redemption" means, with respect to any Debt, the repurchase, redemption, prepayment, repayment, defeasance or any other acquisition or retirement for value (or the segregation of funds with respect to any of the foregoing) of such Debt. "Redeem" has the correlative meaning thereto.

"Related Fund" means, with respect to any Person, any fund, account or investment vehicle that is controlled, advised, sub-advised, managed or co-managed by such Person, by any Affiliate of such Person, or, if applicable, such Person's investment manager.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Release" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping or disposing into the environment.

"Remedial Work" has the meaning set forth for such term in Section 6.10(A).

"Required Lenders" means, at any date, any combination of Lenders holding more than 66 2/3% of the sum of the aggregate amount of the DIP Term Loan Commitments or, if the DIP Term Loan Commitments have been reduced to zero or terminated, any combination of Lenders holding more than 66 2/3% of the aggregate outstanding principal amount of the DIP Facility; provided the DIP Term Loan Commitment of, and the portion of the DIP Term Loans held or deemed held by, any Defaulting Lender are excluded for purposes of making a determination of Required Lenders.

"Reserve Report" means a report, in form and substance reasonably satisfactory to the Required Lenders, setting forth, as of each January 1, April 1, July 1 and October 1 (or such other date as required hereunder) the oil and gas reserves, using Strip Prices in effect at the end of each applicable calendar quarter, attributable to the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries, including oil and gas Swap Agreements in place at the end of each quarter, together with a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date.

"Responsible Officer" means as to any Loan Party, the chief executive officer, president, chief financial officer, controller, treasurer, assistant treasurer or any executive vice president of such Person or any other officer of such Person designated in writing by the Borrower and reasonably acceptable to the Required Lenders; provided, to the extent requested thereby, the Administrative Agent has received a certificate of such Person certifying as to the incumbency and genuineness of the signature of each such officer. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person is conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the

part of such Person and such Responsible Officer is conclusively presumed to have acted on behalf of such Person.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other Property) with respect to any Equity Interests in the Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Parent or any of its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in the Parent or any of its Subsidiaries.

"Roll-Up Loans" has the meaning set forth for such term in the introduction to this Agreement.

"S&P" means Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial and any successor thereto.

"Sale Transaction" means the contemplated sale of all or substantially all of the Debtors' assets and business, pursuant to sections 363 and 365 of the Bankruptcy Code and seeking the entry of orders by the Bankruptcy Court approving such a transaction and authorizing the Debtors to consummate the transactions contemplated therein.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United States government (including those administered by OFAC), the European Union, Her Majesty's Treasury, or other relevant sanctions authority.

"Sanctioned Country" means at any time, a country or territory which is itself the subject or target of any Sanctions (including Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the United States Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b) above.

"Secured Parties" means, collectively, the Administrative Agent and the Lenders.

"Security Documents" means the collective reference to the Mortgages, the Guaranty Agreement, any Account Control Agreements, and each other agreement or writing pursuant to which any Loan Party pledges or grants a security interest in any Property securing the Obligations.

"SEC" means the Securities and Exchange Commission or any successor Governmental Authority.

"Sixth Amendment" means the Sixth Amendment to Term Loan Agreement dated as of the Sixth Amendment Closing Date by and among Borrower, Parent, Administrative Agent and Lenders.

"Sixth Amendment Closing Date" means September 3, 2024.

"Strip Prices" means, as of any date of determination, the average of each twelve month's forward monthly prices for the most comparable hydrocarbon commodity applicable over a three year period from such date of determination, with such prices held constant thereafter based on the third year's average monthly prices, as such prices are (a) quoted on the New York Mercantile Exchange (or its successor) as of the calculation date and (b) adjusted for energy content, quality and basis differentials; provided with respect to estimated future production for which prices are defined, within the meaning of SEC guidelines, by contractual arrangements excluding escalations based upon future conditions, then such contract prices are applied to future production subject to such arrangements.

"Subsidiary" means as to any Person, any corporation, partnership, limited liability company or other entity of which more than 50% of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" refer to a Subsidiary (including the Borrower) of the Parent or the Subsidiaries (including the Borrower) of the Parent.

"Subsidiary Guarantors" means, collectively, all direct and indirect Subsidiaries of the Parent (other than the Borrower) in existence on the Closing Date or which become a party to the Guaranty Agreement pursuant to Section 6.14.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions (including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act); provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent or the Subsidiaries is a Swap Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a) above, the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined by the counterparties to such Swap Agreements.

"Synthetic Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, treated as operating leases on the financial statements

of the Person liable (whether contingently or otherwise) for the payment of rent thereunder and which were properly treated as indebtedness for borrowed money for purposes of U.S. federal income taxes, if the lessee in respect thereof is obligated to either purchase for an amount in excess of, or pay upon early termination an amount in excess of, 80% of the residual value of the Property subject to such operating lease upon expiration or early termination of such lease.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Threshold Amount" means 90%.

"Total DIP Term Loan Commitment" means, as of the Closing Date, the amount of DIP Term Loan Commitments, plus the Roll-Up Loan Amount.

"Transactions" means, with respect to (a) the Borrower, the execution, delivery and performance by the Borrower of this Agreement and each other Loan Document to which it is a party, the borrowing of DIP Term Loans and Roll-Up Loans, the use of the proceeds thereof and the grant of Liens by the Borrower on the Collateral pursuant to the Security Documents and (b) each Guarantor, the execution, delivery and performance by such Guarantor of each Loan Document to which it is a party, the guaranteeing of the Obligations and the other obligations under the Guaranty Agreement by such Guarantor and such Guarantor's grant of Liens by such Guarantor on the Collateral pursuant to the Security Documents.

