IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Dynamic Aerostructures LLC, *et al.*,	Case No. 25-10292 (LSS)
Debtors.[1]	(Jointly Administered)
	Related Docket No. 14

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION SENIOR SECURED FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL ON A LIMITED BASIS, (III) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY, (VI) SCHEDULING A FINAL HEARING, AND (VII) GRANTING RELATED RELIEF

Upon the motion (the "Motion") of Dynamic Aerostructures LLC and its affiliated debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors" or the "Company") in the above-captioned, jointly administered chapter 11 cases (the "Chapter 11 Cases"), seeking entry of an interim order (this "Interim Order")[2] and a Final Order (as defined herein) pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), 503, 507, and 552 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1, 4001-2 and 9013-1 of the Local Rules (the "Local Rules") of the United States Bankruptcy Court for the District of Delaware (the "Court"), *inter alia*:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors' service address is 27756 Avenue Mentry, Valencia, California 91355.

[2] Capitalized terms used in this Interim Order but not defined herein shall have the meanings given to them in the DIP Term Sheet (as defined below) or the Motion.

(i) authorizing the Debtors to obtain senior secured postpetition financing on a superpriority basis (the "DIP Facility" and the loans thereunder, the "DIP Loans") consisting of a multiple draw term loan facility in the aggregate principal amount of up to $12,500,000 consisting of up to $4,000,000 in commitments available upon entry of the Interim Order (the "Interim Amount"), and (i) up to additional $7,750,000 in commitments available upon entry of the Final Order and (ii) up to an additional $750,000 in the sole discretion of the DIP Lender (clauses (i) and (ii), the "Final Amount"), in each case, pursuant to the terms and conditions of this Interim Order, the Final Order, the Approved Budget (as defined below), and that certain term sheet attached hereto as **Exhibit A** (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "DIP Term Sheet"), by and among the Debtors, as borrowers, and CRG Financial LLC, as DIP Lender, and as agreed to by the Prepetition Agent (as defined below);

(ii) approving the terms of and authorizing the Debtors to enter into and perform under the DIP Term Sheet and any other agreements, instruments, and documents related thereto or in connection therewith (collectively, the "DIP Documents"), which shall be on terms consistent with the terms set forth in the DIP Term Sheet and otherwise in form and substance acceptable to the DIP Lender (or as otherwise provided in the DIP Term Sheet), and to perform such other acts as may be necessary or desirable in connection with the DIP Term Sheet;

(iii) authorizing the Debtors to enter into the DIP Term Sheet and to incur all obligations under the DIP Term Sheet and any other DIP Documents to the DIP Lender and the Prepetition Agent, as applicable (collectively, the "DIP Obligations"), and (a) granting the DIP Lender allowed superpriority administrative expense claim status in the Chapter 11 Cases and any Successor Case (as defined below), subject only to the Carve-Out and the Prepetition Agent Carve-

Out (each as defined below), and (b) granting the Prepetition Loan Parties (as defined below) the rights and protections provided herein.

(iv) subject to the terms of this Interim Order, granting to the DIP Lender automatically perfected security interests in and priming liens on all of the DIP Collateral (as defined below), including, without limitation, all property constituting "cash collateral" as such term is defined in section 363(a) of the Bankruptcy Code (including, without limitation, all cash and cash equivalents and other amounts from time to time on deposit or maintained by the Debtors in any deposit or securities account or accounts as of the Petition Date (as defined below)) and any cash or cash equivalents received by the Debtors after the Petition Date as proceeds of the Prepetition Collateral (as defined below) (collectively, "Cash Collateral");

(v) authorizing the Debtors to use proceeds of the DIP Facility and Cash Collateral to: (a) provide financing for working capital and other general corporate purposes, including for bankruptcy-related costs and expenses, all to the extent provided in, and in accordance with, the Approved Budget, this Interim Order, and the DIP Term Sheet; (b) make permitted adequate protection payments, as described below; (c) pay the principal, interest, fees, expenses, and other amounts payable and reimbursable under the DIP Term Sheet, any other DIP Documents or this Interim Order as such become due, including, without limitation, the DIP Fees, the fees and expenses of the DIP Professionals (as defined below), the Prepetition Agent Professional Fees (defined below); and (d) any other purposes agreed upon in the DIP Term Sheet or any other DIP Documents, in each case solely in accordance with the Approved Budget, this Interim Order, DIP Term Sheet or any other DIP Documents;

(vi) authorizing the Debtors to use the Prepetition Collateral (as defined below), including the Cash Collateral, on an interim basis in accordance with both the Approved Budget

and the DIP Term Sheet or any other DIP Documents, and providing, among other things, adequate protection to the Prepetition Lenders (as defined below) for any Diminution (as defined below) of their interests in the Prepetition Collateral, including the Cash Collateral;

(vii) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Term Sheet or any other DIP Documents and this Interim Order;

(viii) authorizing the DIP Lender, upon the occurrence of an Event of Default (as defined below) and subject to all applicable notice periods, to: (a) terminate the funding obligations under the DIP Term Sheet or any other DIP Documents in accordance with their terms; (b) declare the DIP Obligations to be immediately due and payable in full, to the extent permitted by the terms thereof; and (c) subject to this Interim Order, be granted relief from the automatic stay to foreclose on the DIP Liens and DIP Collateral;

(ix) approving the stipulations in paragraph G of this Interim Order by the Debtors with respect to the Prepetition Loan Documents and the liens and security interests arising therefrom subject to the Challenge Period described in paragraph 41 hereof;

(x) authorizing payment of the DIP Fees and the Adequate Protection Payments (as defined below);

(xi) waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and providing for the immediate effectiveness of this Interim Order;

(xii) scheduling a final hearing (the "Final Hearing") to consider the relief requested in the Motion and approving the form of notice with respect to the Final Hearing; and

(xiii) granting related relief.

The Court having considered the Motion, the exhibits attached thereto, the First Day Declaration, the DIP Term Sheet, all other DIP Documents, and the evidence submitted and argument made at the interim hearing (the "Interim Hearing"); and notice of the Interim Hearing having been provided in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Local Rules; and the Interim Hearing having been held and concluded; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates (the "Estates") pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtors, their Estate and all parties-in-interest, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the Debtors' entry into the DIP Term Sheet and the other DIP Documents is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor;

Based upon the record established at the Interim Hearing, the Court makes the following findings of fact and conclusions of law:[3]

A. Disposition. The relief requested in the Motion is granted on an interim basis in accordance with the terms of this Interim Order. Any objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived or settled, and all reservations of

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

rights included therein, are hereby denied and overruled on the merits. This Interim Order shall become effective immediately upon its entry and any applicable stay (including under Bankruptcy Rule 6004) is waived to permit such effectiveness.

B. Petition Date. On February 26, 2025 (the "Petition Date"), the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Court.

C. Debtors in Possession. The Debtors are operating their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed.

D. Jurisdiction and Venue. This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Chapter 11 Cases and the proceedings on the Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief sought in the Motion are sections 105, 361, 362, 363, 364, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003,6004, and 9014, and the Local Rules.

E. Committee. As of the date hereof, no statutory committee has been appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (a "Committee").

F. Notice. Upon the record presented to the Court at the Interim Hearing, and under the exigent circumstances set forth in the Motion, notice of the Motion and the relief requested thereby and this Interim Order has been provided in accordance with Bankruptcy Rules 4001(b) and 4001(c)(1) to: (a) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (b) entities listed as holding the 30 largest unsecured claims against the Debtors (on a

consolidated basis); (c) counsel to the DIP Lender, (i) King & Spalding LLP, (Attn: Michael Fishel), and (ii) Young Conaway Stargatt & Taylor, LLP (Attn: Ken Enos); (d) the United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conducts business; (g) the United States Securities and Exchange Commission; (h) banks and financial institutions where the Debtors maintains accounts; (i) counsel to the Prepetition Lenders, (i) Katten Muchin Rosenman LLP (Attn: William Freeman and Michaela Crocker) and (ii) Womble Bond Dickinson (US) LLP (Attn: Matthew Ward); (j) any party that has asserted liens against any of the DIP Collateral and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). No other or further notice of, or hearing regarding, the entry of this Interim Order and the relief set forth herein is necessary or required. The interim relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their Estates pending a Final Hearing.

G. Debtors' Stipulations. Subject to paragraph 41 hereof: (i) each stipulation, release, admission, and agreement contained in this Interim Order, including, without limitation, the Debtors' Stipulations (as defined below), shall be binding upon the Debtors, their Estates, and any successors thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for the Debtors) under all circumstances and for all purposes, and (ii) the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined herein), whether timely or untimely filed, as of the Petition Date. Without prejudice to the rights of parties in interest as expressly set forth in paragraph 41 herein, each Debtor, in requesting the DIP Facility, and in exchange for and as a material inducement to the DIP Lender to provide the DIP Facility and to the Prepetition Loan Parties to provide their consent to the DIP Facility, on its own behalf and on behalf of its respective Estate and all representatives of such Estate, admit, stipulate, acknowledge,

and agree as follows (paragraphs G(i) through G(v) below are referred to, collectively, as the "Debtors' Stipulations"):

(i) Pursuant to that certain Loan and Security Agreement, dated as of July 30, 2021 (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition Credit Agreement", and collectively with all other agreements, instruments, and documents executed or delivered in connection therewith or otherwise evidencing or securing any Prepetition Obligations (as defined below), each as may be amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Loan Documents"), by and among (a) Dynamic Aerostructures Intermediate LLC, a Delaware limited liability company (the "Intermediate Holdco") (b) Forrest Machining LLC, a California limited liability company (effective upon consummation of the Forrest Acquisition, "Borrower Agent") (c) each other subsidiary or affiliate of Intermediate Holdco or Borrower Agent party to the Prepetition Loan Documents from time to time, together with the Borrower Agent, each a "Borrower" and collectively, "Borrowers", (d) the financial institution party to the Prepetition Loan Documents from time to time as lenders (collectively, "Prepetition Lenders"), and (e) BMO Bank N.A., successor by merger to Bank of the West, as administrative agent, documentation agent, syndication agent, and collateral agent for the Prepetition Lenders (in such capacity, together with any successor and assigns in such capacity, the "Prepetition Agent", and together with the Prepetition Lenders, the "Prepetition Loan Parties"), the Prepetition Lenders provided senior secured loans to the Borrowers (the "Prepetition Facility").

(ii) *Prepetition Obligations*. As of the Petition Date, the Debtors were indebted and liable to the Prepetition Loan Parties under the Prepetition Facility in the aggregate amount of not less than $54,734,827.71 consisting of a (a) revolving loan facility (the "Prepetition Revolving Loans") in an aggregate outstanding principal amount of $12,500,000 plus (x) $1,589,350.75 of interest and (y) $287,499.94 of default rate interest; and (b) term loan facility (the "Prepetition Term Loans") in the aggregate outstanding principal amount of $35,123,999.00 plus (x) $4,414,424.85 of interest and (y) $819,553.17 default interest (the Prepetition Term Loans, together with the Prepetition Revolving Loans, the "Prepetition Loans", together with accrued and unpaid interest, any fees, expenses and disbursements (including, without limitation, any accrued and unpaid attorneys' fees, accountants' fees, appraisers' fees and financial advisors' fees, and related expenses and disbursements), indemnification obligations, and other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of the Debtors' obligations in connection with the Prepetition Facility pursuant to the Prepetition Loan Documents, collectively, the "Prepetition Obligations").

(iii) *Prepetition Liens and Prepetition Collateral*. As more fully set forth in the Prepetition Loan Documents, prior to the Petition Date, to secure the Prepetition Obligations, the Debtors granted to the Prepetition Agent for the benefit of the Prepetition Lenders and as security for the Prepetition Obligations a first priority security interest in and continuing lien (the "Prepetition Liens") on the Collateral (as defined in the Prepetition Credit Agreement and as used herein, the "Prepetition Collateral").

(iv) *Validity, Extent, Perfection and Priority of Prepetition Liens and Prepetition Obligations.* As of the Petition Date: (a) the Prepetition Liens on all of the Debtors' right, title, and interest in the Prepetition Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Lenders for fair consideration and reasonably equivalent value; (b) the Prepetition Liens were senior in priority over any and all other liens on the Prepetition Collateral, subject only to certain liens senior by operation of law and otherwise permitted by the Prepetition Loan Documents (solely to the extent any such permitted liens (1) were in existence on the Petition Date, (2) are valid, unavoidable and properly perfected as of the Petition Date or perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, (3) are senior in priority to the Prepetition Obligations, (4) are permitted to be incurred as senior priority liens under the Prepetition Loan Documents, and (5) are expressly identified on Schedule 1 hereto, the "Prepetition Permitted Liens"); (c) the Prepetition Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors enforceable in accordance with the terms of the applicable Prepetition Loan Documents; (d) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature, whether arising at law or in equity, 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, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (e) the Debtors and their Estates have no claims, objections, challenges, causes of action, and/or choses in action, including without limitation, 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 Loan Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, consultants, directors, and employees arising out of, based upon or related to the Prepetition Facility; (f) the Debtors have waived, discharged, and released any right to, and are forever barred from bringing any, Challenge (as defined below), whether timely or untimely filed, to any of the Prepetition Obligations, the priority of the Prepetition Obligations, and the legality, validity, extent, and priority of the Prepetition Liens; (g) the Prepetition Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code; and (h) all or substantially all of the Debtors' cash and cash equivalents, including cash on deposit in any account or accounts as of the

Petition Date, cash obtained at any time thereafter (including proceeds of the DIP Facility), securities or other property, wherever located, whether subject to control agreements or otherwise, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral of the Prepetition Lenders.

(v) *No Control*. None of the DIP Lender or Prepetition Loan Parties controls the Debtors or their properties or operations, has authority to determine the manner in which the Debtors' operations are conducted, or is a control person or insider (as defined in the Bankruptcy Code) 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 this Interim Order, the DIP Facility, the DIP Liens, the DIP Obligations, the DIP Term Sheet or other DIP Documents, the Prepetition Facility, the Prepetition Liens, the Prepetition Obligations, the Prepetition Loan Documents, or the transactions contemplated hereunder or thereunder.

H. Releases. Subject to paragraph 41 hereof, each Debtor, on behalf of itself and its Estate (including any successor trustee or other estate representative in the Chapter 11 Cases and any Successor Case (as defined herein), and any party acting by, through, or under any Debtor or its Estate), hereby stipulates and agrees that it absolutely and unconditionally releases and forever and irrevocably discharges and acquits each of the DIP Lender, the Prepetition Loan Parties, and their respective affiliates and each of their respective former or current officers, partners, directors, managers, owners, members, principals, employees, agents, related funds, investors, financing sources, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof (collectively, the "Released Parties") from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims, counterclaims, demands, debts, accounts, contracts, disputes, liabilities, allegations, suits, controversies, proceedings, actions and causes of action arising prior to the date of this Interim Order of any kind, nature or description, whether known or unknown, foreseen or unforeseen or liquidated or unliquidated, arising in law or equity or upon contract or tort or under any state or federal law or regulation or otherwise,

arising out of or related to (as applicable) the Prepetition Facility or any Prepetition Loan Documents, DIP Term Sheet or any other DIP Documents, the negotiation thereof and of the transactions contemplated thereby, and the obligations owing and the financial obligations made thereunder, or otherwise related to any Debtors, in each case that any Debtor at any time had, now has or may have, or that its successors or assigns hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of this Interim Order. The Debtors further waive and release any defense, right of counterclaim, right of set-off, or deduction to the payment of the Prepetition Obligations that the Debtors may now have or may claim to have against the Prepetition Loan Parties, arising out of, connected with, or relating to any and all acts, omissions, or events occurring prior to this Court entering this Interim Order.