"Type" shall mean the type of DIP Term Loan to be borrowed, either the (i) Interim DIP Term Loan Advance or (b) the Final DIP Term Loan Advance.

"United States" or "U.S." means the United States of America.

"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning set forth for such term in Section 3.7(G).

"Upfront Fee" has the meaning assigned to such term in Section 3.3(A).

"Wholly-Owned" means, with respect to a Subsidiary, that all of the Equity Interests of such Subsidiary are, directly or indirectly, owned or controlled by the Borrower or one or more of its Wholly-Owned Subsidiaries (except for directors' qualifying shares or other shares required by Applicable Law to be owned by a Person other than the Borrower or one or more of its Wholly-Owned Subsidiaries).

"Withholding Agent" means any Loan Party and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

2. Accounting Terms.

(A) All accounting terms not specifically or completely defined herein are construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP, applied on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 6.1(A) except as otherwise specifically prescribed herein.

(B) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders so request, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

3. Use of Certain Terms. As used in this Agreement, the plural includes the singular and the singular includes the plural. All pronouns and any variations thereof refer to masculine, feminine, neuter, singular or plural as the identity of the Person or Persons may require. As used in this Agreement, "include," "includes" and "including" have the inclusive meaning of "including without limitation."

4. References. Section and other headings are for reference only, and do not affect the interpretation or meaning of any provision of this Agreement. Unless otherwise provided, references to articles, sections, clauses, annexes, schedules and exhibits refer to articles, sections, clauses, annexes, schedules and exhibits of this Agreement. The words "hereof," "herein," "hereby," "hereunder" and other similar terms of this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. Unless otherwise expressly indicated in this Agreement, the words "above" and "below," when following a reference to a clause of any Loan Document, refer to a clause within the same section of such Loan Document. References in this Agreement to this Agreement, any other Loan Document or any other agreement are deemed to (a) refer to this Agreement, such other Loan Document or such other agreements, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time under the provisions hereof or thereof, unless expressly stated otherwise or unless such amendment, restatement, supplement or modification is not permitted by the terms of this Agreement and (b) include all schedules, exhibits and appendices thereto. References in this Agreement to any law, rule, statute or regulation are deemed to refer to such law, rule, statute or regulation as it may be amended, supplemented or otherwise modified from time to time, and any

successor law, rule, statute or regulation, in each case as in effect at the time any such reference is operative. Any reference to a Person includes the successors, assigns, participants and transferees of such Person, but such reference will not increase, decrease or otherwise modify in any way the provisions in this Agreement or any other Loan Document governing the assignment of rights and obligations under or the binding effect of any provision of this Agreement or any other Loan Document. The words "asset" and "property" are construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including"

5. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

6. Rounding. Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio or percentage is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

7. Inconsistencies with Other Documents. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement control; provided any provision of the Security Documents which imposes additional burdens on a Loan Party or any of its Subsidiaries or further restricts the rights of a Loan Party or any of its Subsidiaries or gives the Administrative Agent or Lenders additional rights is not deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

ANNEX B

DIP Term Loan Commitments and Commitment Percentages

DIP TERM LOANS MADE PURSUANT TO SECTION 2.1(B) – INTERIM DIP TERM LOAN ADVANCE:

Lender	Interim DIP Term Loan Advance Commitment	Commitment Percentage
NYLI MACKAY HIGH YIELD CORPORATE BOND FUND	$286,455.00	33.80%
NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO	$70,342.50	8.30%
NYLI MACKAY SHORT DURATION HIGH INCOME FUND	$66,952.50	7.90%
CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP	$208,230.75	24.57%
CORRE HORIZON FUND, LP	$46,019.25	5.43%
CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC	$63,562.50	7.50%
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1	$105,937.50	12.50%
Total	**$847,500.00**	**100%**

DIP TERM LOANS MADE PURSUANT TO SECTION 2.1(C) – FINAL DIP TERM LOAN ADVANCE:

Lender	Final DIP Term Loan Advance Commitment	Commitment Percentage
NYLI MACKAY HIGH YIELD CORPORATE BOND FUND	$286,455.00	33.80%
NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO	$70,342.50	8.30%
NYLI MACKAY SHORT DURATION HIGH INCOME FUND	$66,952.50	7.90%
CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP	$208,230.75	24.57%
CORRE HORIZON FUND, LP	$46,019.25	5.43%
CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC	$63,562.50	7.50%
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1	$105,937.50	12.50%
Total	**$847,500.00**	**100%**

ROLL-UP LOANS PURSUANT TO SECTION 2.2(A):

2022 Term Loans:

Lender	Roll-Up Loans for 2022 Term Loans	Commitment Percentage for 2022 Term Loans
NYLI MACKAY HIGH YIELD CORPORATE BOND FUND (F/K/A MAINSTAY MACKAY HIGH YIELD CORPORATE BOND FUND)	$3,759,262.44	36.00%
NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO (F/K/A MAINSTAY VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO)	$1,044,239.59	10.00%
NYLI MACKAY SHORT DURATION HIGH INCOME FUND (F/K/A MAINSTAY MACKAY SHORT DURATION HIGH YIELD FUND)	$417,695.84	4.00%
CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP	$3,132,718.69	30.00%
CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC	$764,383.36	7.32%
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1	$1,324,095.76	12.68%
Total	**$10,442,395.68**	**100%**