I. Findings Regarding Postpetition Financing

(i) *Request for Postpetition Financing*. The Debtors seek authority to (a) enter into the DIP Facility on the terms described herein and in the DIP Term Sheet, and (b) use Cash Collateral on the terms described herein to administer its Chapter 11 Cases and fund their operations in accordance with the Approved Budget (as defined below), the DIP Term Sheet, and any other DIP Documents. At the Final Hearing, the Debtors will seek final approval of the DIP Facility and use of Cash Collateral pursuant to a proposed final order (the "Final Order" and, together with this Interim Order, the "DIP Orders"), which shall be in form and substance acceptable to the DIP Lender and the Prepetition Agent. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order, the Bankruptcy Rules, and the Local Rules.

(ii) *Priming of the Prepetition Liens*. The priming of the Prepetition Liens on the Prepetition Collateral under section 364(d) of the Bankruptcy Code, as contemplated by the DIP Term Sheet and as further described below, will enable the Debtors to obtain the DIP Facility and to continue to operate their businesses to the benefit of their Estates and creditors, and the Debtors would not be able to obtain debtors-in-possession financing in a sufficient amount without the Court granting such priming liens. Consistent with the requirements of section 364(d) of the Bankruptcy Code, the Prepetition Lenders shall receive adequate protection as set forth in this Interim Order pursuant to sections 361, 363, and 364 of the Bankruptcy Code, against any post-petition diminution in value of the Prepetition Loan Parties respective liens and interests in the Prepetition Collateral (including Cash Collateral) resulting from, among other things, (i) the use, sale, or lease by the Debtors of such collateral, (ii) the market value decline of such collateral, (iii) the use of Cash Collateral by the Debtors, (iv) the imposition of the automatic stay, (v) the subordination of the Prepetition Liens and Prepetition Secured Obligations to the Carve-Out, the DIP Liens, and the DIP Obligations, in each case, as set forth in this Interim Order, and (vi) any other act or omission which causes diminution in the value of their respective liens or interests in the Prepetition Collateral (including Cash Collateral) (collectively, "Diminution").

(iii) *Need for Postpetition Financing and Use of Cash Collateral*. The Debtors have an immediate and critical need to obtain the financing pursuant to the DIP Facility and to continue to use the Prepetition Collateral (including Cash Collateral) in order to, among other things, (i) pay the fees, costs and expenses incurred in connection with the Chapter 11 Cases, (ii) fund any obligations benefitting from the Carve-Out, (iii) permit the orderly continuation of the operation of their businesses, (iv) maintain business relationships with customers, vendors and suppliers, (v) make payroll, and (vi) satisfy other working capital and operational needs. The

incurrence of new debt under the DIP Term Sheet or any other DIP Documents and use of Cash Collateral is necessary and vital to the preservation and maintenance of the going concern value of the Debtors. Immediate and irreparable harm will be caused to the Debtors and their Estates if immediate financing is not obtained and permission to use Cash Collateral is not granted. The terms of the proposed financing are fair and reasonable, reflect the Debtors' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration. The adequate protection provided in this Interim Order and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code.

(iv) *No Credit Available on More Favorable Terms*. The DIP Facility is the best source of debtor-in-possession financing available to the Debtors. Given their current financial condition, financing arrangements, capital structure, and the circumstances of this Chapter 11 Case, the Debtors have been and continue to be unable to obtain financing from sources other than the DIP Lender on terms more favorable than the DIP Facility. Further, the Prepetition Lenders have consented to the Debtors incurring debtor-in-possession financing, the priming of the Prepetition Liens, and the use of their Cash Collateral, solely on the terms and subject to the conditions set forth in the DIP Term Sheet and this Interim Order. The Debtors are unable to obtain unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors have also been unable to obtain: (a) unsecured credit having priority over that of administrative expenses of the kind specified in sections 503(b), 507(a) and 507(b) of the Bankruptcy Code; (b) credit secured solely by a lien on property of the Debtors and their Estates that is not otherwise subject to a lien; or (c) credit secured solely by a junior lien on property of the Debtors and their Estates that is subject to a lien. Financing on a postpetition basis is not otherwise available without granting the DIP Lender: (1) perfected security interests in and liens

on (each as provided herein) all of the Debtors' existing and after-acquired assets with the priorities set forth herein; (2) superpriority claims and priming liens to the extent set forth in this Interim Order and the DIP Term Sheet; and (3) the other protections set forth in this Interim Order.

(v) *Use of Cash Collateral and Proceeds of the DIP Facility*. As a condition to the Debtors' entry into the DIP Term Sheet, the extension of credit under any other DIP Documents, and the authorization to use Prepetition Collateral, including Cash Collateral, the Debtors have agreed that Cash Collateral and the proceeds of the DIP Documents shall be used solely in accordance with the terms and conditions of this Interim Order, the DIP Term Sheet and any other DIP Documents, and in accordance with the Approved Budget (as defined below), subject to Permitted Variances (as defined below).

(vi) *Application of Proceeds of Collateral*. As a condition to entry into the DIP Term Sheet, the extension of credit under any other DIP Documents and authorization to use Cash Collateral, the Debtors have agreed that, as of and commencing on the date of entry of this Interim Order, the Debtors shall apply the proceeds of DIP Collateral in accordance with this Interim Order, the DIP Term Sheet, and any other DIP Documents.

J. Adequate Protection. In exchange for their consent to (i) the priming of the Prepetition Liens by the DIP Liens and (ii) the use of Cash Collateral to the extent set forth in this Interim Order, the Prepetition Lenders shall receive (1) adequate protection to the extent of any Diminution of their interests in the Prepetition Collateral, including Replacement Liens; (2)

Adequate Protection Superpriority Claims (as defined below); (3) payment of the Adequate Protection Payments; and (4) funding of the Prepetition Agent Fee Reserve.

K. Good Faith of the Partues

(i) *Willingness to Provide Financing*. The DIP Lender has committed to provide financing to the Debtors subject to: (a) entry of this Interim Order and the Final Order; (b) approval of the terms and conditions of those set forth in the DIP Term Sheet and any other DIP Documents; (c) satisfaction of the closing conditions set forth in the DIP Term Sheet and any other DIP Documents; and (d) findings by this Court that the DIP Term Sheet is essential to the Debtors' Estate, that the DIP Lender is extending credit to the Debtors pursuant to the DIP Term Sheet in good faith, and that the DIP Lender's first priority secured claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order and the DIP Term Sheet or any other DIP Documents, in each case, will have the protections provided by section 364(e) of the Bankruptcy Code.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e)*. Based on the Motion, the First Day Declaration, the DIP Declaration, and the record presented to the Court at the Interim Hearing, (a) the terms of the financing embodied in the DIP Facility, including the fees, expenses, and other charges paid and to be paid thereunder or in connection therewith, (b) the adequate protection authorized by the Interim Order and DIP Term Sheet and (c) the terms on which the Debtors may continue to use the Prepetition Collateral (including Cash Collateral), in each case pursuant to this Interim Order, the DIP Term Sheet and any other DIP Documents, are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with its fiduciary duties, constitute reasonably equivalent value and fair consideration, and represent the best financing (and terms) available under the circumstances.

(iii) *Good Faith Pursuant to Section 364(e)*. The terms and conditions of the DIP Term Sheet and the use of Cash Collateral were negotiated in good faith and at arm's length among the Debtors, the DIP Lender, and the Prepetition Loan Parties with the assistance and counsel of their respective advisors. Use of Cash Collateral and credit to be extended under the DIP Facility shall be deemed to have been allowed, advanced, made, or extended in good faith by the DIP Lender and the Prepetition Lenders within the meaning of section 364(e) of the Bankruptcy Code.

(iv) *Consent to DIP Term Sheet and Use of Cash Collateral.* The Prepetition Lenders have consented to the Debtors' use of Cash Collateral and the other Prepetition Collateral, and the Debtors' entry into the DIP Term Sheet, solely in accordance with and subject to the terms and conditions in this Interim Order and the DIP Term Sheet.

L. Good Cause. Good cause has been shown for immediate entry of this Interim Order, and the entry of this Interim Order is in the best interests of the Debtors, the Estates, and their stakeholders. Among other things, the relief granted herein will minimize disruption of the Debtors' businesses and permit the Debtors to fund payroll obligations, to pay amounts owed to vendors, suppliers, and landlords, and to satisfy other critical expenses, including the payment of premiums on insurance policies, each as necessary to maximize the value of the Estates and in accordance with the Approved Budget. The terms of the Debtors' DIP Facility, use of Cash Collateral, and proposed adequate protection arrangements, as set forth in this Interim Order, are fair and reasonable under the circumstances, and reflect the Debtors' exercise of prudent business judgment.

M. Immediate Entry. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and the applicable Local Rules.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and after due consideration thereon and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. DIP Financing Approved. On an interim basis, entry into the DIP Term Sheet and any other DIP Documents is authorized and approved, and the use of Cash Collateral is authorized, in each case, subject to the terms and conditions set forth in this Interim Order. All objections to this Interim Order to the extent not withdrawn, waived, settled, or resolved, and all reservations of rights included therein, are hereby denied and overruled on the merits. This Interim Order shall become effective immediately upon its entry.

DIP Documents Authorization

2. Authorization of the DIP Financing. The Debtors are expressly and immediately authorized and empowered to enter into, execute, and deliver the DIP Term Sheet and to incur and to perform the DIP Obligations in accordance with, and subject to, the terms of this Interim Order, the DIP Term Sheet or any other DIP Documents, and to execute, deliver, and perform under all instruments, certificates, agreements, and documents which may be required or necessary for the performance by the Debtors under the DIP Term Sheet and the creation and perfection of the DIP Liens and Replacement Liens described in and provided for by this Interim Order, the DIP Term Sheet, and any other DIP Documents. The Debtors are hereby authorized to pay, in accordance with this Interim Order, any principal, interest, fees, expenses, and other amounts described in the DIP Term Sheet and this Interim Order, as such amounts become due and owing, without need to

obtain further Court approval (except as otherwise provided herein or in the DIP Term Sheet) subject to and in accordance with the terms hereof and thereof, including, without limitation, the DIP Fees, the Adequate Protection Payment, the Prepetition Agent Fee Reserve, and the reasonable and documented fees and disbursements of King & Spalding LLP, Young Conaway Stargatt & Taylor, LLP, and any other DIP Professionals (as defined below), as set forth herein, in the DIP Term Sheet or any other DIP Documents, whether or not such professional fees and disbursements arose before or after the Petition Date and whether or not the transactions contemplated hereby are consummated, to implement all applicable reserves and to take any other actions that may be necessary or appropriate, all to the extent provided in this Interim Order, the DIP Term Sheet or any other DIP Documents. Upon execution and delivery, the DIP Term Sheet shall represent legal, valid, and binding obligations of the Debtors, enforceable against the Debtors and their Estates in accordance with their terms. Each manager, member, or officer of the Debtors acting individually is hereby authorized to execute and deliver each of the DIP Term Sheet and other DIP Documents, such execution and delivery to be conclusive evidence of such manager's, member's, or officer's respective authority to act in the name of and on behalf of the Debtors; provided that the DIP Term Sheet shall be deemed executed and delivered upon entry of this Interim Order.

3. Authorization to Borrow. To prevent immediate and irreparable harm to the Debtors' Estates, and to enable the Debtors to continue to operate their businesses and preserve and maximize the value of their Estates, subject to the terms and conditions set forth in the DIP Term Sheet, any other DIP Documents and this Interim Order, the Debtors are hereby authorized to borrow the Interim Amount, subject to any limitations on, or conditions to, borrowing under the DIP Term Sheet, which borrowings shall be used solely for purposes permitted under the DIP Term Sheet and any other DIP Documents, including, without limitation, to provide working capital for

the Debtors and to pay interest, fees, costs, charges and expenses, in each case, in accordance with this Interim Order, the DIP Term Sheet and any other DIP Documents, and the Approved Budget.

4. DIP Obligations. The DIP Term Sheet and this Interim Order shall constitute and evidence the validity and binding effect of the Debtors' DIP Obligations. All DIP Obligations shall be enforceable against the Debtors, their Estates, and any successors thereto, including without limitation, any trustee appointed in the Chapter 11 Case, or in any case under chapter 7 of the Bankruptcy Code upon the conversion of the Chapter 11 Case, or in any other proceedings superseding or related to any of the foregoing (collectively, the "Successor Case"). Upon entry of this Interim Order, the DIP Obligations will include all loans, guarantees, reimbursement obligations, and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by the Debtors to the DIP Lender or otherwise, including, without limitation, all principal, accrued interest, costs, charges, fees, expenses and other amounts under the DIP Term Sheet or any other DIP Documents. The Debtors shall be liable for the DIP Obligations. Except as otherwise set forth in this Interim Order, the DIP Obligations shall become due and payable, without notice or demand, on the Termination Date (as defined below). No obligation, payment, transfer, or grant of collateral security hereunder or under the DIP Term Sheet (including any DIP Obligation or DIP Lien) or any other DIP Documents, in each case, to the DIP Lender or the Prepetition Loan Parties, shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or be subject to any disgorgement, avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether

equitable, contractual, or otherwise), claim, counterclaim, charge, assessment, cross-claim, defense, or any other liability or challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity for any reason.

5. DIP Collateral. To secure the DIP Obligations, effective immediately upon entry of this Interim Order, pursuant to sections 361, 362, 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code, the DIP Lender, is hereby granted continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition first priority security interests in and liens on (collectively, the "DIP Liens") the DIP Collateral, and all cash and non-cash proceeds, rents, profits, and offspring of DIP Collateral.[4]

6. DIP Liens. The DIP Liens securing the DIP Obligations are valid, automatically perfected, non-avoidable, senior in priority to the Prepetition Liens on the Prepetition Collateral and are superior to any security, mortgage, collateral interest, lien, or claim to any of the DIP Collateral (whether currently existing or hereafter created), except that the DIP Liens shall be

[4] "DIP Collateral" means: all property of the estate under section 541 of the Bankruptcy Code, including all real and personal property, whether now existing or hereafter arising and wherever located, tangible and intangible, of the Debtors, including: (a) all cash, cash equivalents, deposit accounts, securities accounts, accounts, other receivables (including credit card receivables), chattel paper, contract rights, inventory (wherever located), instruments, documents, securities (whether or not marketable) and investment property (including all of the issued and outstanding capital stock of each of its subsidiaries), hedge agreements, real estate, furniture, fixtures, equipment (including documents of title), goods, franchise rights, trade names, trademarks, servicemarks, copyrights, patents, license rights, intellectual property, general intangibles (including, for the avoidance of doubt, payment intangibles), rights to the payment of money (including tax refunds and any other extraordinary payments), supporting obligations, guarantees, letter of credit rights, commercial tort claims, causes of action, and all substitutions, indemnification rights, all present and future intercompany debt, books and records related to the foregoing, accessions and proceeds of the foregoing, wherever located, including insurance, any funds that are clawed-back or other proceeds; (b) subject to entry of a Final Order providing for such relief, the proceeds of any avoidance actions brought pursuant to Chapter 5 of the Bankruptcy Code or applicable state law equivalents; (c) proceeds from the Debtors' exercise of rights under section 506(c) and 550 of the Bankruptcy Code; (d) all Prepetition Collateral, (e) all property of the Debtors that was not otherwise subject to valid, perfected, enforceable and unavoidable liens on the Petition Date, and (f) all proceeds from the sale, assignment, or other disposition of (i) any real property, including leaseholds and (ii) the Debtors' right to select, identify, and designate which commercial leases may be assumed and assigned under section 365 of the Bankruptcy Code.

subject only to (i) the Carve-Out, (ii) the Prepetition Agent Carve-Out, and (iii) the Prepetition Permitted Liens. Other than as set forth herein or in the DIP Term Sheet, the DIP Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Chapter 11 Cases or any Successor Case, and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases or any Successor Case, upon the conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code (or in any other Successor Case), and/or upon the dismissal of the Chapter 11 Cases or any Successor Case. The DIP Liens shall not be subject to section 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of any Estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the DIP Liens.