ROLL-UP LOANS PURSUANT TO SECTION 2.2(B):

2024 Term Loans:

Lender	Roll-Up Loans for 2024 Term Loans	Commitment Percentage for 2024 Term Loans
NYLI MACKAY HIGH YIELD CORPORATE BOND FUND	$695,267.85	33.80%
NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO	$170,731.46	8.30%
NYLI MACKAY SHORT DURATION HIGH INCOME FUND	$162,503.44	7.90%
CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP	$505,406.25	24.57%
CORRE HORIZON FUND, LP	$111,695.40	5.43%
CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC	$154,241.47	7.50%
MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1	$257,159.63	12.50%
Total	**$2,057,005.50**	**100.00%**

ANNEX C

Addresses for Notices

If to the Loan Parties:

PetroQuest Energy, L.L.C.
400 E. Kaliste Saloom Road #6000
Lafayette, Louisiana 70508
Attention of: Charles Goodson
Telephone No.: 337-232-7028
Facsimile No.: 337-232-0044
E-mail: cgoodson@petroquest.com

With copies to:

Cole Schotz P.C.
1325 Avenue of the Americas, 19th Floor
New York, NY 10019
Attention of: James Stefanick, Jacob Frumkin
Telephone No.: 646-563-8949
E-mail: jstefanick@coleschotz.com; jfrumkin@coleschotz.com

If to the Administrative Agent:

Computershare Trust Company, N.A.
Computershare Corporate Trust
9062 Old Annapolis Road
Columbia, Maryland 21045
Attention: Jason Prisco or Lance Yeagle – PetroQuest Energy DIP
Telephone No.: 410-884-2271 or 443-442-3044
Email: CCTBankDebtAdministrationTeam@computershare.com

With copies to:

Emmet, Marvin & Martin, LLP
120 Broadway 32nd Floor
New York, NY 10271
Attention of: Thomas A. Pitta
Telephone: 212-238-3148
Email: tpitta@emmetmarvin.com

If to the Lenders:

Corre Opportunities Management, LLC
12 East 49th Street, 40th Floor
New York, NY 10017
Attention of: Operations Manager
Telephone No.: 646-863-7190
E-mail: operations@correpartners.com

and

Middle Office Team
MACKAY SHIELDS LLC
1345 Avenue of the Americas, 43rd Floor
New York, NY 10105
Attention of: Middle Office Team and General Counsel
Telephone No.: (212) 303-6435 and (212) 230-3850
E-mail: middleoffice-ebs@mackayshields.com and Young.lee@mackayshields.com

and

Concise Capital Management, LP
777 Brickell Avenue, Suite 630
Miami, FL 33131
Attention of: Veronica De Candido, Chief Financial Officer
Telephone: 305-371-4578
Email: vdecandido@concisecapital.com

In each case, with copies to:

Faegre Drinker Biddle & Reath LLP
1177 Avenue of the Americas, 41st Floor
New York, New York 10036
Attention of: James H. Millar, Laura E. Appleby
Telephone No.: (212) 248-3140
Facsimile No.: (212) 248-3141
E-mail: james.millar@faegredrinker.com; laura.appleby@faegredrinker.com

ANNEX D

Closing Deliverables

Executed Loan Documents. This Agreement, the Guaranty Agreement and the Security Documents, together with any other applicable Loan Documents.

Officer's Certificate. A certificate from a Responsible Officer of the Parent and the Borrower to the effect that (a) all representations and warranties of the Loan Parties contained in this Agreement and the other Loan Documents are true, correct and complete, (b) none of the Loan Parties is in violation of any of the covenants contained in this Agreement and the other Loan Documents, (c) after giving effect to the Transactions, no Default or Event of Default has occurred and is continuing, (d) since the Petition Date, no event has occurred or condition arisen, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect and (e) each of the Loan Parties, as applicable, has satisfied each of the conditions set forth in Section 4.1.

Certificate of Secretary of Each Loan Party. A certificate of a Responsible Officer of each Loan Party certifying as to the incumbency and genuineness of the signature of each officer of such Loan Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (a) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Loan Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (b) the bylaws or other governing document of such Loan Party as in effect on the Closing Date and (c) resolutions duly adopted by the board of directors (or other governing body) of such Loan Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party.

Certificates of Good Standing. Certificates as of a recent date of the good standing of each Loan Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by the Lenders, each other jurisdiction where such Loan Party is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that such Loan Party has filed required tax returns and owes no delinquent taxes.

Other Documents. Copies of all other documents, certificates and instruments reasonably requested by the Administrative Agent or any Lender.

Exhibit A

Form of Notice of Borrowing

Dated as of: _____, _____

Computershare Trust Company, N.A.
Computershare Corporate Trust
9062 Old Annapolis Road
Columbia, Maryland 21045
Attention: Jason Prisco or Lance Yeagle – PetroQuest Energy DIP
Telephone No.: 410-884-2271 or 443-442-3044
Email: CCTBankDebtAdministrationTeam@computershare.com

Ladies and Gentlemen:

This irrevocable Notice of Borrowing is delivered to you pursuant to Section 2.3 of the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement dated as of November 13, 2024, as amended and as may be further amended from time to time (the "DIP Agreement"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company, as borrower (the "Borrower"), PetroQuest Energy, Inc., a Delaware corporation, as parent, certain subsidiaries and affiliates thereof, as guarantors, the lenders party thereto and Computershare Trust Company, National Association, as administrative agent. Capitalized terms used herein and not otherwise defined have the meanings set forth for such terms in the DIP Agreement.