7. DIP Superpriority Claims. Subject to the Carve-Out and the Prepetition Agent Carve-Out, upon entry of this Interim Order, the DIP Lender is hereby granted, pursuant to section 364(c)(1) of the Bankruptcy Code, allowed superpriority administrative expense claims in the Chapter 11 Cases and any Successor Case (collectively, the "DIP Superpriority Claims") for all DIP Obligations: (a) except as set forth herein (including with respect to the Carve-Out and the Prepetition Agent Carve-Out), with priority over any and all administrative expense claims and unsecured claims against the Debtors or their Estates in the Chapter 11 Cases and any Successor Case, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 364, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114, and any other provision of the Bankruptcy Code, as provided under section 364(c)(1) of the Bankruptcy Code; and (b) which shall at all times be senior to the rights

of the Debtors and their Estates, and any successor trustee or other estate representative to the extent permitted by law.

8. No Obligation to Extend Credit. The DIP Lender shall have no obligation to make any loan or advance under the DIP Term Sheet unless all of the conditions precedent under the DIP Term Sheet and this Interim Order have been satisfied in full or waived by the DIP Lender in its sole discretion in accordance with the terms of the DIP Term Sheet and any other DIP Documents.

9. Use of Proceeds of DIP Facility. From and after the Petition Date, the Debtors shall use advances of credit under the DIP Facility only for the purposes specifically set forth in this Interim Order and the DIP Term Sheet, and only in compliance with the Approved Budget (subject to the Permitted Variances (as defined below)) and the terms and conditions in this Interim Order and the DIP Term Sheet (a) to pay transaction costs, fees and expenses that are incurred in connection with the DIP Facility, including professional fees of the DIP Lender and the Prepetition Agent (b) to pay professional fees of the Debtors and their Estates, (c) for working capital and other general corporate purposes permitted by the DIP Term Sheet, the First Day Orders, and Second Day Orders.

10. No Monitoring Obligation. The DIP Lender shall have no obligation or responsibility to monitor the Debtors' use of the DIP Facility, and the DIP Lender may rely upon the Debtors' representation that the use of the DIP Facility at any time is in accordance with the requirements of this Interim Order and the DIP Term Sheet and any other DIP Documents.

Authorization to Use Cash Collateral

11. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Interim Order, the DIP Term Sheet, and any other DIP Documents, and in accordance with the Approved Budget (subject to the Permitted Variances), the Debtors are authorized to use Cash

Collateral until the expiration of the Remedies Notice Period (as defined below) following the Termination Date. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors outside the ordinary course of business, or the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as expressly permitted by this Interim Order and the DIP Term Sheet, and in accordance with the Approved Budget (subject to the Permitted Variances).

12. Consent of Prepetition Lenders. The Prepetition Lenders hereby consent to (a) the provisions of this Interim Order including the Debtors' entry into the DIP Facility on an interim basis, (b) the granting of the DIP Liens and DIP Superpriority Claims on the terms and subject to the conditions set forth herein (including the Carve-Out and the Prepetition Agent Carve-Out), and (c) the Approved Budget.

13. Adequate Protection for Prepetition Lenders. As adequate protection for any Diminution of the Prepetition Lenders' interest in the Prepetition Collateral, the Prepetition Agent shall receive, for the benefit of the Prepetition Lenders,

(a) continuing valid, binding, enforceable, and perfected postpetition liens and replacement liens pursuant to sections 361, 363(e), and 364(d)(l) of the Bankruptcy Code on the DIP Collateral (the "Replacement Liens"), which shall be subject and subordinated only to the Carve-Out, the Prepetition Agent Carve-Out, the DIP Liens, and Prepetition Permitted Liens and which (x) shall otherwise be senior to all other security interests in, liens on, or claims against the DIP Collateral, and (y) shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Chapter 11 Cases or any Successor Case and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases or any Successor Case, and shall not be subject to sections 510, 549, or 550 of the Bankruptcy Code;

(b) administrative superpriority expense claims in the Chapter 11 Cases(the "Adequate Protection Superpriority Claims"), junior and subordinate only to the Carve-Out, the Prepetition Agent Carve-Out, the Prepetition Permitted Liens, and the DIP Obligations (including the DIP Superpriority Claims), pursuant to section 507(b) with priority over any and all other administrative expenses, administrative expense claims, and unsecured claims against the Debtors or their Estates, now existing or hereafter arising, of any kind or nature

whatsoever as to and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code;

(c) adequate protection payments totaling no more than $750,000 (the "Adequate Protection Payments") to be used to pay all fees and costs incurred by the Prepetition Agent and its professionals (the "Prepetition Agent Professional Fees"), payable as follows:

(i) an adequate protection payment of $500,000 payable from the proceeds of the DIP Facility to be used to pay Prepetition Agent Professional Fees incurred and owing prior to the Petition Date, which amount shall be funded into the Prepetition Agent Fee Reserve (defined below) within three (3) business days of entry of this Order,; provided, however, that (a) such fees will only be payable as allowed pursuant to Paragraph 36 of this Order, and (b) if allowed Prepetition Agent Professional Fees outstanding as of the Petition Date are less than $500,000, any excess adequate protection amount shall remain in the Prepetition Agent Fee Reserve and be used to pay Prepetition Agent Professional Fees incurred on or after the Petition Date and allowed pursuant to paragraph 36 of this Interim Order; and

(ii) an additional adequate protection payment of $250,000 payable from the proceeds of the DIP Facility within five (5) business days of entry of the Final Order, to be funded into a segregated account established and used solely to hold and disburse the Adequate Protection Payments (the "Prepetition Agent Fee Reserve").

(iii) Funds transferred to the Prepetition Agent Fee Reserve shall be subject to the DIP Liens, DIP Superpriority Claims, Replacement Liens, and Adequate Protection Superpriority Claims granted hereunder solely to the extent of any amounts remaining in such account after indefeasible payment in full of all Prepetition Agent Professional Fees allowed pursuant to paragraph 36 of this Interim Order.

For purposes of the Interim Order and any Final Order, the term "Prepetition Agent Carve-Out" shall mean all Prepetition Agent Fees.

(d) subject to payment in full of all approved obligations to the DIP Lender, all net proceeds from any sale(s) of DIP Collateral or Prepetition Collateral to any third party, other than the credit bid portion of any bid by the DIP Lender, of no less than $1.5 million; provided, however, that, in the event that the proceeds of any such sale(s) are less than $1.5 million, the Prepetition Lenders' remedy is to request additional adequate protection or object to the proposed sale, with all of the Debtors' rights in such case expressly reserved.

Provisions Common to DIP Financing and Use of Cash Collateral

14. Amendment of the DIP Term Sheet. The Debtors and the DIP Lender may enter into one or more amendments, waivers, consents, or other modifications to and under the DIP Term Sheet and any other DIP Documents, in each case, in accordance with the terms of the applicable DIP Term Sheet and in such form as the Debtors and DIP Lender agree, in the DIP Lender's sole discretion, and no further approval of this Court shall be required for any amendment, waiver, consent, or other modification to and under the DIP Term Sheet (and any fees paid in connection therewith) or any other DIP Documents (and any fees paid in connection therewith) that does not materially and adversely affect the Debtors or which does not (i) shorten the maturity of the DIP Facility, (ii) increase the principal amount of or the rate of interest on the DIP Facility, (iii) change any event of default, add any covenants, or amend the covenants to be materially more restrictive, or (iv) materially affect the treatment provided to the Prepetition Agent or the Prepetition Lenders; provided, however, any such material amendment, waiver, consent, or other modification shall be (1) subject to further Court approval or, (2) in the case of material amendments affecting the treatment of the Prepetition Agent or the Prepetition Lenders, with the written consent of the Prepetition Agent. Copies of all amendments and modifications to and under the DIP Term Sheet, regardless of materiality, shall be provided to the U.S. Trustee, the Prepetition Agent, and the Committee, if any, prior to any such amendment or modification becoming effective and binding on the Debtors and their Estates. No consent to any such amendment, waiver, consent, or modification shall be implied by any action, inaction, or acquiescence of the DIP Lender.

15. Approved Budget.

(i) Attached to this Interim Order as **Exhibit B** is a thirteen-week budget approved by the DIP Lender, which sets forth, among other things, projected cash receipts and cash disbursements (the "Approved Budget"). By no later than 5:00 P.M. (Eastern Time) on the Friday following the prior Budget's approval, and by no later than 5:00 P.M. (Eastern Time) on the Friday every two weeks thereafter, or more frequently at the reasonable discretion of both the Borrowers and DIP Lender, with such updated Budget extending the term thereof and the DIP Lender, in its reasonable discretion, shall have the right to approve any such updates (or any amendments) after the delivery by the Borrowers of any such update or amendment (each such date, an "Updated Budget Delivery Date"), the Debtors shall deliver to the DIP Lender a thirteen-week cash flow forecast beginning with the week immediately preceding such Updated Budget Delivery Date (each, an "Updated Budget"), in form substantially consistent with the Approved Budget. If such Updated Budget is in form and substance satisfactory to the DIP Lender, and upon the approval in writing of any such Updated Budget by the DIP Lender, it shall become the "Approved Budget" for purposes of the DIP Term Sheet, any other DIP Documents and this Interim Order. Any amendments, supplements, or modifications to the Approved Budget or an Approved Variance Report (as defined below) shall be subject to the prior written approval of the DIP Lender prior to the implementation thereof. Until any such Updated Budget, amendment, supplement, or modification has been approved in writing by the DIP Lender, the Debtors shall be subject to and be governed by the terms of the Approved Budget then in effect. Without limiting the foregoing in any respect, for informational purposes only, the Debtors shall prepare and deliver an Updated Budget to the DIP Lender by no later than 5:00 P.M. (Eastern Time) on every Friday after the second full calendar week after the Petition Date.

(ii) The Approved Budget is approved on an interim basis. The proceeds of the DIP Facility and Cash Collateral under this Interim Order shall be used by the Debtors strictly in accordance with the Approved Budget (subject to Permitted Variances), this Interim Order, and the DIP Term Sheet.

(iii) Other than with respect to the Carve-Out and the Prepetition Agent Carve-Out, none of the DIP Lender's and the Prepetition Lenders' consent to, or acknowledgement of, the Approved Budget shall be construed as consent to use the proceeds of the DIP Facility beyond the Maturity Date or the Termination Date (as defined below), as applicable, or the use of Cash Collateral beyond the expiration of the Remedies Notice Period (as defined below) following the Termination Date, regardless of whether the aggregate funds shown on the Approved Budget have been expended.

(iv) Notwithstanding anything to the contrary herein, the Debtors shall pay the fees, costs and expenses of the (i) DIP Professionals (as defined below) in accordance with the DIP Term Sheet, this Interim Order, and the Approved Budget and (ii) Prepetition Agent Professionals (as defined below) in accordance with the DIP Term Sheet and this Interim Order without reference to the Approved Budget.

16. Budget Reporting and Testing. The Debtors shall at all times comply with the Approved Budget, subject to the Permitted Variances (as defined below). By no later than 5:00 P.M. (Eastern Time) on the Friday of the second full calendar week following the Petition Date (the "First Testing Date"), and no later than 5:00 P.M. (Eastern Time) on each Friday after the First Testing Date (together with the First Testing Date, each a "Testing Date"), the Debtors shall deliver to the DIP Lender, the Prepetition Agent, and Committee (if any) a variance report for the applicable Testing Period (as defined below) in form and detail acceptable to the DIP Lender (an

"Approved Variance Report") showing comparisons of (a) actual cumulative cash receipts of the Debtors for such Testing Period compared to the projected cumulative cash receipts of the Debtors for such Testing Period as set forth in the Approved Budget (any such difference, a "Receipts Variance") and (b) actual cumulative operating disbursements, capital expenditures, and non-operating disbursements (including professionals fees of the Debtors and the Committee, if any) of the Debtors on a cumulative basis for such Testing Period compared to the projected cumulative operating disbursements, capital expenditures, and non-operating disbursements (including professionals fees of the Debtors and the Committee, if any) of the Debtors on a cumulative basis for such Testing Period as set forth in the Approved Budget (any such difference, a "Disbursements Variance"). The term "Testing Period" means (i) with respect to receipts, the two-week period beginning on Sunday and ending on the Saturday immediately prior to the applicable Testing Date, and (ii) with respect to operating disbursements, capital expenditures, and non-operating disbursements (including professionals fees of the Debtors and the Committee, if any), the weekly period beginning on Sunday and ending on the Saturday immediately prior to the applicable Testing Date. Each Approved Variance Report shall indicate whether there has been any adverse Receipts Variance or Disbursements Variance that exceeds the Permitted Variance, in each case measured on a cumulative basis for the applicable Testing Period. A "Permitted Variance" shall be 15.0% and shall be determined, as of any Testing Date, as follows: the Debtors shall certify in each Approved Variance Report (I) the difference of (w) the Debtors' actual cumulative cash receipts for the applicable Testing Period on a cumulative basis, *minus* (x) to the extent such amount is greater than $0, the amount projected in the Approved Budget for each such line item for such Testing Period, and (II) the difference of (y) the Debtors' actual cumulative operating disbursements, capital expenditures, and non-operating disbursements (including professionals

fees of the Debtors and the Committee, if any) for the applicable Testing Period on a cumulative basis, *minus* (z) to the extent such amount is greater than $0, the amount projected in the Approved Budget for each such line item for such Testing Period. To the extent that the Debtors' actual operating disbursements, capital expenditures, and/or non-operating disbursements (including professionals fees of the Debtors and the Committee, if any) for the Testing Period exceeds the projected disbursements for any corresponding line item within the Approved Budget for the applicable Testing Period by more than 15.0% for any Testing Period, an Event of Default shall have occurred. An Event of Default shall also have occurred if the Debtors' projected cumulative cash receipts for the Testing Period as set forth in the Approved Budget exceeds the Debtors' actual cumulative cash receipts for such Testing Period by more than 15.0% for any Testing Period.

17. Additional Reporting. From and after the Petition Date through the Maturity Date, not later than 5:00 p.m. (Eastern Time) on or before the fifth business day after the end of each calendar month, the Debtors shall deliver to the DIP Lender and the Prepetition Agent (x) any reporting documents pursuant to the Prepetition Credit Agreement and (y) any other documents as the DIP Lender or the Prepetition Agent, as applicable, may request. The DIP Lender shall have rights consistent with the Prepetition Credit Agreement to request updated appraisals and field examinations during the Chapter 11 Case. The Debtors shall also make the Debtors' professionals reasonably available upon reasonable notice for telephonic or virtual meetings to update the DIP Lender and the DIP Professionals, as well as the Prepetition Agent and the Prepetition Agents Professionals, on all matters affecting the Debtors and the Chapter 11 Case, including with respect to the efforts to market and sell the DIP Collateral.

18. Modification of Automatic Stay. The automatic stay of section 362 of the Bankruptcy Code is hereby modified and vacated to the extent necessary to permit the Debtors,

the DIP Lender, and the Prepetition Agent to accomplish the transactions contemplated by this Interim Order.