1. The Borrower hereby requests that the Lenders make the DIP Term Loans to the Borrower in the aggregate principal amount of $_____.

2. The Borrower hereby requests that such DIP Term Loans be made on the following Business Day: _____.

3. The Person(s) to whom the proceeds of such DIP Terms Loan(s) are to be disbursed and the wire instructions of the account(s) to which funds are to be disbursed are as follows:

PetroQuest Energy, L.L.C.
Bank: First Horizon Bank
ABA: 084000026
Account Name: PetroQuest Energy LLC – Operating Acct
Account Number:-------3633

4. The Borrower has previously delivered the appropriate tax forms with respect to each Person listed in paragraph 3 above as required by the DIP Agreement.

5. The Type of DIP Term Loan to be borrowed is: Base Rate Loans

6. The aggregate principal amount of all DIP Term Loans outstanding as of the date hereof (including the DIP Term Loans requested herein) does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the DIP Agreement

7. All of the conditions applicable to the DIP Term Loan requested herein as set forth in the DIP Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such DIP Term Loan.

Executed and delivered as of the date first above written.

PETROQUEST ENERGY, L.L.C.

By: _____
Name: Charles T. Goodson
Title: President

Exhibit B

Form of Notice of Prepayment

FORM OF PREPAYMENT NOTICE

Date: [●], 20[●][1]

Computershare Trust Company, N.A., as Administrative Agent
Computershare Corporate Trust
9062 Old Annapolis Road
Columbia, Maryland 21045
Attention: Jason Prisco or Lance Yeagle – PetroQuest Energy DIP
Telephone No.: 410-884-2271 or 443-442-3044
Email: CCTBankDebtAdministrationTeam@computershare.com

Re: PetroQuest Energy, L.L.C. – Prepayment Notice

Ladies and Gentlemen:

Reference is made to the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), by and among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "**Borrower**"), as borrower, PetroQuest Energy, Inc., a Delaware corporation, PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company, and PQ Holdings, LLC, a Louisiana limited liability company, as guarantors, the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent. Each capitalized term used but not otherwise defined in this Prepayment Notice shall have the meaning assigned to such term in the DIP Credit Agreement.

This Prepayment Notice is delivered[2] to you pursuant to Section 2.5 of the DIP Credit Agreement. The Borrower hereby gives notice of a prepayment of Loans as follows:

Borrowing with an Interest Period ending [●], 20[●] in the aggregate principal amount of $[●].

On [●], 20[●] (a Business Day).

[3. Attached hereto as Appendix A is a reasonably detailed calculation of the amount of the prepayment contemplated hereby.][3]

[*Signature Page Follows*]

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[1] To be delivered not later than 12:00 noon, New York City time, three (3) Business Days before the scheduled date of such repayment. Each repayment of a Borrowing shall be applied to the DIP Term Loans included in the repaid Borrowing such that each Lender receives its ratable share of such repayment (based upon the respective Percentages at the time of such repayment).

[2] The notice of which may be given by email.

[3] This information is only required for a mandatory prepayment.

IN WITNESS WHEREOF, the undersigned Responsible Officer has executed and delivered this Prepayment Notice on behalf of the Borrower, in his or her capacity as a duly elected, qualified and acting Responsible Officer of the Borrower (and not in the Responsible Officer's individual capacity), and has made the certifications and statements contained herein in the capacity stated herein, as of the date first above written.

PETROQUEST ENERGY, L.L.C.,
as Borrower

By: _____
Name:
Title:

Exhibit C

Form of Notice of Responsible Officer's Compliance Certificate

RESPONSIBLE OFFICER CERTIFICATE OF PETROQUEST ENERGY, INC.

November 13, 2024

This Responsible Officer's Certificate is delivered in connection with that certain Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), by and among PetroQuest Energy, L.L.C., a Louisiana limited liability company, as borrower, PetroQuest Energy, Inc., a Delaware corporation (the "**Parent**"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company, and PQ Holdings, LLC, a Louisiana limited liability company, as guarantors, the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent. The undersigned, Charles T. Goodson, the Responsible Officer of Parent, hereby certifies to Lenders that he is the Responsible Officer of Parent, and in such capacity, is duly authorized to execute this Responsible Officer's Certificate and further represents, warrants and certifies to Lenders as of the date hereof:

1. Attached hereto as Exhibit A is a true, correct and complete copy of the Written Consent of the Sole Director of Parent approving and authorizing the execution, delivery and performance of the DIP Credit Agreement and other agreements, instruments and documents contemplated thereby to which it is a party, and the consummation of all of the transactions contemplated thereby. Such resolutions have not been amended, rescinded or modified since their adoption and remain in effect as of the date hereof.

2. The person whose name appears below is duly elected, qualified and an acting officer of Parent, occupying the position set forth in the signature block below, and the signature set forth below is a true signature, and such officer is duly authorized to execute and deliver, on behalf of Parent, the DIP Credit Agreement and other agreements, instruments and documents contemplated thereby to which it is a party.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the DIP Credit Agreement.

IN WITNESS WHEREOF, the undersigned Responsible Officer of Parent has executed this certificate as of the date first written above.

_____
Name: Charles T. Goodson
Title: President

Exhibit D

Form of Assignment and Assumption

SENIOR SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION TERM LOAN AGREEMENT (THE "**DIP CREDIT AGREEMENT**")[1]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. *Representations and Warranties*.