19. Perfection of DIP Liens and Replacement Liens. This Interim Order shall be sufficient and conclusive evidence of the creation, validity, perfection, and priority of all liens granted herein, including the DIP Liens and the Replacement Liens, without the necessity of filing or recording any financing statement, mortgage, deed of trust, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable non-bankruptcy law) the DIP Liens and the Replacement Liens or to entitle the DIP Lender and the Prepetition Loan Parties to the priorities granted herein. Notwithstanding the foregoing, the DIP Lender and the Prepetition Agent, as applicable, are each authorized, but not required, to file, as each deems necessary or advisable, such financing statements, security agreements, mortgages, notices of liens, and other similar documents to perfect in accordance with applicable non-bankruptcy law or to otherwise evidence the DIP Liens and the Replacement Liens, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been filed or recorded as of the Petition Date; provided, however, that no such filing or recordation shall be necessary or required in order to create or perfect the DIP Liens or the Replacement Liens. The proceeds of the DIP Term Loans shall be funded into newly established deposit accounts of the Borrower, including a Carve-Out account and the Prepetition Agent Fee Reserve account. For avoidance of doubt, (i) such accounts (other than the Prepetition Agent Fee Reserve account) shall be subject to the DIP Liens in favor of the DIP Lender, which shall be perfected pursuant to the DIP Orders and (ii) the Prepetition Agent Fee Reserve account shall be subject to the DIP Liens, DIP Superpriority Claims,

Replacement Liens, and Adequate Protection Superpriority Claims solely to the extent of any amounts remaining in such account after indefeasible payment in full of all Prepetition Agent Professional Fees allowed pursuant to paragraph 36 of this Interim Order. The Debtors are authorized to execute and deliver promptly upon demand to the DIP Lender or the Prepetition Agent, as applicable, all such financing statements, mortgages, notices and other documents as each may reasonably request, so long as the cost of maintaining or perfecting the security interest is not excessive in view of the benefits to be obtained. The DIP Lender or the Prepetition Agent, as applicable, may, in its discretion, file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office in addition to or in lieu of such financing statements, notices of lien or similar instruments. To the extent that either Prepetition Agent is, with respect to the DIP Collateral, the secured party under any security agreement, mortgage, leasehold mortgage, landlord waiver, credit card processor notices or agreements, bailee letters, custom broker agreements, financing statement, account control agreements, or any other Prepetition Loan Documents or is listed as loss payee, lenders' loss payee or additional insured under any of the Debtors' insurance policies, the DIP Lender shall also be deemed to be the secured party or mortgagee, as applicable, under such documents or to be the loss payee or additional insured, as applicable. The Prepetition Agent shall act as agent for the DIP Lender solely for purposes of perfecting the DIP Lender's liens on all DIP Collateral within Prepetition Agent's possession that, without giving effect to the Bankruptcy Code and this Interim Order, is of a type such that perfection of a lien therein may be accomplished only by possession or control by a secured party (including any deposit account control agreement), and all of the Prepetition Agent's respective rights in such DIP Collateral shall inure to the benefit of and be exercisable exclusively by the DIP Lender until the DIP Obligations have been indefeasibly repaid

in full in cash; provided, that the DIP Lender may, in its sole discretion, require the Debtors and the Prepetition Agent to (and the Debtors and the Prepetition Agent shall) use commercially reasonable efforts to provide the DIP Lender with such possession or control as is necessary to perfect the DIP Obligations and DIP Liens, and DIP Lender agrees to directly reimburse Prepetition Agent for all costs or expenses, including professional fees, incurred by Prepetition Agent in relation to such efforts.

20. Access to Books and Records. The Debtors will (i) maintain books, records, and accounts to the extent and as required by the DIP Term Sheet, (ii) cooperate with, consult with, and, subject to attorney-client privilege, work product doctrine, and any similar applicable protections, provide to the DIP Lender all such information and documents that the Debtors are obligated to provide under the DIP Term Sheet or the provisions of this Interim Order or as otherwise reasonably requested by the DIP Lender, (iii) during normal business hours, upon reasonable advance notice, permit consultants, advisors and other representatives (including third party representatives) of the DIP Lender to visit and inspect any of the Debtors' properties, to examine and make abstracts or copies from any of the Debtors' books and records, to conduct a collateral audit and analysis of the Debtors' inventory and accounts, to tour the Debtors' business premises and other properties, and to discuss, and to engage in discussions with the Debtors' senior management and independent public accountants to the extent required by the DIP Term Sheet, and (iv) permit the DIP Lender and its consultants, advisors and other representatives, to consult with the Debtors' management and advisors on matters concerning the Debtors' businesses, financial condition, operations and assets.

21. Proceeds of Subsequent Financing. If the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in this Chapter 11 Cases or

any Successor Case, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c) or 364(d) or in violation of the DIP Term Sheet, any other DIP Documents or this Interim Order at any time prior to the indefeasible repayment in full in cash of all DIP Obligations and the termination of the DIP Lender's obligation to extend credit under the DIP Facility, including subsequent to the confirmation of any plan with respect to the Debtors and the Debtors' Estates, and such facilities are secured by any DIP Collateral, then all cash proceeds derived from such credit or debt shall within two (2) business days be turned over to the DIP Lender to be distributed in accordance with this Interim Order and the DIP Term Sheet or any other DIP Documents. For the avoidance of doubt, if the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in the Chapter 11 Case, or any Successor Case, shall obtain credit or incur debt (other than the DIP Facility) pursuant to section 364(d) of the Bankruptcy Code at any time prior to the indefeasible repayment in full in cash of the Prepetition Obligations, the Prepetition Lenders' rights to object to the Debtors' use of Cash Collateral and assert a lack of adequate protection shall be fully preserved.

22. Cash Management. The Debtors shall maintain their cash management system in compliance with the terms and conditions of any interim and/or final order, which shall be acceptable to the DIP Lender and the Prepetition Agent, granting the Debtors authorization to continue their cash management systems and certain related relief (as amended, supplemented, or otherwise modified, the "Cash Management Order"), the DIP Term Sheet, any other DIP Documents and this Interim Order.

23. Maintenance of DIP Collateral. Until the indefeasible payment in full in cash of all DIP Obligations and Prepetition Obligations and the termination of the DIP Lender's obligation to extend credit under the DIP Facility, the Debtors shall: (a) insure the DIP Collateral as required

under the DIP Term Sheet, any other DIP Documents or the Prepetition Loan Documents, as applicable; and (b) maintain the cash management system consistent with the terms and conditions of the Cash Management Order, the DIP Term Sheet, and this Interim Order.

24. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral or Prepetition Collateral, other than in the ordinary course of business or as otherwise permitted by the DIP Term Sheet, without the prior written consent of the DIP Lender, or pursuant to a sale of all or substantially all of the Debtors' assets in accordance with the Bidding Procedures Motion and Sale Transaction (each as defined in the DIP Term Sheet). Except as may be provided in the DIP Documents, including the DIP Term Sheet, the Debtors are authorized and directed to, upon the closing of a sale of any of the DIP Collateral, to pay all cash proceeds of any such sale within two (2) business days of receipt thereof to the DIP Lender, to satisfy the DIP Obligations in accordance with this Interim Order and the DIP Term Sheet, and any order approving the sale of such DIP Collateral shall provide that the sale is conditioned upon the payment in full of the DIP Obligations (except to the extent otherwise agreed in writing by the DIP Lender).

25. Termination Date. On the Termination Date (defined below), all DIP Obligations shall be immediately due and payable, and all commitments to extend credit under the DIP Facility will terminate other than as permitted by the Carve-Out or the Prepetition Agent Carve-Out.

26. Events of Default. Until the DIP Obligations are indefeasibly paid in full in cash and all commitments thereunder are terminated in accordance with the DIP Term Sheet and any other DIP Documents, the occurrence of any of the following events, unless waived by the DIP Lender (or as otherwise provided in the DIP Term Sheet) in writing (which may be by electronic mail) and in accordance with the terms of the DIP Term Sheet, shall constitute an event of default

(collectively, the "Events of Default"): (a) the failure of the Debtors to perform, in any material respect, any of the terms, provisions, conditions, covenants, or obligations under this Interim Order, including, without limitation, the failure to make any payment under this Interim Order when due, the failure to comply with any Milestone (as defined in the DIP Term Sheet), or the failure to comply with the Approved Budget (subject to the Permitted Variances); and (b) the occurrence and continuation of any Event of Default under, and as defined in, the DIP Term Sheet or any other DIP Documents (subject to any notice and cure periods set forth therein).

27. Milestones. As a condition to the DIP Facility and the use of Cash Collateral, the Debtors have agreed to the Milestones. For the avoidance of doubt, unless waived, modified or extended in writing by the DIP Lender in its sole discretion, the failure of the Debtors to meet the Milestones by the Specified Deadlines (as defined in the DIP Term Sheet) shall constitute an Event of Default under the DIP Term Sheet, any other DIP Documents, and this Interim Order.

28. Rights and Remedies Upon Event of Default. Upon the occurrence and during the continuation of any Event of Default, subject to five (5) business days' notice to the Debtors, the Prepetition Agent, and the Committee (if any) during which such parties may seek an emergency hearing before the Bankruptcy Court, notwithstanding the provisions of Bankruptcy Code section 362, without any application, motion or notice to, hearing before, or order from the Court, other than, subject to the terms of this Interim Order: (a) the DIP Lender, or as otherwise provided in the DIP Term Sheet or any other DIP Documents, may send a written notice to the Debtors, counsel to the Committee (if any), the Prepetition Agent, and the U.S. Trustee (any such declaration shall be referred to herein as a "Termination Declaration"), which shall be filed on the docket of the Chapter 11 Case, declaring (1) all DIP Obligations owing under the DIP Term Sheet and this Interim Order to be immediately due and payable, (2) the commitment of each DIP Lender to make DIP Loans

are to be terminated, whereupon such commitments shall be terminated to the extent any such commitment remains under the DIP Facility, (3) the termination of the DIP Facility, the DIP Term Sheet, and any other DIP Documents as to any future liability or obligation of the DIP Lender, but without affecting any of the DIP Liens or the DIP Obligations, and (4) the application of the Carve-Out has occurred following the delivery of the Carve-Out Trigger Notice (as defined below) to the Borrower; (b) interest, including, where applicable, default interest, shall accrue and be paid as set forth in the DIP Term Sheet or any other DIP Documents; and (c) upon delivery of the Termination Declaration, the DIP Lender shall be deemed to have declared a termination, reduction, or restriction on the ability of the Debtors to use Cash Collateral, other than to pay expenses set forth in the Approved Budget that are necessary to avoid immediate and irreparable harm to the Debtors' Estates. The earliest date on which a Termination Declaration is delivered by the DIP Lender and filed on the Docket shall be referred to herein as the "Termination Date." Following the Termination Date, no DIP Lender or Prepetition Lender shall be required to consent to the use of any Cash Collateral or provide any loans or other financial accommodations under the DIP Facility, absent further order of the Court. The Termination Declaration shall be given by electronic mail (or other electronic means) to counsel to the Debtors, counsel to the Committee (if any), counsel for the Prepetition Agent, and the U.S. Trustee.

29. No Waiver by Failure to Seek Relief. The rights and remedies of the DIP Lender are cumulative and not exclusive of any rights or remedies that the DIP Lender may have under the DIP Term Sheet, any other DIP Documents, applicable law, or otherwise. The failure or delay on the part of any of the DIP Lender to seek relief or otherwise exercise its rights and remedies under this Interim Order, the DIP Term Sheet, any other DIP Documents the Prepetition Loan Documents, or applicable law, as the case may be, shall not constitute a waiver of any of its

respective rights or be deemed as an admission that no Event of Default has occurred. No delay on the part of any party in the exercise of any right or remedy under this Interim Order or any DIP Documents, shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. Except as expressly set forth herein, none of the rights or remedies of any party under this Interim Order, the DIP Term Sheet, and the Prepetition Loan Documents 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 requisite parties under the DIP Term Sheet or any other DIP Documents and the requisite parties under the Prepetition Loan Documents, as applicable. No consents required hereunder by any of the DIP Lender shall be implied by any inaction or acquiescence by the DIP Lender.

30. Emergency Hearing. Any party in interest may seek an emergency hearing on an expedited basis (the "Emergency Hearing") during the five (5) business days following the date a Termination Declaration is delivered (such five (5) business day period, the "Remedies Notice Period") ; provided that if the Emergency Hearing is requested to be heard prior to the expiration of the Remedies Notice Period but is scheduled for a later date by the Court, the Remedies Notice Period shall be automatically extended to the date of such hearing. During the Remedies Notice Period, the Debtors shall continue to have the right to use Cash Collateral in accordance with the terms of this Interim Order, solely to pay necessary expenses set forth in the Approved Budget to avoid immediate and irreparable harm to the Estate. At the end of the Remedies Notice Period, unless the Court has entered an order to the contrary, the Debtors' right to use Cash Collateral shall immediately cease, and the DIP Lender shall have the rights set forth immediately below.

31. Certain Rights and Remedies Following Termination Date. Following the Termination Date and upon either the expiration of the Remedies Notice Period or pursuant to an

order of the Court (which may authorize the remedies set forth in this paragraph or any other appropriate remedy as then determined by the Court) upon an emergency motion by the DIP Lender to be heard on no less than five (5) business days' notice (and the Debtors shall not object to such shortened notice) (the "Termination Enforcement Order"), the DIP Lender shall be entitled to exercise all rights and remedies in accordance with the DIP Term Sheet, the DIP Orders, and applicable law and shall be permitted to satisfy the relevant DIP Obligations and DIP Liens based on the priorities set forth in the DIP Orders and the DIP Term Sheet, subject to the Carve-Out, the Prepetition Agent Carve-Out, and any Prepetition Permitted Liens. Following entry of the Termination Enforcement Order, except as otherwise ordered by the Court (including in any Termination Enforcement Order): (a) the Debtors are hereby authorized and directed to, with the exclusion of the Carve-Out and the Prepetition Agent Carve-Out, remit to the DIP Lender one-hundred percent (100%) of all collections, remittances, and proceeds of the DIP Collateral in accordance with the DIP Term Sheet; (b) the DIP Lender may seek authority to, (i) compel the Debtors to sell or otherwise dispose of all or any portion of the DIP Collateral (or any other property of the Debtors to the extent a lien is not permitted by law to attach to such property, the proceeds of which are DIP Collateral) pursuant to Bankruptcy Code section 363 (or any other applicable provision) on terms and conditions pursuant to Bankruptcy Code sections 363, 365, and other applicable provisions of the Bankruptcy Code, and (ii) compel the Debtors to assume and assign any lease or executory contract included in the DIP Collateral to the DIP Lender's designees in accordance with and subject to Bankruptcy Code section 365, (c) the DIP Lender may seek authority to (and the Debtors shall comply with such direction to) dispose of or liquidate the DIP Collateral (or any other property of the Debtors to the extent a lien is not permitted by law to attach to such property, the proceeds which are DIP Collateral) via one or more sales of such DIP

Collateral or property and/or the monetization of other DIP Collateral or property, (d) the DIP Lender, or may direct the Debtors to (and the Debtors shall comply with such direction to), collect any and all accounts receivable, (e) the DIP Lender shall be authorized to succeed to any and all of the Debtors' rights and interests under any licenses for the use of any intellectual property in order to complete the production and sale of any inventory with respect to the DIP Collateral, and (f) the Debtors shall take all action that is reasonably necessary to cooperate with the DIP Lender in the exercise of their rights and remedies and to facilitate the realization of the DIP Collateral by the DIP Lender in a manner consistent with the priorities set forth in this Interim Order and the DIP Term Sheet.

32. Access to DIP Collateral. Notwithstanding anything contained herein to the contrary and without limiting any other rights or remedies of the DIP Lender under the Interim Order, the DIP Term Sheet and applicable law, after the occurrence of the Termination Date and either upon the expiration of the Remedies Notice Period or the entry of a Termination Enforcement Order, for the purpose of exercising any remedy with respect to any of the DIP Collateral, the DIP Lender (or any of its employees, agents, consultants, contractors, or other professionals) (collectively, the "Enforcement Agents") shall have the right (to be exercised at the direction of the DIP Lender), provided that such rights are in accordance with applicable non-bankruptcy law, to: (i) enter upon, occupy, and use any real or personal property, fixtures, equipment, leasehold interests, or warehouse arrangements owned or leased by the Debtors; (ii) enter into the premises of the Debtors in connection with the orderly sale or disposition of the DIP Collateral (including, without limitation, to complete any work in process); (iii) exercise any rights of the Debtors to access any DIP Collateral (including inventory) held by any third party; provided, however, the Enforcement Agents may only be permitted to do so in accordance with (a) existing

rights under applicable non-bankruptcy law, including, without limitation, applicable leases, (b) any prepetition (and, if applicable, post-petition) landlord waivers or consents, or (c) further order of this Court on motion and notice appropriate under the circumstances; and (iv) use any and all trademarks, tradenames, copyrights, licenses, patents, equipment or any other similar assets of the Debtors, or assets which are owned by or subject to a lien of any third party and which are used by the Debtors in its business; provided, however, the Enforcement Agents may only use such assets to the extent permitted by applicable non-bankruptcy lawNothing contained herein shall require the Enforcement Agents to assume any lease as a condition to the rights afforded in this paragraph 32.

33. Carve-Out. Each of the DIP Liens, the DIP Superpriority Claims, the Prepetition Liens, the Replacement Liens, and the Adequate Protection Superpriority Claims shall be subject to payment of the Carve-Out and the Prepetition Agent Carve-Out.

(i) "Carve-Out" means, collectively, the following fees and expenses: (a) all statutory fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930(a) *plus* interest at the statutory rate, if any, pursuant to 31 U.S.C § 3717; (b) reasonable fees and expenses incurred by a trustee, if any, under section 726(b) of the Bankruptcy Code in an amount not exceeding $25,000 (without regard to the Carve-Out Trigger Notice) (the amounts in these clauses (a) and (b), "Statutory Fees"); (c) subject in all cases to the Approved Budget, to the extent allowed at any time, whether by interim or final compensation order, procedural order or otherwise, all unpaid fees and expenses (including any restructuring, sale, success, or other transaction fee of any investment bankers or financial advisors of the Debtors) (the "Allowed Debtors Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code (collectively, the

"Debtors Professionals") and unpaid fees and expenses (including any restructuring, sale, success, or other transaction fee of any investment bankers or financial advisors of the Committee) (the "Allowed Committee Professional Fees" and, together with the Allowed Debtors Professional Fees, collectively, the "Allowed Professional Fees") incurred by persons or firms retained by the Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtors Professionals, the "Professional Persons") that are incurred on or prior to the second business day following delivery by the DIP Lender of a Carve-Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice (clauses (a) through (c), the "Pre-Carve-Out Amounts"); and (d) Allowed Professional Fees in an aggregate amount not to exceed $100,000 for the Professional Persons, incurred after the second business day following delivery by the DIP Lender of the Carve-Out Trigger Notice (including any restructuring, sale, success, or other transaction fee earned or payable to any Professional Person) (the amounts set forth in this clause (d) being the "Post-Carve-Out Trigger Notice Cap"). For the avoidance of doubt, other than the Carve-Out and the Prepetition Agent Carve-Out, no other amounts owed by the Debtors to any party (including any amounts set forth in the Approved Budget) as of the date of Carve-Out Trigger Notice is delivered shall be payable from the Prepetition Collateral or the DIP Collateral until the DIP Obligations are satisfied in full. For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender to the Debtors' lead counsel, the U.S. Trustee, and lead counsel to the Committee (if any), which notice may only be delivered following the occurrence and during the continuation of an Event of Default under the DIP Facility, stating that the Post-Carve-Out Trigger Notice Cap has been invoked. Except with respect to the Prepetition Agent Carve-Out, no portion of the Carve-Out, any Cash Collateral, any

other DIP Collateral, or any proceeds of the DIP Facility, including any disbursements set forth in the Approved Budget or obligations benefitting from the Carve-Out, shall be used for the payment of Allowed Professional Fees, disbursements, costs or expenses incurred by any person, including, without limitation, any Committee, in connection with challenging the DIP Lender's liens or claims, preventing, hindering or delaying any of the DIP Lender's enforcement or realization upon any of the DIP Collateral, or initiating or prosecuting any claim or action against any DIP Lender; provided that notwithstanding anything herein to the contrary, proceeds from the DIP Facility and/or Cash Collateral not to exceed $25,000 in the aggregate (the "Investigation Budget") may be used on account of Allowed Professional Fees incurred by Committee Professionals (if any) during the Challenge Period (as defined below) in connection with the investigation of avoidance actions or any other claims or causes of action (but not the prosecution of such actions) on account of the Prepetition Facility and Prepetition Lenders (but not the DIP Facility and DIP Lender).

(ii) Carve-Out Reserve. Contemporaneously with the initial funding of the DIP Loans, the Debtors will transfer cash proceeds from the DIP Facility in an amount equal to the total budgeted weekly fees and expenses incurred by the Debtors Professionals for the first two weekly periods set forth in the Approved Budget, and thereafter on a weekly basis the Debtors will transfer cash proceeds from draws from the DIP Facility and/or cash on hand equal to the total budgeted weekly fees and expenses incurred by the Debtors Professionals and Committee Professionals (if any) until receipt of a Carve-Out Trigger Notice, in each case, including any restructuring, sale, success or other transaction fee of any investment bankers or financial advisors of the Debtors or the Committee, into segregated escrow account held in trust solely for the benefit of the Professional Persons (the "Professional Fee Reserve"). Upon the delivery of a Carve-Out Trigger Notice, the Carve-Out Trigger Notice shall (i) be deemed a request by the Debtors for, and

the DIP Lender shall fund, DIP Loans under the DIP Facility, in an amount equal to (i) the sum of the aggregate unpaid amount of the total budgeted weekly fees of Professional Persons incurred before or on the first business day following delivery of a Carve-Out Trigger Notice (to the extent not previously funded to the Professional Fee Reserve) and (ii) the Post-Carve-Out Trigger Notice Cap (less any amounts already funded into the Professional Fee Reserve in respect of such amounts) (any such amounts actually advanced shall constitute DIP Loans); and (ii) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by the Debtors to fund a reserve in an amount equal to amounts set forth in clauses (i) and (ii) (less any amounts already funded into the Professional Fee Reserve in respect of such amounts). For the avoidance of doubt, in no event shall the DIP Lender be required to fund any amount in excess of its then-outstanding DIP Commitment. Amounts funded into the Professional Fee Reserve shall be considered used by the Debtors at such time as they are deposited into the Professional Fee Reserve for distribution to Professional Persons in accordance with orders of the Bankruptcy Court. The Debtors shall use funds held in the Professional Fee Reserve exclusively to pay Allowed Professional Fees accruing prior to the Termination Date as they become allowed and payable pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any interim or final orders of the Court. Any amounts remaining in the Professional Fee Reserve after payment of the Carve-Out shall be paid to the DIP Lender, unless the DIP Obligations have been indefeasibly paid in full in cash, and all DIP Commitments have been terminated, in which case any such excess shall be paid to the Prepetition Agent for the benefit of the Prepetition Lenders.

(iii) Funds transferred to the Professional Fee Reserve shall be subject to the DIP Liens, DIP Superpriority Claims, Replacement Liens, and Adequate Protection Superpriority

Claims granted hereunder to the extent of such reversionary interest; provided that, for the avoidance of doubt, such liens and claims shall be subject in all respects to the Carve-Out.

(iv) Notwithstanding anything to the contrary in the DIP Term Sheet, this Interim Order, or any other Court order, the Professional Fee Reserve and the amounts on deposit in the Professional Fee Reserve shall be available and used only to satisfy Allowed Professional Fees accruing prior to the Termination Date benefitting from the Carve-Out, and the other obligations that are a part of the Carve-Out. The failure of the Professional Fee Reserve to satisfy Allowed Professional Fees in full shall not affect the priority of the Carve-Out; provided that to the extent the Professional Fee Reserve is actually funded, the Carve-Out shall be reduced by such funded amount on a dollar-for-dollar basis.

(v) No Direct Obligation to Pay Professional Fees; No Waiver of Right to Object to Fees. No DIP Lender shall be responsible for the direct payment or reimbursement of any fees or disbursements of any of the Professional Persons 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 Lender in any way to compensate, or to reimburse expenses of, any of the Professional Persons, or to guarantee that the Debtors or their Estate have sufficient funds to pay such compensation or reimbursement. Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of the Debtors, any Committee, any other official or unofficial committee in this Chapter 11 Cases or any Successor Case, or of any other person or entity, or shall affect the right of any party to object to the allowance and payment of any such fees and expenses.

34. Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order. The DIP Lender shall have acted in good faith in connection with this Interim

Order and is 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 the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are reversed or modified on appeal, the DIP Lender is entitled to the protections provided in section 364(e) of the Bankruptcy Code. Any such reversal or modification on appeal shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim, or priority authorized or created hereby.

35. Approval of DIP Fees. In consideration for the DIP Facility and the consent to the use of Cash Collateral in accordance with the terms of this Interim Order, the DIP Lender shall be paid all fees, expenses, and other amounts payable under the DIP Term Sheet as such become due, including, without limitation, the Commitment Fee (6%), the Funding Fee (4%), and the Exit Fee (10%), subject to entry of a final order allowing such fee except as otherwise provided below in the event of a refinancing, as set forth herein, and all reasonable and documented out-of-pocket costs and expenses, including legal fees of the DIP Lender, financial advisor fees, and other similar fees, costs and expenses incurred in connection with the DIP Facility and the Chapter 11 Case, including, without limitation, the reasonable and documented fees and expenses of (a) counsel to the DIP Lender, (b) specialty or local counsel to the DIP Lender in each relevant jurisdiction and (c) in the case of an actual or perceived conflict of interest with respect to any of the foregoing counsel, one additional counsel the DIP Lender (all such fees, together, the "DIP Fees"). The DIP Fees shall be fully earned as set forth herein, and payable in accordance with the terms of the DIP Term Sheet or any other DIP Documents, in each case, without the need for any further order of this Court. Specifically, the Commitment Fee shall be fully earned and paid as of the date of entry of this Interim Order. The Funding Fee shall be fully earned and paid as draws are made in

accordance with the DIP Term Sheet and Approved Budget. The Exit Fee shall be accrued in the amount of ten percent (10%) of the amount drawn under this Interim Order (the "Accrued Interim Exit Fee") and paid upon the closing of the Sale, subject to final approval of such fee. The remaining amount of the Exit Fee (the "Accrued Final Exit Fee") shall be accrued upon the Final Draw in the amount of ten percent (10%) of such Final Draw and paid upon the closing of the Sale, subject to final approval of such fee. In the event that the Debtors refinance the existing DIP Obligations with an entity other than the DIP Lender, after the entry of this Interim Order but prior to the final hearing on the Motion, all of the DIP Fees shall be paid in full, irrespective of whether the full amount has been drawn by the Debtors under the DIP Facility. The DIP Fees shall be part of the DIP Obligations.

36. DIP Agent Professionals' Fees and Prepetition Agent Professionals' Fees. Professionals for the DIP Lender (the "DIP Professionals") and the professionals for the Prepetition Agent (the "Prepetition Agent Professionals") shall not be required to comply with the U.S. Trustee fee guidelines or file applications or motions with, or obtain approval of, this Court for compensation and reimbursement of fees and expenses. The DIP Professionals and the Prepetition Agent Professionals shall submit copies of summary invoices to the Debtors, the U.S. Trustee, and counsel to the Committee, if any, for any fees and expenses incurred prior to or after the Petition Date. The invoices shall provide only the total aggregate number of hours billed and a summary description of services provided and the expenses incurred by the applicable party and/or professionals, and shall be subject to all applicable privilege and work product doctrines. If the Debtors, U.S. Trustee, or any Committee object to the reasonableness of the fees and expenses of any Lender Professional or Prepetition Agent Professional and the parties cannot resolve such objection by 4:00 P.M. (Eastern Time) on the date that is ten (10) days after electronic delivery of

such invoices (the "Fee Objection Deadline"), then the Debtors, U.S. Trustee, or the Committee, as the case may be, shall file with this Court and serve on such Lender Professional a written objection (the "Fee Objection"), and any failure by any such party to file a Fee Objection by the Fee Objection Deadline shall constitute a waiver of any right of such party to object to the applicable invoice. Notwithstanding any provision herein to the contrary, any objection to, and any hearing on an objection to, payment of any fees, costs, and expenses set forth in a professional fee invoice in respect of the DIP Professionals or Prepetition Agent Professional shall be limited to the reasonableness of the particular items or categories of the fees, costs, and expenses that are the subject of such objection. The Debtors shall timely pay in accordance with the terms and conditions of this Interim Order (a) the undisputed fees, costs, and expenses reflected on any invoice to which a Fee Objection has been timely filed and (b) all fees, costs, and expenses on any invoice to which no Fee Objection has been timely filed.

37. Indemnification. The Debtors shall indemnify and hold harmless the DIP Lender, each of its affiliates and each of their respective former or current officers, partners, directors, managers, owners, members, principals, employees, agents, related funds, investors, financing sources, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof in accordance with, and subject to, the terms and conditions of this Interim Order and the DIP Term Sheet and other DIP Documents for DIP lending activities or omissions.

38. Right to Credit Bid. In connection with any sale or other disposition of the DIP Collateral or Prepetition Collateral including any sales occurring under or pursuant to section 363 of the Bankruptcy Code, any plan of reorganization or plan of liquidation under section 1129 of the Bankruptcy Code, or a sale or disposition by a chapter 7 trustee for the Debtors (any of the

foregoing sales or dispositions, a "Sale"), the DIP Lender shall be authorized subject to section 363(k) of the Bankruptcy Code to credit bid on a dollar-for-dollar basis any or all of the full amount of the respective outstanding DIP Obligations up to the full amount of the DIP Obligations (and any other applicable obligations held by the DIP Lender), respectively, including any accrued interest, expenses, and fees, in a Sale (including any deposit in connection with such sale) of any DIP Collateral, whether such sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee, or otherwise, without the need for further court authorization. The DIP Lender shall have the absolute right to assign, transfer, sell, or otherwise dispose of their respective rights to credit bid to any acquisition vehicle formed in connection with such bid or other designee.

39. Proofs of Claim. The DIP Lender shall not be required to file proofs of claim in the Chapter 11 Cases or any Successor Case for any claim arising under the DIP Documents. The Debtors' stipulations, admissions, and acknowledgments and the provisions of this Interim Order shall be deemed to constitute timely filed proofs of claim for the DIP Lender with regard to all claims arising under the DIP Documents, and, as a result, the DIP Obligations shall be deemed allowed for all purposes in accordance with section 502(a) of the Bankruptcy Code.

40. Limitations on Use of DIP Proceeds, Cash Collateral and Carve-Out. Except as otherwise permitted in this Interim Order and the Approved Budget (including with respect to the Investigation Budget), the DIP Collateral, the Cash Collateral, and the Carve-Out may not be used in connection with: (a) preventing, hindering, or delaying the DIP Lender's enforcement or realization upon any of the DIP Collateral; (b) seeking to amend or modify any of the rights granted to the DIP Lender or the Prepetition Loan Parties under this Interim Order or the DIP Documents; (c) objecting to or challenging in any way the (i) DIP Liens, DIP Obligations, DIP Collateral

(including Cash Collateral), or any other claims or liens, held by or on behalf of any of the DIP Lender, respectively, or (ii) Prepetition Liens, the Prepetition Obligations, the Prepetition Collateral (including Cash Collateral), or any other claims or liens held by or on behalf of the Prepetition Loan Parties; (d) asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any actions under chapter 5 of the Bankruptcy Code, applicable state law equivalents, any so-called "lender liability" claims and causes of action or other actions to recover or disgorge payments against the DIP Lender, the Prepetition Lender, or any of their respective affiliates, successors and assigns and the partners, shareholders, controlling persons, directors, officers, employees, agents, attorneys, advisors, and professionals; (e) litigating, objecting to, challenging, contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the DIP Obligations, the DIP Liens, or any other rights or interests of the DIP Lender; (f) litigating, objecting to, challenging, contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Replacement Liens, Adequate Protection Superpriority Claims, Adequate Protection Payment, or any other rights or interests of the Prepetition Lenders, or (g) seeking to subordinate, recharacterize, disallow, or avoid the DIP Obligations or the Prepetition Obligations.