1.1 *Assignor*. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any Lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations of any Person other than the Assignor made in or in connection with the DIP Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, the Guarantors, or any Affiliate or Subsidiary of the foregoing or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, the Guarantors, or any Affiliate or Subsidiary of the foregoing or any other Person of any of such Person's respective obligations under any Loan Document.

1.2. *Assignee*. The Assignee (a) represents and warrants to the Assignor and the Borrower that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the DIP Credit Agreement, (ii) it has satisfied all required conditions pursuant Section 10.4 of the DIP Credit Agreement, (iii) from and after the Effective Date, it shall be bound by the provisions of the DIP Credit Agreement and the other Loan Documents as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the DIP Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 or Section 6.18 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance on the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into

[1] Capitalized terms used herein and not otherwise defined have the meanings set forth for such terms in the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement dated as of November 13, 2024, as amended and as may be further amended from time to time (the "DIP Agreement"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company, as borrower (the "Borrower"), PetroQuest Energy, Inc., a Delaware corporation, as parent, certain subsidiaries and affiliates thereof, as guarantors, the lenders party thereto and Computershare Trust Company, National Association, as administrative agent.

this Assignment and Assumption and to purchase the Assigned Interest, (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the DIP Credit Agreement, duly completed and executed by the Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) authorizes the Administrative Agent to take such actions on behalf of the Assignee and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions of the DIP Credit Agreement and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto and (viii) it is a "qualified purchaser" ("**Qualified Purchaser**") as defined under Section 2(a)(51) of the Investment Company Act of 1940 (the "**1940 Act**") that either: (1)(A) acting for its own account or the account of other Qualified Purchasers in the aggregate owns and invests on a discretionary basis not less than $25,000,000 in "investments" as defined under Rule 2a51-1 of the 1940 Act, and (B) is not organized for the specific purpose of acquiring the Assigned Interest; does not have shareholders, partners or other holders of equity or beneficial interests that have the right to decide individually whether to participate, or the extent of their participation, in such entity's acquisition of the Assigned Interest; and is not acquiring an Acquired Interest that exceeds 40% of such entity's total assets (on a consolidated basis with its subsidiaries); or (2) is a company in which each beneficial owner of such company's securities is a Qualified Purchaser.

2. *Payments*. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the] [the relevant] Assignee for all amounts which have accrued both prior to and from and after the Effective Date.

3. *Effect of Assignment.* As of the Effective Date, (i) the Assignee shall be a party to the DIP Credit Agreement and, to the extent provided in this Assignment and Assumption, have the rights and obligations of a Lender under the DIP Credit Agreement and under the other Loan Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the DIP Credit Agreement and the other Loan Documents.

4. *General Provisions*. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic means, which shall include DocuSign and similar electronic signature platforms and digital copies of a signatory's manual signature, will for all purposes be treated as the equivalent of delivery of a manually executed counterpart of this Assignment and Assumption. The words "execution," "signed," "signature," and words of like import in this Assignment and Assumption shall be deemed to include electronic signatures, including by DocuSign and similar electronic signature platforms and digital copies of a signatory's manual signature, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a

paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Assignment and Assumption shall be construed in accordance with and governed by the laws of the State of New York.

Exhibit E-1

Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Lenders)

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "**Borrower**"), PetroQuest Energy, Inc., a Delaware corporation (the "**Parent**"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company ("**PQE O&G**"), PQ Holdings, LLC, a Louisiana limited liability company ("**PQH**," and together with Parent and PQE O&G, the "**Guarantors**"), the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent (in such capacity, the "**Administrative Agent**" and, together with the Borrowers, the Guarantors, and the Lenders, the "**Parties**" and each, a "**Party**").

Pursuant to the provisions of Section 3.8 of the DIP Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the DIP Term Loans in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the DIP Credit Agreement and used herein shall have the meanings given to them in the DIP Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

Exhibit E-2

Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Participants)

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "**Borrower**"), PetroQuest Energy, Inc., a Delaware corporation (the "**Parent**"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company ("**PQE O&G**"), PQ Holdings, LLC, a Louisiana limited liability company ("**PQH**," and together with Parent and PQE O&G, the "**Guarantors**"), the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent (in such capacity, the "**Administrative Agent**" and, together with the Borrowers, the Guarantors, and the Lenders, the "**Parties**" and each, a "**Party**").

Pursuant to the provisions of Section 3.8 of the DIP Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the DIP Credit Agreement and used herein shall have the meanings given to them in the DIP Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

Exhibit E-3

Form of U.S. Tax Compliance Certificate (Foreign Participant Partnerships)

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "**Borrower**"), PetroQuest Energy, Inc., a Delaware corporation (the "**Parent**"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company ("**PQE O&G**"), PQ Holdings, LLC, a Louisiana limited liability company ("**PQH**," and together with Parent and PQE O&G, the "**Guarantors**"), the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent (in such capacity, the "**Administrative Agent**" and, together with the Borrowers, the Guarantors, and the Lenders, the "**Parties**" and each, a "**Party**").

Pursuant to the provisions of Section 3.8 of the DIP Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the DIP Credit Agreement and used herein shall have the meanings given to them in the DIP Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

Exhibit E-4

Form of U.S. Tax Compliance Certificate (Foreign Lender Partnerships)

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Secured Superpriority Debtor-in-Possession Term Loan Agreement, dated as of November 13, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**"), among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "**Borrower**"), PetroQuest Energy, Inc., a Delaware corporation (the "**Parent**"), PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company ("**PQE O&G**"), PQ Holdings, LLC, a Louisiana limited liability company ("**PQH**," and together with Parent and PQE O&G, the "**Guarantors**"), the Lenders party thereto from time to time, and Computershare Trust Company, National Association, as administrative agent (in such capacity, the "**Administrative Agent**" and, together with the Borrowers, the Guarantors, and the Lenders, the "**Parties**" and each, a "**Party**").