41. Effect of Stipulations on Third Parties. The Debtors' Stipulations contained in paragraph G and releases in paragraph H hereof shall be binding in all circumstances upon the Debtors upon entry of this Interim Order, and upon the Debtors' Estates and any successor thereto in all circumstances for all purposes immediately upon entry of the Final Order. The Debtors' Stipulations shall be binding upon each other party-in-interest, including the Committee, except to the extent such party in interest *first* obtains standing (including any chapter 11 trustee or if any of

the Chapter 11 Cases is converted to a case under chapter 7 prior to the expiration of the Challenge Period (as defined below), the chapter 7 trustee in such Successor Case), by no later than seventy-five (75) calendar days following the date of entry of this Interim Order, in each case unless such period is shortened by order of the Court (the "Challenge Period")[5] and *second*, obtains a final, non-appealable order in favor of such party-in-interest sustaining any such Challenge (as defined below) in any such timely-filed contested matter or adversary proceeding (any such Challenge (as defined below) timely brought for which such a final and non-appealable order is so obtained, a "Successful Challenge"). For the purposes of this Interim Order, a "Challenge" shall mean a timely and properly filed (or deemed timely and properly filed) contested matter or adversary proceeding challenging or otherwise objecting to the admissions, stipulations, findings, or releases set forth in this Interim Order, including the stipulations contained in the Debtors' Stipulations, including but not limited to those in relation to (a) the amount, validity, extent, priority, or perfection of the mortgages, security interests, and liens of the Prepetition Agent with respect to the Prepetition Collateral; (b) the validity, allowability and priority of the Prepetition Obligations; and (c) any releases set forth or agreed to herein or pursuant to the DIP Term Sheet. If the Chapter 11 Cases convert to chapter 7, or if a chapter 11 trustee is appointed, prior to the end of the Challenge Period, the Challenge Period shall be extended for the chapter 7 or chapter 11 trustee to 14 days after their appointment. If the Chapter 11 Cases convert to chapter 7 following the commencement of a timely challenge by a Committee appointed in the Chapter 11 Case, then the chapter 7 trustee may continue such Challenge in lieu of, and as successor to, the Committee. The Challenge Period shall terminate on the date that is the next calendar day after the expiration of

[5] At the Final Hearing, the Debtors will request that the Challenge Period expire upon the earlier of (i) seventy-five (75) calendar days following the date of entry of this Interim Order and (ii) the date of entry of the Sale Order (as defined in the DIP Term Sheet).

the Challenge Period in the event that either (i) no Challenge is raised during the Challenge Period or (ii) with respect only to those parties who file a Challenge, such Challenge is fully and finally adjudicated (collectively, the "Challenge Period Termination Date"). The filing of a motion seeking standing to file a Challenge before expiration of the Challenge Period, which attaches a proposed Challenge, shall extend the Challenge Period solely with respect to that party until two (2) business days after the Court approves the standing motion, or such other time period ordered by the Court in approving the standing motion. Except as otherwise expressly provided herein, from and after the Challenge Period Termination Date and for all purposes in this Chapter 11 Cases and any Successor Case (and after the dismissal of the Chapter 11 Cases or any Successor Case), and without further notice, motion, or application to, order of, or hearing before this Court, (i) any and all payments made to or for the benefit of the Prepetition Loan Parties or otherwise authorized by this Interim Order (whether made prior to, on, or after the Petition Date) shall be indefeasible and not be subject to counterclaim, set-off, subordination, recharacterization, defense, disallowance, recovery, or avoidance by any party in interest, (ii) any and all such Challenges by any party-in-interest shall be deemed to be forever released, waived, and barred, (iii) all of the Prepetition Obligations shall be deemed to be fully allowed claims within the meaning of section 506 of the Bankruptcy Code, and (iv) the Debtors' Stipulations and releases shall be binding on all parties in interest in this Chapter 11 Cases or any Successor Case, including any Committee or chapter 11 or chapter 7 trustee. Notwithstanding the foregoing, to the extent any Challenge is timely asserted, the Debtors' Stipulations and the other provisions in clauses (i) through (iv) in the immediately preceding sentence shall nonetheless remain binding and preclusive on any Committee and on any other party-in-interest from and after the Challenge Period Termination Date, except to the extent that such Debtors' Stipulations or the other provisions in clauses (i)

through (iv) of the immediately preceding sentence were expressly challenged in such Challenge and such Challenge becomes a Successful Challenge. Notwithstanding any provision to the contrary herein, nothing in this Interim Order shall be construed to grant standing on any party in interest, including any Committee, to bring any Challenge on behalf of the Debtors' Estate. The failure of any party-in-interest, including any Committee, to obtain an order of this Court prior to the Challenge Period Termination Date granting standing to bring any Challenge on behalf of the Debtors' Estate shall not be a defense to failing to commence a Challenge prior to the Challenge Period Termination Date as required under this paragraph 41 or to require or permit an extension of the Challenge Period Termination Date. To the extent any such Challenge is timely and properly commenced, the Prepetition Loan Parties shall be entitled to payment of the related costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in defending themselves and the other Prepetition Loan Parties in any such proceeding, as adequate protection provided hereunder and secured by Replacement Liens and entitled to treatment as Adequate Protection Superpriority Claims, notwithstanding any limitation to the amount of Prepetition Agent Professional Fees otherwise payable under this Interim Order, the Final order, or the Term Sheet; provided that, if a Challenge results in a determination that any part of the prepetition secured liens or encumbrances are invalid, the Court may fashion an appropriate remedy.

42. No Third-Party Rights. Except as explicitly provided for herein or in any of the DIP Term Sheet, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder, or direct, indirect, or incidental beneficiary.

43. No Lender Liability. In determining to make any loan (whether under the DIP Term Sheet, any other DIP Documents or otherwise) or to permit the use of Cash Collateral, none of the DIP Lender or the Prepetition Lenders shall (i) be considered or 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 (as such terms, or any similar terms, are used in the *United States Comprehensive Environmental Response, Compensation and Liability Act*, 42 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal, state or local statute or regulation), (ii) be considered or deemed to be a joint employer with the Debtors, or (iii) owe any fiduciary duty to the Debtors, its creditors, shareholders, or Estates. Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender or the Prepetition Loan Parties any liability for any claims arising from the prepetition or postpetition activities of the Debtors and its affiliates (as defined in section 101(2) of the Bankruptcy Code).

44. Section 506(c) Claims. Subject to final order granting such relief and the provisions of the Carve-Out and as a further condition of the DIP Facility and any obligation of the DIP Lender to make credit extensions pursuant to the DIP Term Sheet or any other DIP Documents (and the prior written consent of the DIP Lender to the payment of the Carve-Out and the Prepetition Lender Carve-Out to the extent provided herein) and the prior written consent of the Prepetition Lenders to the priming of the Prepetition Liens by the DIP Facility and the use of Cash Collateral, (a) no costs or expenses of administration of the Chapter 11 Cases or any Successor Case shall be charged against or recovered from or against any or all of the (i) DIP Lender with respect to the DIP Collateral or (ii) the Prepetition Lenders with respect to the Prepetition Collateral, in each case pursuant to section 105 or section 506(c) of the Bankruptcy Code or otherwise, without the prior written consent of the DIP Lender or Prepetition Agent, as applicable, and (b) no such consent shall be implied from any other action, inaction, or acquiescence of any or all of the DIP Lender or Prepetition Agent.

45. No Marshaling. Subject to final order granting such relief, the DIP Lender shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral as applicable.

46. Section 552(b). Subject to final order granting such relief, the DIP Lender shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Lender, as applicable with respect to proceeds, product, offspring or profits of any of the DIP Collateral.

47. Release of DIP Lender. Upon entry of this Interim Order, the Debtors, on its own behalf and its Estate, forever and irrevocably: (i) releases, discharges, and acquits each of the DIP Lender and each of its former or current officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors-in-interest of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, of every type, including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, solely with respect to or relating to the negotiation and entry into any DIP Documents; and (ii) waives, discharges and releases any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and avoidability of the DIP Liens and the DIP Obligations.

48. Release of Prepetition Loan Parties. Subject to the provisions of paragraph 41 of this Interim Order, each Debtor, on its own behalf and its Estate, forever and irrevocably: (i) releases, discharges, and acquits each of the Prepetition Loan Parties and each of their respective former or current officers, employees, directors, agents, representatives, owners, members,

partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors-in-interest of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, of every type, including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, solely with respect to or relating to the negotiation and entry into any Prepetition Loan Documents or the DIP Documents; and (ii) waives, discharges and releases any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and avoidability of the Prepetition Liens, Prepetition Obligations, Replacement Liens, and the adequate protections provided pursuant to this Interim Order.

49. Insurance Proceeds and Policies. Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Lender, shall be, and shall be deemed to be, without any further action or notice, named as additional insured and loss payee on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral.

50. No Waiver by Failure to Seek Relief. The failure of the DIP Lender to seek relief or otherwise exercise their rights and remedies under this Interim Order, the DIP Term Sheet, any other DIP Documents or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise.

51. Binding Effect of Interim Order. Immediately upon entry of this Interim Order by this Court, the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtors, the DIP Lender, the Prepetition Loan Parties, all other creditors of the Debtors, any Committee (or any other court appointed committee) appointed in the Chapter 11 Case, and all other parties-in-interest and their respective successors and assigns, including any

trustee or other fiduciary hereafter appointed in the Chapter 11 Case, any Successor Case, or upon dismissal of the Chapter 11 Cases or any Successor Case.

52. Discharge. Except as otherwise agreed in writing by the DIP Lender, the DIP Obligations and the obligations of the Debtors with respect to the adequate protection provided herein shall not be discharged by the entry of an order confirming any plan of reorganization in the Chapter 11 Case, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash (and, in the case of DIP Obligations, indefeasibly paid in full as provided by the DIP Term Sheet and any other DIP Documents (including by credit bid)), on or before the effective date of such confirmed plan of reorganization. If the Debtors proposes or supports any plan of reorganization or sale of all or substantially all of the Debtors' assets, or order confirming such plan or approving such sale, that is not conditioned upon the indefeasible payment (including by credit bid) of the DIP Obligations, and the payment of the Debtors' obligations with respect to the adequate protection provided for herein, in full in cash within a commercially reasonable period of time (and in no event later than the effective date of such plan of reorganization or sale) (a "Non-Consensual Plan or Sale") without the written consent of the DIP Lender, the Debtors' proposal or support of a Non-Consensual Plan or Sale, or the entry of an order with respect thereto, shall constitute an Event of Default hereunder and under the DIP Term Sheet or any other DIP Documents.

53. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in the Chapter 11 Case; (b) converting the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing the Chapter 11 Cases or any Successor Case; or (d) pursuant to which this Court abstains from hearing the Chapter 11 Cases or any Successor

Case. The terms and provisions of this Interim Order, including the claims, liens, security interests and other protections granted to the DIP Lender and the Prepetition Loan Parties pursuant to this Interim Order, DIP Term Sheet, and any other DIP Documents shall continue in the Chapter 11 Case, in any Successor Case, or following dismissal of the Chapter 11 Cases or any Successor Case, and shall maintain their priority as provided by this Interim Order until: (i) in respect of the DIP Facility, all the DIP Obligations, pursuant to the DIP Term Sheet, any other DIP Documents and this Interim Order, have been indefeasibly paid in full in cash (such payment being without prejudice to any terms or provisions contained in the DIP Facility which survive such discharge by their terms), and all commitments to extend credit under the DIP Facility are terminated; and (ii) in respect of the Prepetition Facility, all of the Prepetition Obligations pursuant to the Prepetition Loan Documents and this Interim Order, have been indefeasibly paid in full in cash. The terms and provisions concerning the indemnification of the DIP Lender shall continue in the Chapter 11 Case, in any Successor Case, following dismissal of the Chapter 11 Cases or any Successor Case, and following termination of the DIP Term Sheet, any other DIP Documents and/or the indefeasible repayment of the DIP Obligations. In addition, the terms and provisions of this Interim Order shall continue in full force and effect for the benefit of the Prepetition Loan Parties notwithstanding the repayment in full or termination of the DIP Obligations until such time as the Prepetition Obligations have been indefeasibly paid in full.

54. Priority of Terms. To the extent of any conflict between or among (a) the express terms or provisions of any of the DIP Term Sheet, any other DIP Documents, the Motion, or the Cash Management Order, 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 "as defined in" or "as set forth in" any of the DIP Term Sheet, any other DIP Documents, the Prepetition Credit

Agreement, or other agreement or document, the terms and provisions of this Interim Order shall govern.

55. Final Hearing. **The Final Hearing on the Motion shall be held on March 25, 2025, at 11:00 A.M. (Eastern Time)**; *provided* that the Final Hearing may be adjourned or otherwise postponed upon the Debtors filing a notice of such adjournment with the consent of the DIP Lender. The Debtors shall promptly serve copies of this Interim Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court. **Any objections or responses to entry of the Final Order shall be filed on or before 4:00 P.M. (Eastern Time), on March 18, 2025.**

56. Necessary Action. The Debtors are authorized to take any and all such actions and to make, execute and deliver any and all instruments as may be reasonably necessary to implement the terms and conditions of this Interim Order and the transactions contemplated hereby.

57. Enforceability. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable immediately upon entry thereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules, any applicable Local Rules, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

58. Binding Effect of Interim Order. Immediately upon entry of this Interim Order by this Court, the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtors, the DIP Lender, the Prepetition Loan Parties, all other creditors of the Debtors, any Committee (or any other court appointed committee) appointed in the Chapter

11 Cases and all other parties-in-interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in the Chapter 11 Case, any Successor Case, or upon dismissal of the Chapter 11 Cases or any Successor Case.

59. Interim Relief. 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 not intended to be automatically effective and are without prejudice to rights of parties in interest to object and the Court's right to determine the relief.

60. Headings. The headings in this Interim Order are for purposes of reference only and shall not limit or otherwise affect the meaning of this Interim Order.

61. Retention of Jurisdiction. This Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

62. NGSC Agreement. Notwithstanding anything to the contrary contained herein or in the DIP Documents, the Debtors and the DIP Lender admit, stipulate, and agree that (a) all tooling and equipment made available by Northrop Grumman Systems Corporation ("NGSC") to the Debtors (the "NGSC Tooling") is owned by, and title to such tooling is held by, NGSC for its own account or for the account of the United States Government, as applicable, (b) all inventory and raw material paid for directly by NGSC and delivered to the Debtors (the "NGSC Inventory") shall be deemed purchased and owned by, and delivered to, NGSC, (c) the Debtors are holding the NGSC Tooling and NGSC Inventory in trust for NGSC, irrespective of the physical location, (d) no security interests in favor of the DIP Lender and no DIP Liens shall be granted on or attach to the NGSC Tooling or the NGSC Inventory, and (e) the NGSC Tooling and NGSC Inventory shall not constitute DIP Collateral.

63. LM Agreement. Notwithstanding anything to the contrary contained herein or in the DIP Documents, the Debtors and the DIP Lender admit, stipulate, and agree that (a) all tooling and equipment made available by Lockheed Martin Corporation ("LM") to the Debtors (the "LM Tooling") is owned by, and title to such tooling is held by, LM for its own account or for the account of the United States Government, as applicable, (b) all inventory and raw material paid for directly by LM and delivered to the Debtors (the "LM Inventory") shall be deemed purchased and owned by, and delivered to, LM, (c) the Debtors are holding the LM Tooling and LM Inventory in trust for LM, irrespective of the physical location, (d) no security interests in favor of the DIP Lender and no DIP Liens shall be granted on or attach to the LM Tooling or the LM Inventory, and (e) the LM Tooling and LM Inventory shall not constitute DIP Collateral.

64. The Prepetition Lenders stipulate and agree that each of the Prepetition Lenders will not raise as a defense in connection with any Challenge the ability of creditors to file suits on behalf of limited liability companies. If the Committee (if any) pursues or brings forth a Challenge, the defendant of such Challenge shall not object on the grounds that the Committee lacks standing. For the avoidance of doubt, as to the Debtors, upon entry of this Interim Order, all Challenges, and any right to assert any Challenge, are hereby irrevocably waived and relinquished as of the Petition Date, and the Debtors' Stipulations shall be binding in all respects on the Debtors irrespective of the filing of any Challenge.