Pursuant to the provisions of Section 3.8 of the DIP Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the DIP Term Loans in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such DIP Term Loans, (iii) with respect to the extension of credit pursuant to this DIP Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a 10 percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the DIP Credit Agreement and used herein shall have the meanings given to them in the DIP Credit Agreement.

[SIGNATURE PAGES FOLLOW]

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

Exhibit F

Proposed Interim DIP Financing Order

Schedule 5.4(B)(i) – Material Adverse Events Existing on Petition Date

1. Reference is made to Schedule 5.5.

2. The price of natural gas has decreased significantly over the past several months, which has had and is likely to continue to have a Material Adverse Effect on the business of the Parent and its Subsidiaries.

3. Decision dated February 26, 2024, issued by Bureau of Safety and Environmental Enforcement (BSEE) for Petroquest Energy LLC to remove its pipeline segments located offshore in the Gulf of Mexico, Vermilion Area Blocks, 310, 311 and 313 for the expired pipeline right-of-way bearing Serial No.: OCS-G 26828; Pipeline Segment Nos. 15075 and 15076. Petroquest filed an appeal with The Interior Board of Land Appeals on April 17, 2024, challenging BSEE Decision. The appeal was docketed under IBLA 2024-0166. Petroquest will file its Statement of Reasons on or before December 20, 2024.

4. Compliance Request issued by Bureau of Safety and Environmental Enforcement (BSEE) for Petroquest Energy LLC to remove lease term pipeline segments located offshore in the Gulf of Mexico, departing from Ship Shoal Blocks 87 and 72 and terminating at Ship Shoal Blocks 72 and 87 bearing Pipeline Segment Nos. 9727 and 9728 associated with Platform B, Platform J. BSEE granted a departure extending the time to complete removal through September 30, 2024. Petroquest determined that the cost to undertake the removal of the pipeline segments has significantly exceeded beyond the original budget from its selected decommissioning contractor. On September 27, 2024, Petroquest formally notified BSEE that it could not undertake the removal operations and offered the existing pipeline surety bond and the general areawide bonds which are posted with the Bureau of Ocean Energy Management (BOEM) as an alternative to use to satisfy the cost of removal. As a result of those discussions, the time to remove the pipeline segments has been further extended to December 31, 2024, to explore other options noting that Petroquest has not committed to perform decommissioning operations and removal of the pipeline segments.

5. Main Pass 74, A-19 Well was drilled from a platform located in state waters with a bottom hole location in federal waters. The well was temporarily abandoned several years ago. The platform is currently owned and operated by Talos. The Talos platform and the wells continue to produce so the federal Petroquest well will have to be permanently abandoned and removed once all production ceases. There are significant co-lessees associated with the project. The approximate cost to remove the conductor is $350,000 (Gross). Petroquest has a 30% WI in this well\As noted above, Petroquest could also offer the existing pipeline surety bond and the general areawide bonds which are posted with the Bureau of Ocean Energy Management (BOEM) as an alternative to use to satisfy the cost of removal.

6. The Louisiana Department of Energy Natural Resources (DENR) has issued a compliance request to perform the abandonment of the Thibodeaux #1 Well (including the saltwater disposal wells), well slip closure along with decommissioning of the associated facilities. Petroquest is the designated operator of record and has performed ongoing decommissioning operations on behalf of the co-lessee non-operating interest holders. Petroquest has met with officials at DENR to advise that it intends to resign as operator and is in discussions with Talos

Energy to assume the operatorship as the successor operator of Bayou Hebert Field. Discussions with DENR and Talos are ongoing.

Schedule 5.5 – Litigation

1. *Patriot Natural Gas, LLC v. PetroQuest Energy, LLC,* Case No. 2022-74164 (295th Judicial Dist., Harris County Texas)

2. *PetroQuest Energy, Inc. v. Sanare Energy Partners, LLC (In re PetroQuest Energy, Inc.),* Adv. Pro. No. 19-03329 (Bankr. S.D. Tex)

3. *Vincent v. PetroQuest Energy, L.L.C.,* Docket No. 108055 (15th Judicial Dist. Ct., Parish of Vermillion, La.)

4. *Viers v. PetroQuest Energy , LLC et al.,* Cause No. 2022-285 (123rd Judicial Dist., Panola, TX)

5. Demand for defense and indemnity by Chevron.

6. Demand from Bureau of Safety and Environmental Enforcement (BSEE) for PetroQuest to remove its pipeline segments in offshore in Gulf of Mexico Vermilion Area Blocks, 310, 311 and 313.

7. *PetroQuest Energy, L.L.C. v. Vermillion Holdings 26 LLC et al.,* Docket No. C-112353 (15th Judicial Dist. Ct., Parish of Vermillion, La.)

8. *PetroQuest Energy, L.L.C., v. Adriana L. Banks Monroe, Independent Executor (In the Estate of Samuel Lide Banks, Deceased),* Cause No. 490823-402 (Probate Court No. 2, Harris County, TX.)

9. *US Bank Trust N.A. v. Davenport et al.*, Case No. CJ-24-195 (Pittsburg County Dist. Ct., State of Okla).