Dated: February 28th, 2025
Wilmington, Delaware

LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

DIP Term Sheet

February 26, 2025

FMI
$12,500,000
Superpriority Secured Debtor-in-Possession Multi-Draw Term Loan Credit Facility ("DIP")
DIP Term Sheet

Borrowers:	Forrest Machining LLC, a California limited liability company, Dynamic Aerostructures LLC, a Delaware limited liability company, and Dynamic Aerostructures Intermediate LLC, a Delaware limited liability company (each a "**Borrower**" and collectively, the "**Borrowers**"), as debtors and debtors-in-possession in Case No. 25-10292 (Jointly Administered) (the "**Chapter 11 Cases**") (the Borrowers shall be referred to herein under the Chapter 11 Cases, each as a "Debtor" and collectively, the "**Debtors**") under chapter 11 of title 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**") commenced in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on February 26, 2025 (the "**Petition Date**"). This DIP Term Sheet assumes that the Borrowers and each of the Guarantors (as defined herein) will file voluntary cases simultaneously under the Bankruptcy Code in the Bankruptcy Court and will request joint administration of the Chapter 11 Cases.
Guarantors:	Each of the Borrowers' existing and future, direct and indirect domestic or foreign subsidiaries that become debtors and debtors-in-possession in the Chapter 11 Cases, and any Debtor under the DIP Facility, on a first priority secured joint and several basis (collectively, the "**Guarantors**" and together with the Borrowers, each a "**Loan Party**" and collectively, the "**Loan Parties**").
DIP Lender	CRG Financial LLC
Documentation:	Definitive financing documentation (including the Orders and DIP Facility) with respect to the DIP Term Loans shall be reasonably satisfactory to the DIP Lender (the "**DIP Documents**"). For avoidance of doubt, the DIP Documents shall include this DIP Term Sheet, and at the option of the DIP Lender shall include a DIP Credit Agreement and any customary DIP documentation.
Type and Amount of DIP Facility	A secured superpriority priming debtor-in-possession multi-draw term loan, and, at the option of the DIP Lender, definitive financing documentation, including without limitation, a credit facility, guaranties and security documents, in each case, in form and substance satisfactory to the DIP Lender (the "**DIP Facility**" and the obligations thereunder, the "**DIP Obligations**", the commitments thereunder, the "**DIP Term Loan Commitments**" and the loans pursuant thereto, the "**DIP Term Loans**"), in the aggregate principal amount of up to $12,500,000 consisting of (x) up to $4,000,000 in DIP Term Loan Commitments, which shall be, subject to "Conditions Precedent to any Extension of Credit" set forth below, funded upon entry of the interim order approving the DIP Facility and the use of cash collateral, as applicable, which orders shall be satisfactory to the DIP Lender (the "**Interim Order**" and any draw pursuant to the Interim Order, an **"Interim Draw"**), and (y) (i) up to an additional $7,750,000 in DIP Term Loan Commitments being funded, subject to conditions precedent, upon or following entry of the final order approving the DIP Facility (including the DIP Term Loans and all documents and lender fees related thereto) and (ii) up to an additional $750,000, which shall be a DIP Obligation, if funded (the "**Discretionary DIP Draw**"), and funding shall be in the sole discretion of the DIP Lender, which order shall be satisfactory to the DIP Lender (the "**Final Order**") and the satisfaction of any other conditions to draw as set forth herein in amounts not to exceed those set forth in

and in accordance with the Budget, and both (x)-(y) collectively in an aggregate amount not to exceed the DIP Term Loan Commitments, may be incurred during the Availability Period, in each case subject to the terms and conditions provided herein (each, an "**Extension of Credit**").

The borrowing of DIP Term Loans shall permanently decrease the DIP Term Loan Commitments, and DIP Term Loans repaid may not be reborrowed. For avoidance of doubt, the DIP Term Loan Commitments will be permanently reduced by the amount of DIP Term Loans made on the date of each Extension of Credit.

The proceeds of the DIP Term Loans shall be funded into newly established deposit accounts of the Borrower, including (1) a segregated account to be initially maintained at East West Bank that will be used to hold and disburse adequate protection payments (the "**Prepetition Agent Reserve Account**") to be made to BMO Bank, N.A., as agent (the "**Prepetition Agent**") to the prepetition secured lenders (the "**Prepetition Lenders**") pursuant to the Interim Order and Final Order; and (2) a Carve-Out account to be initially maintained at East West Bank. The Prepetition Agent Reserve Account will be subject to the DIP Liens and other liens or interests solely to the extent of any amounts remaining in such account after indefeasible payment in full of all fees or expenses owing to the Prepetition Agent (the "**Prepetition Agent Professional Fees**"). The Carve-Out account shall be subject to the DIP Liens in favor of the DIP Lender, which shall be perfected pursuant to the DIP Orders and shall be subject to a control agreement in favor of the DIP Lender to be entered into within five (5) Business Days of the entry of the Interim Order.

Credit Bidding: The Interim Order, the Final Order, and the DIP Documents shall provide that, in connection with any sale of any of the Debtors' assets under section 363 of the Bankruptcy Code or under a plan of liquidation, the DIP Lender (directly or via one or more acquisition vehicles) at the direction of the DIP Lender shall have the right to credit bid any amounts outstanding under the DIP Facility, in accordance with Section 363(k) of the Bankruptcy Code. In the event (i) the Stalking Horse APA terminates or (ii) a subscription agreement in form and substance satisfactory to the DIP Lender does not close on or prior to 30 days after the Petition Date (the "**Subscription Agreement**") in each case, as may be extended or waived by the DIP Lender in its sole discretion) the DIP Lender shall be deemed a Qualified Bidder.

Closing Date The date of the satisfaction, or waiver by the DIP Lender, of the relevant "Conditions Precedent to any Extension of Credit" set forth below (the "**Closing Date**").

Use of Proceeds: Proceeds of the DIP Term Loans will be used in compliance with the terms of an approved budget (the "**Budget**," subject to permitted variances, as set forth in the Interim and Final Orders), in form and substance reasonably acceptable to the DIP Lender, upon entry of the Interim Order, and subject to the terms of the Interim Order:

i. to pay transaction costs, fees and expenses that are incurred in connection with the DIP Facility, including professional fees of the DIP Lender;
ii. to pay professional fees of the Debtors, which fees shall be funded as they are accrued under the DIP Budget into a separate professional fee account to be established by the Debtors with BMO;
iii. to fund adequate protection payments of no greater than $750,000 to the Prepetition Agent on account of Prepetition Agent Professional Fees, consisting of (a) an adequate protection payment of $500,000 payable upon entry of the Interim Order from the proceeds of the DIP Facility to be used to pay Prepetition Agent Professional Fees incurred prior to the Petition Date

and (b) an additional adequate protection payment of $250,000 payable upon entry of the Final Order from the Proceeds of the DIP Facility to be used to pay Prepetition Agent Professional Fees incurred on or after the Petition Date; and

iv. for working capital and other general corporate purposes permitted by the DIP Documents and the First and Second Day Orders.

Availability Period: The DIP Term Loans may be drawn during the period from and including the Closing Date up to, but excluding, the DIP Termination Date (as defined below) (such period, the "**Availability Period**"). The DIP Term Loan Commitments will expire at the end of the Availability Period. The DIP Term Loan Commitments shall be permanently reduced on the date of each Extension of Credit by the aggregate principal amount of the DIP Term Loans made on the date of such Extension of Credit.

Maturity and Termination All DIP Obligations shall be due and payable in full in cash (or such other form of consideration as the DIP Lender and the Borrowers may mutually agree) on the earliest of (any such event, a **"Termination Event")**:

i. April 24, 2025;
ii. the closing of any sale or other disposition of all or substantially all of the assets of the Debtors pursuant to section 363 of the Bankruptcy Code;
iii. the effective date of any Chapter 11 plan of reorganization with respect to the Borrowers or any other Debtor (a "**Plan**");
iv. the date of the acceleration of the DIP Term Loans and the termination of the DIP Term Loan Commitments in accordance with the DIP Documents;
v. dismissal of the Chapter 11 Cases or conversion of the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code;
vi. the date an order is entered in any Bankruptcy Case appointing a Chapter 11 trustee or examiner with enlarged powers;
vii. any final cure payments, in the aggregate, pursuant to the Stalking Horse APA are equal to or greater than $1,000,000;
viii. the termination of the Northrop and Lockheed Contracts during the pendency of these Chapter 11 Cases;
ix. the Subscription Closing (as defined in the Subscription Agreement) does not occur on or prior to the earlier of (i) 30 days after the Petition Date and (ii) the entry of the Bid Procedures Order, as may be extended or waived by the DIP Lender in its sole discretion;
x. any lender other than CRG Financial LLC shall provide any commitments or funding, including DIP Commitments or Loans in connection with any DIP Facility, in each case, after entry of the Interim Order; and
xi. 45 days after the date on which a motion to approve the DIP Facility is filed (or such later date as agreed to by the DIP Lender), unless the Final Order (as defined below) has been entered by the Bankruptcy Court on or prior to such date (such earliest date of these clauses (i)-(xi), the "**DIP Termination Date**").

The occurrence of the DIP Termination Date shall terminate the ability of the Borrowers to borrow any other draws and shall terminate any further obligation the DIP Lender has to make any DIP Term Loans under the DIP Documents. Principal of, and accrued interest on, the DIP Term Loans and all other amounts owing to the DIP Lender, including the Fees set forth below, under the DIP Facility shall be payable on the DIP Termination Date, unless already paid pursuant to previous orders.

Interest Rate: The DIP Facility will bear interest at a rate equal to twelve percent (12.0%) per annum, accrued and compounded monthly. Interest that accrues under the DIP Facility shall be

paid by adding such amounts to the outstanding principal (and thereafter such capitalized amounts shall bear interest at twelve percent (12.0%) per annum or the Default Rate (as defined below)), as applicable.

During the continuance of an Event of Default under the DIP Documentation, any amounts outstanding under the DIP Facility will automatically bear interest at an additional 3.00% per annum (the "**Default Rate**"). All default interest shall be payable on demand or at the DIP Termination Date.

Fees:[1]

The Borrowers shall pay to the DIP Lender a commitment fee equal to $705,000 as of the date of the Interim Order (the "**Commitment Fee**"). The Commitment Fee shall be fully earned, non-refundable upon entry of the Interim Order, and shall be payable out of the proceeds of the first Interim Draw.

The Borrowers shall pay to the DIP Lender a funding fee equal to 4.0% of the amount of each draw, including the Discretionary DIP Draw, which shall be fully earned, non-refundable, and payable at the time of such draw (the "**Funding Fee**").

Upon repayment or satisfaction of the DIP Term Loans in whole or in part the Borrowers shall pay to the DIP Lender an exit fee equal to the sum of (i) 10.0% of the amount of DIP Term Loan Commitments, which for avoidance of doubt are $11,750,000 as of the date of the Interim Order, and which shall be fully earned and non-refundable upon the Bankruptcy Court's entry of the Interim Order, and (ii) without duplication, 10.0% of the amount of the DIP Term Loan Commitments and DIP Obligations, which shall be fully earned and nonrefundable upon the Bankruptcy Court's entry of the Final Order (the "**Exit Fee**"). The Exit Fee shall be due and payable upon the DIP Termination Date regardless of the amount of Other Draws made under the DIP Facility. If drawn, the Discretionary DIP Draw shall also receive an Exit Fee.

All fees shall be paid in cash unless otherwise agreed by the DIP Lender.

The Commitment Fee, the Funding Fee and the Exit Fee shall be approved by the Bankruptcy Court as part of the Interim Order and the Final Order, respectively. If such fees are not approved by the Bankruptcy Court, this Term Sheet shall automatically terminate and be of no further force and effect.

Voluntary Prepayments:

Voluntary prepayments of the DIP Term Loans shall be permitted at any time, upon three Business Days prior written notice to the DIP Lender (subject to actual breakage costs, if any), which notice shall specify the amount of such payment and the date on which such prepayment is to be made, subject to (i) payment of the Exit Fee due thereon, which shall be due and payable on the date of such voluntary prepayment; and (ii) in minimum amounts of at least $4,000,000 of principal. "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required to close.

Mandatory Prepayments

The Loan Parties shall pay or prepay the DIP Term Loans and all other DIP Obligations (together with a cash reserve established by the DIP Lender to cover asserted contingent and indemnity obligations) until such obligations are paid in full immediately as follows (unless waived or extended by the DIP Lender in its sole discretion):

[1] Commitment Fees and Funding Fees shall be credited against the first Interim Draw.

(i) 100% of the proceeds within 2 Business Days of any sale or disposition of any assets or equity in a single transaction or a series or related transaction, in each case by any Loan Party or Subsidiary.

(ii) 100% of the proceeds within 2 Business Days of any sale or disposition of any of Debtors assets pursuant to Section 363 of the Bankruptcy code, simultaneous with the consummation thereof, in each case, by any Loan Party or Subsidiary.

(iii) 100% of the proceeds within 2 Business Days of extraordinary receipts, including tax refunds, indemnity payments and insurance proceeds, in each case, by any Loan Party or Subsidiary.

(iv) 100% of DIP Term Loans within 2 Business Days of any lender other than CRG Financial LLC providing any commitments or funding, including DIP Commitments or Loans in connection with any DIP Facility, in each case, after entry of the Interim Order.

Any amounts so paid or prepaid may not be reborrowed. No reinvestment of the proceeds of any extraordinary receipts, asset sales, or other proceeds described above shall be permitted without the prior written consent of the DIP Lender.

Mandatory payments, prepayments and proceeds of DIP Collateral received by any Loan Party or any of its subsidiaries, or after the exercise of remedies, or after the Loans have automatically become immediately due and payable, will be applied in the following order of priority unless otherwise determined by the DIP Lender in its sole discretion:

(i) First, to pay all documented out of pocket expenses of the DIP Lender, including without limitation, fees and expenses of counsel and external advisors;

(ii) Second, to pay any other fees or premiums outstanding to the DIP Lender in respect of the DIP Term Loan Commitments and DIP Term Loans;

(iii) Third, to pay an amount equal to all accrued and unpaid interest owing to the DIP Lender;

(iv) Fourth, to pay any principal amounts outstanding in respect of the DIP Term Loan Commitments and DIP Term Loans, including any amounts and interest that have been added to the principal balance;

(v) Fifth, all other amounts and DIP Obligations in each case owing to the DIP Lender; and

(vi) Last, the balance, if any, after all of the DIP Obligations have been paid in full in cash, to the Borrowers or as otherwise required by law or Court Order.

Security and Priority: The DIP Lender shall be granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, continuing, valid, binding, enforceable, non-avoidable, and automatically perfected, post-petition security interests and priming liens (the "**DIP Liens**") on cash, all tangible, intangible, real and personal property of the Loan Parties (including, without limitation, all prepetition and post-petition property and assets of the Loan Parties and all equity interests owned by the Loan Parties and any insurance proceeds), and all other property of the Loan Parties of whatever kind, nature or description, whether acquired or created prepetition or post-petition to secure the DIP Obligations, and the proceeds of each of the foregoing (including, without limitation, proceeds from the disposition of real property, including non-residential leaseholds) (the "**DIP Collateral**").

The DIP Liens shall be subject only to (i) the Carve-Out (as defined below), (ii) carve-out in favor of the Prepetition Agent sufficient to pay all Prepetition Agent Professional

Fees in full but not to exceed $750,000 (the **"Prepetition Agent Carve-Out"**) and (iii) validly perfected and non-avoidable liens existing as of the Petition Date and which liens shall be listed on a schedule to the DIP Documents and which liens shall be primed by, and made subject and subordinate to, the perfected first priority senior priming liens and security interests to be granted to the DIP Lender ("**Prepetition Permitted Liens**").