Schedule 5.12 – Insurance Policies

Policy Coverage	Insurance Carrier(s)	Policy Number(s)	Policy Term
Director's & Officer's Liability	Chubb Limited	J06486277	03/15/2024 - 03/15/2025
Excess Directors & Officers	Zurich Insurance Group Ltd	MPL872011300	03/15/2024 - 03/15/2025
Commercial Cyber Liability	Lloyd's of London	FN2307978	09/29/2023 - 12/28/2024
Excess Directors & Officers	Old Republic International Corporation	ORPRO13102210	03/15/2024 - 03/15/2025
Excess Directors & Officers	American International Group, Inc.	025903427	03/15/2024 - 03/15/2025
Management Liability Program	Chubb Limited	J06584688	03/15/2024 - 03/15/2025
General Liability	QBE UK Limited	24CGLH15762	03/15/2024 - 03/15/2025
Worker's Compensation / EE Liability (Texas)	Texas Mutual Insurance Company	2045520	03/15/2024 - 03/15/2025
Worker's Compensation (Louisiana)	Louisiana Workers' Compensation Corporation	6717460	03/15/2024 - 03/15/2025
$5M Umbrella Liability	QBE UK Limited	24XS1H15763	03/15/2024 - 03/15/2025
$5M xs $5M Excess Liability	Lloyds Syndicate 1183	CRJ220434J24	03/15/2024 - 03/15/2025
$15M xs $10M Excess Liability	Texas Insurance Company	LXU-24001-XU2X ENGXSHI319421-01	03/15/2024 - 03/15/2025
$10M xs $25M Excess Liability	Starstone Specialty Insurance Company	AA296244MAR	03/15/2024 - 03/15/2025
Energy Package	JH Blades (97%) QBE UK Ltd. (3%)	JHB-CJP2595 F24PKGH15756	03/16/2024 - 03/16/2025
Property-Commercial	AGCS Marine Insurance Company	SML93077716	7/19/2024 - 7/19/2024

Schedule 5.14 – Subsidiaries

Schedule 5.15 – Locations

Loan Party	Jurisdiction	Type of Organizational Structure	Federal Tax ID	Principal Place of Business/Chief Executive Office
PetroQuest Energy, L.L.C.	Louisiana	Limited Liability Company	72-1292439	400 E. Kaliste Saloom Road, Suite 5200 Lafayette, LA 70508
PetroQuest Energy, Inc.	Delaware	Corporation	72-1440714	
PQ Holdings, LLC	Louisiana	Limited Liability Company	47-1677576	
PetroQuest Oil & Gas, L.L.C.	Louisiana	Limited Liability Company	72-1491170	

Schedule 5.20 – Swap Agreements

Schedule 7.2 – Existing Debt

Schedule 7.5 – Existing Investments

EXHIBIT 2

INITIAL DIP BUDGET

PetroQuest Energy Inc.

Eleven Week DIP Cash Flow Budget

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Week Number	0 (Petition date of 11/13/24)	1	2	3	4	5	6	7	8	9	10	11	Total
Week Beginning	11/10/2024	11/17/2024	11/24/2024	12/01/2024	12/08/2024	12/15/2024	12/22/2024	12/29/2024	01/05/2025	01/12/2025	01/19/2025	01/26/2025	DIP BUDGET
Week Ending	11/16/2024	11/23/2024	11/30/2024	12/07/2024	12/14/2024	12/21/2024	12/28/2024	01/04/2025	01/11/2025	01/18/2025	01/25/2025	02/01/2025	
RECEIPTS - PRIMARILY PQE OPERATED PROPERTIES													
Sale of Natural Gas	$ -	$ -	$ 955	$ -	$ -	$ -	$ 923	$ -	$ -	$ -	$ -	$ -	$ 1,877
Sale of Crude Oil	-	138	-	-	-	155	-	-	-	-	-	-	293
Sale of NGL	-	(21)	40	-	-	-	40	-	-	-	-	-	59
LOE Joint Interest Billing Collections	12	12	12	12	12	12	12	12	12	12	12	12	145
Other Receipts (ORRI and Misc.)	10	10	10	10	10	10	10	-	-	-	-	-	70
Receipt of Tax Refunds, Claims, and Other (a)	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of oil and gas properties (b)	-	-	-	-	-	-	-	-	-	-	-	2,459	2,459
Total Receipts	**$ 22**	**$ 139**	**$ 1,017**	**$ 22**	**$ 22**	**$ 177**	**$ 985**	**$ 12**	**$ 12**	**$ 12**	**$ 12**	**$ 2,471**	**$ 4,903**
DISBURSEMENTS - PRIMARILY PQE OPERATED PROPERTIES													
Payroll Expenses (e)	$ -	$ (51)	$ -	$ (102)	$ -	$ (102)	$ -	$ (102)	$ -	$ (102)	$ -	$ (153)	$ (612)
Severance Taxes	-	(35)	-	-	-	(35)	-	-	-	-	(35)	-	(105)
Ordinary Course Legal Fees (Oil & Gas, General, and Sanare-related)	-	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(275)
Property Tax	-	-	-	-	-	-	(97)	-	-	-	-	(207)	(304)
State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Other General and Administrative Expenses	-	(35)	(50)	(20)	(20)	(10)	(60)	(10)	(10)	(10)	(10)	(60)	(295)
Working Interest and Royalty Payments	-	-	(435)	-	-	-	(435)	-	-	-	-	(435)	(1,305)
Lease Operating Expenses	-	(120)	(102)	(99)	(87)	(94)	(119)	(104)	-	-	-	-	(725)
Workover Lease Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	(250)	(250)
Total Disbursements	**$ -**	**$ (266)**	**$ (612)**	**$ (246)**	**$ (132)**	**$ (266)**	**$ (736)**	**$ (241)**	**$ (35)**	**$ (137)**	**$ (70)**	**$ (1,130)**	**$ (3,871)**
Cash Flow from PQE Operated Properties	**$ 22**	**$ (127)**	**$ 405**	**$ (224)**	**$ (110)**	**$ (89)**	**$ 249**	**$ (229)**	**$ (23)**	**$ (125)**	**$ (58)**	**$ 1,341**	**$ 1,032**
CASH FLOWS FROM CHEVRON OPERATED PROPERTIES													
Receipts	$ -	$ -	$ 85	$ -	$ -	$ -	$ 85	$ -	$ -	$ -	$ -	$ -	$ 170
Disbursements	-	(209)	-	(113)	-	-	(140)	-	-	(196)	-	(320)	(978)
Cash Flow from Chevron Operated Properties	**$ -**	**$ (209)**	**$ 85**	**$ (113)**	**$ -**	**$ -**	**$ (55)**	**$ -**	**$ -**	**$ (196)**	**$ -**	**$ (320)**	**$ (808)**
PLUGGING AND ABANDONMENT COSTS, NET													
Bayou Hebert (d)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Offshore	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Plugging and Abandonment, Net	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Operating Cash Flow	**$ 22**	**$ (336)**	**$ 490**	**$ (337)**	**$ (110)**	**$ (89)**	**$ 194**	**$ (229)**	**$ (23)**	**$ (321)**	**$ (58)**	**$ 1,021**	**$ 224**
NON-OPERATING DISBURSEMENTS													
Professional Fees - Debtor Legal - Cole Schotz	$ (350)	$ (100)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (100)	$ (1,225)
Professional Fees - Debtor Financial Advisory - EisnerAmper	(200)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(585)
Professional Fees - Debtor 327(e) Oil and Gas Counsel – Porter Hedges	-	(20)	(20)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(20)	(140)
Director Fees	(5)	-	(25)	-	-	-	(25)	-	-	-	-	(25)	(80)
Lenders' Legal Fees	-	-	-	-	-	-	-	-	-	-	-	(300)	(300)
Claims Agent	(35)	-	-	-	(50)	-	-	-	-	-	-	(100)	(185)
Directors and Officers Insurance Tail Coverage	-	-	-	-	-	-	-	-	-	-	-	(200)	(200)
US Trustee Fees	-	-	-	-	-	-	-	-	-	(32)	-	-	(32)
Utility Deposits	(5)	-	-	-	-	-	-	-	-	-	-	-	(5)
KEIP / KERP / severance payments (c)	-	-	-	-	-	-	-	-	-	-	-	(241)	(241)
DIP Loan Fees	-	(25)	-	-	-	-	-	-	-	-	-	(25)	(50)
Total Non-Operating Disbursements	**$ (595)**	**$ (155)**	**$ (155)**	**$ (120)**	**$ (170)**	**$ (120)**	**$ (145)**	**$ (120)**	**$ (120)**	**$ (152)**	**$ (120)**	**$ (1,021)**	**$ (2,993)**
Net Weekly Cash Flow	**$ (573)**	**$ (491)**	**$ 335**	**$ (457)**	**$ (280)**	**$ (209)**	**$ 49**	**$ (349)**	**$ (143)**	**$ (473)**	**$ (178)**	**$ -**	**$ (2,769)**
Beginning Cash on Hand	$ 1,074	$ 501	$ 10	$ 345	$ -	$ -	$ -	$ 49	$ -	$ -	$ -	$ -	$ 1,074
Net Weekly Cash Flow	(573)	(491)	335	(457)	(280)	(209)	49	(349)	(143)	(473)	(178)	-	(2,769)
Additional (Decrease in) Funding Need	-	-	-	112	280	209	-	300	143	473	178	-	1,695
Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment to Lenders	-	-	-	-	-	-	-	-	-	-	-	-	-
Weekly Ending Cash on Hand	**$ 501**	**$ 10**	**$ 345**	**$ -**	**$ -**	**$ -**	**$ 49**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

(a) PQE has various outstanding receivables and claims. However, the ultimate amount and timing of receipt of cash related to these matters cannot be reasonably estimated. Thus, no amount for these matters is included in this Eleven Week DIP Cash Flow Budget.

(b) The amount reflected in this budget with respect to sale proceeds is the amount that results in a $-0- additional funding need in Week 11. The actual sale proceeds anticipated are expected to exceed this plug amount. The amount and timing of receipt of the sale proceeds is contingent upon the closing of the proposed asset sale. The final proceeds amount will be net of, among other things, the Detring fee, the U.S. Trustee fees for periods beginning 1Q 2025, Directors and Officers Insurance Tail Coverage, and KEIP/KERP payments.

(c) Amounts subject to fluctuation based on sale price.

(d) For net cost responsibility of PQE.

(e) When payroll is paid, it is one week in arrears. The payroll paid during the week ended November 9, 2024 included an additional week of pay to true-up payroll so there was limited unpaid wages as of the planned petition date of November 13, 2024. The payroll paid in Week 2 of this forecast is, therefore, only for one week. The payroll forecasted to be paid during the week ending February 1, 2025 (Week 11) includes a true-up so no wages would remain unpaid as of February 1, 2025.