For the avoidance of doubt, the DIP Liens shall prime and be senior to any liens in connection with those certain Prepetition Loan Documents. The DIP Liens granted under Section 364(d)(1) of the Bankruptcy Code shall not be *pari passu* with, or subordinated to, any other liens or security interests (whether currently existing or hereafter created), subject in each case only to the Carve-Out and the Prepetition Agent Carve-Out.

Upon entry of the Interim Order and the Final Order and subject to the Carve-Out and the Prepetition Agent Carve-Out, all obligations of the Loan Parties under the DIP Documents, including, without limitation, all principal, accrued interest, costs, fees and premiums provided for therein, and all DIP Obligations shall be entitled to super priority claim status pursuant to section 364(c)(1) of the Bankruptcy Code, with priority over any and all administrative expense claims and unsecured claims, of any kind or nature whatsoever, now existing or hereafter arising under the Bankruptcy Code (the "**DIP Claims**"). All DIP Obligations shall also constitute allowed superpriority administrative expense claims in the Bankruptcy Cases and, subject to entry of the Final Order, shall have priority over all other claims and administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code.

Notwithstanding the foregoing, the DIP Liens shall not extend to, and the DIP Collateral shall not consist of, avoidance actions brought pursuant to Chapter 5 of the Bankruptcy Code or applicable state law equivalents, but shall include the proceeds therefrom subject to entry of the Final Order.

The DIP Liens shall be effective and perfected as of the entry of the Interim Order (subject to the occurrence of the Closing Date) and without necessity of the execution, filing or recording of control agreements, financing statements or other security agreements or perfection documents. In addition to appropriate orders of the Bankruptcy Court granting and perfecting such liens, the Loan Parties shall take all other commercially reasonable steps (including the execution and filing of UCC financing statements) requested by DIP Lender with respect to such security interests and liens.

Notwithstanding anything to the contrary contained herein, the Debtors and the DIP Lender admit, stipulate, and agree that (a) all tooling and equipment made available by Northrop Grumman Systems Corporation ("**NGSC**") to the Debtors (the "**NGSC Tooling**") is owned by, and title to such tooling is held by, NGSC for its own account or for the account of the United States Government, as applicable, (b) all inventory and raw material paid for directly by NGSC and delivered to the Debtors (the "**NGSC Inventory**") shall be deemed purchased and owned by, and delivered to, NGSC, (c) the Debtors are holding the NGSC Tooling and NGSC Inventory in trust for NGSC, irrespective of the physical location, (d) no security interests in favor of the DIP Lender and no DIP Liens shall be granted on or attach to the NGSC Tooling or the NGSC Inventory, and (e) the NGSC Tooling and NGSC Inventory shall not constitute DIP Collateral.

Remedies:

All remedies customarily available including (in the Chapter 11 Cases) without limitation those remedies customarily available to senior secured, administrative expense claim of a debtor-in-possession lender, including, without limitation:

i. declare that the DIP Term Loan Commitments are terminated, whereupon the DIP Term Loan Commitments shall be terminated;

ii. declare the unpaid amount of the DIP Obligations 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 Loan Parties; or

iii. take any other action or exercise any other right or remedy (including, without limitation, with respect to the liens in favor of the DIP Lender permitted under the DIP Documents, or by applicable law).

Any exercise of remedies by the DIP Lender shall be subject in all respects to the terms of the DIP Order.

The Debtors shall waive any right to seek relief under the Bankruptcy Code, including under section 105 thereof, to the extent such relief would restrict or impair the rights and remedies of the DIP Lender set forth in the Interim Order and the Final Order and in the DIP Documents.

Conditions Precedent to any Extension of Credit:

This DIP Term Sheet contains the following conditions precedent to borrowings on the date of any Extension of Credit, each of which may be extended or waived by the DIP Lender in its sole discretion:

i. entry of the Interim Order on or before February 28, 2025, which order shall not be stayed or subject to appeal;

ii. all documentation relating to the DIP Facility shall be in form and substance satisfactory to the DIP Lender, and shall have been duly executed and delivered by all parties thereto;

iii. all reasonable out-of-pocket fees, costs, disbursements and expenses, accrued and unpaid as of the Closing Date, of (i) the DIP Lender (including, in the case of counsel, to all out-of-pocket fees, costs, disbursements and expenses of the DIP Lender outside counsel, King & Spalding LLP ("**K&S**"), and, Young Conaway Stargatt & Taylor, LLP to act as Delaware counsel for the DIP Lender in connection with the Debtors' Chapter 11 Cases) and (ii) any other professional advisors retained by the DIP Lender in its reasonable discretion, in each case shall have been paid in full in cash out of the proceeds of the any draws.

iv. other than the Interim Order and the Final Order, there shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes a materially adverse condition on the DIP Facility or the exercise by the DIP Lender of its rights as a secured party with respect to the DIP Collateral. There shall exist no action, suit, investigation, litigation or proceeding pending or threatened in writing in any court or before any arbitrator or governmental authority that (i) would reasonably be expected to result in a Material Adverse Effect or (ii) restrains, prevents or purports to affect materially adversely the legality, validity or enforceability of the DIP Facility or the consummation of the transactions contemplated thereby.

v. all governmental and third-party consents and approvals reasonably necessary to be obtained by the Borrower in connection with the DIP Facility, if any, shall have been obtained (without the imposition of any conditions that are not reasonably acceptable to the DIP Lender in its reasonable discretion) or permitted via the Interim Order or the Final Order, as applicable, and shall remain in effect.

vi. the DIP Lender shall have a valid and perfected lien on, and security interest in, the DIP Collateral of the Debtors on the basis and with the priority set forth herein.

vii. the DIP Lender shall have received, at least two (2) Business Days prior to the Closing Date, customary closing items, including, without limitation, (i) a secretary's certificate containing customary exhibits, and (ii) UCC-1 financing statements and intellectual property security agreements if requested by the DIP Lender, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act, shall have completed, with results satisfactory to the DIP Lender, its review procedures regarding the respective documentation and information, on or prior to the Closing Date.

viii. execution of Stalking Horse APA with an entity designated by Avem Partners or such other party as the DIP Lender may agree, in each case, in form and substance reasonably satisfactory to the DIP Lender (the "Stalking Horse APA");

ix. section 7.3(c) of the Stalking Horse APA shall be satisfied prior to entry of the Interim Order;

x. any cure payments shall not be equal to or greater than $1,000,000, individually or in the aggregate;

xi. the Prepetition Agent and Prepetition Lenders have consented to their prepetition claims and liens being subordinated to those of the DIP Lender, which shall include the Prepetition Lenders not objecting to either the Interim Order or Final Order;

xii. entry of an interim order approving the Bidding Procedures Motion by March 21, 2025;

xiii. delivery of the initial Budget acceptable to the DIP Lender in its reasonable discretion;

xiv. the representations and warranties of the Loan Parties under the DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects);

xv. no Material Adverse Effect (as defined below) shall have occurred and be continuing;

xvi. the Borrowers shall have delivered to the DIP Lender a customary borrowing notice at least two Business Days prior to the anticipated date of any Extension of Credit;

xvii. no event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default ("**Default**") or Event of Default shall have occurred, and shall be continuing, under the DIP Facility immediately prior to the funding of the DIP Term Loans or would result from such borrowing of the DIP Term Loans;

xviii. the DIP Term Loans shall be authorized pursuant to the Interim Order or the Final Order, as applicable;

xix. the Debtors shall be in compliance with the DIP Orders;

xx. the Debtors shall be in compliance with the approved Budget;

xxi. the Stalking Horse APA has not been terminated;

xxii. any lender other than CRG Financial LLC shall provide any commitments or funding, including DIP Commitments or Loans, in connection with any DIP Facility;

xxiii. the lease by and between Forrest Machining, LLC, and Rexford Industrial - 27712 Avenue Mentry, LLC, for the premises located at 27712 Avenue

Mentry, Santa Clarita, CA (the "**Lease**"), shall be in full force and effect;

xxiv. any Subscription Agreements shall cease to be in full force and effect;

xxv. the Northrop and Lockheed Contracts shall be in full force and effect; and

xxvi. no termination of the Northrop and Lockheed Contracts during the pendency of these Chapter 11 Cases.

Interim Order: The interim order approving the DIP Facility, which shall be consistent with this Term Sheet and otherwise in form and substance reasonably acceptable to the DIP Lender and the Prepetition Agent (the "**Interim Order**"), shall, among other things, authorize and approve:

i. the Interim Draws;

ii. the making of the DIP Term Loans;

iii. the granting of the superpriority claims and liens against the Debtors and their assets in accordance with this Term Sheet and the DIP Documents with respect to the DIP Collateral, which shall include, among other things, the subordination of the Prepetition Term Loan claims and liens to the DIP Loan claims and liens, respectively;

iv. the payment of all fees and expenses (including the fees and expenses of outside counsel and financial advisors) required to be paid to the DIP Lender as described herein under the heading "Indemnification and Reimbursement of Expenses" by the Debtors;

v. the payment of the Commitment Fee, the Funding Fee and the Exit Fee, which Commitment Fee, Funding Fee and Exit Fee payments shall not be subject to reduction, setoff or recoupment for any reason, and shall be fully earned upon entry of the Interim Order, in each case only to the extent such fee is earned (in accordance with the DIP Documents) upon entry of the Interim Order;

vi. the granting of adequate protection and other rights in favor of the Prepetition Lenders, including replacement liens and superpriority claims, in each case subordinate to the DIP Liens, and the adequate protection payments not to exceed $750,000 to be used for the payment of Prepetition Agent Professional Fees.

Final Order: The final order approving the DIP Facility, which shall be substantially in the same form as the Interim Order (with such modifications as are necessary to convert the Interim Order into a final order) and otherwise in form and substance acceptable to the DIP Lender and the Prepetition Agent (the "**Final Order**" and together with the Interim Order, the "**Orders**"), shall, among other things, authorize and approve the DIP Facility on a final basis, and the total amount of the DIP Term Loan Commitments.

Conditions Precedent to Full Availability of DIP Term Loans: This DIP Term Sheet contains the following conditions precedent to borrowings on the date of any Extension of Credit, in connection with a Final Order. The DIP Documents shall contain conditions precedent as are usual and customary in loan documents for similar debtor-in possession financings and other conditions precedent deemed by the DIP Lender appropriate to the specific transaction, including, without limitation, each of which may be extended or waived by the DIP Lender in its sole discretion:

i. execution and delivery of the DIP Term Sheet, a credit agreement, to the extent requested by the DIP Lender (the "**DIP Credit Agreement**") and other DIP Documents evidencing the DIP Facility, in each case, which shall be in form and substance substantially consistent with this DIP Term Sheet and otherwise in form and substance acceptable to the DIP Lender and the Borrowers and the Guarantors;

ii. Interim Order shall not be stayed or subject to appeal;

iii. no trustee, examiner, or receiver shall have been appointed or designated with

respect to the Loan Parties' business, properties or assets and no motion shall be pending seeking similar relief or any other relief, which, if granted, would result in a person other than the Loan Parties exercising control over their assets;

iv. the Stalking Horse APA has not been terminated;

v. entry of a final order approving the Bidding Procedures and the terms of the Stalking Horse APA;

vi. the representations and warranties of the Loan Parties under the DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects);

vii. the Borrowers shall have delivered to the DIP Lender a customary borrowing notice at least two Business Days prior to the anticipated date of any Extension of Credit;

viii. not later than 45 days following the date on which a motion to approve the DIP Facility is filed, the Final Order as to the DIP Facility shall have been entered by the Bankruptcy Court, which Final Order shall be in the form of the Interim Order with such changes as are customary for a final order or otherwise are acceptable to the DIP Lender and the Prepetition Lender;

ix. the Final Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed, or subject to a stay pending appeal;

x. the Debtors shall be in compliance in all respects with the Final Order and the Loan Parties shall be in compliance in all respects with the DIP Documents;

xi. no Default or Event of Default shall have occurred and be continuing under the DIP Documents;

xii. accuracy of representations and warranties in the DIP Documents in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects);

xiii. no order has been entered reversing, amending, staying, vacating, terminating or otherwise modifying in any manner adverse to the DIP Lender, the Interim Order or the Final Order, as applicable;

xiv. since the Petition Date, there shall not have occurred or there shall not exist any event, condition, circumstance or contingency that, individually, or in the aggregate, (a) has had or could reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties and their subsidiaries, taken as a whole, (b) has resulted in, or could reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lender, or (c) has had or could reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document (and of the foregoing being a "**Material Adverse Effect**");

xv. DIP Lender shall have received such fixture filings, financing statements, security documents other documentation necessary for the DIP Lender to perfect its lien and security interest in the DIP Collateral and all insurance policies maintained by Loan Parties shall name DIP Lender as additional insured and lender/mortgagee loss payee, as applicable;

xvi. all costs, fees, expenses (including, without limitation, legal fees and expenses) set forth in the DIP Documents or otherwise to be paid to the DIP Lender shall be paid and current.

xvii. the Debtors shall be in compliance with the approved Budget;

xviii. any cure payments shall not be equal to or greater than $1,000,000,

individually or in the aggregate;

xix. the Subscription Agreements shall be in full force and effect;

xx. at least two Business Days prior to any Extension of Credit, the DIP Lender shall have received a certificate in form and substance satisfactory to the DIP Lender in its sole discretion that at least $16,000,000 in cash has been by Avem FMI Primary Vehicle, LLC pursuant to the Subscription Agreements and deposited into an escrow account;

xxi. no termination of Northrop and Lockheed Contracts during the pendency of these Chapter 11 Cases;

xxii. the Subscription Closing (as defined in the Subscription Agreement) does not occur on or prior to the earlier of (i) 30 days after the Petition Date and (ii) the entry of the Bid Procedures Order; and

xxiii. the Lease shall be in full force and effect.

Chapter 11 Cases Milestones:

The Debtors shall comply with the following milestones, each of which may only be extended or waived by the DIP Lender in its sole discretion (the "Milestones"). To the extent such Milestones require the delivery, filing or entry of an order with respect to any document, pleading or order, such document, pleading or order, as applicable, shall be in form and substance acceptable to the DIP Lender.

i. The Petition Date shall have occurred no later than February 26, 2025.

ii. No later than 1 Business Day after the Petition Date, the Debtors shall file an appropriate motion with the Bankruptcy Court in form and substance satisfactory to the DIP Lender for entry of an order providing for bid procedures for the sale of the Debtors' assets that establishes a date that is no later than 40 days after the Petition Date as the deadline for the submission of binding bids with respect to their assets, which motion shall also seek approval of a stalking horse bid (the "Bidding Procedures");

iii. No later than 25 days after the Petition Date, the Bankruptcy Court shall have entered one or more order(s) (which shall be in form and substance acceptable to the DIP Lender) approving the Bidding Procedures (the "Bid Procedures Order");

iv. No later than 3 Business Days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order;

v. the Subscription Closing (as defined in the Subscription Agreement) shall have occurred no later than the earlier of (i) 30 days after the Petition Date and (ii) the entry of the Bid Procedures Order;

vi. Subject to the Bankruptcy Court's entry of the Bid Procedures Order, no later than 45 days after the Petition Date, the Debtors shall commence an auction for the acquired assets, in accordance with the procedures in form and substance satisfactory to the DIP Lender;

vii. No later than 45 days after the Petition Date, the Bankruptcy Court shall have entered the Final Order, subject to the availability of the Bankruptcy Court to conduct the final hearing on the DIP Facility;

viii. No later than 50 days after the Petition Date, the Bankruptcy Court shall have entered one or more sale order(s) approving each of the winning bid(s) resulting from such sale(s); and

ix. Subject to the Bankruptcy Court's entry of an order approving the Debtors' proposed Bidding Procedures, closing of the winning bid(s) shall occur no later than the date that is 60 days after the Petition Date.

Events of Default:

The Events of Default are as follows, each of which may be waived by the DIP Lender in its sole discretion. The DIP Documents shall contain events of default (collectively,

"**Events of Default**") consistent with this Term Sheet and customary for debtor-in-possession financing facilities of this type, including, without limitation, each of which may be extended or waived by the DIP Lender in its sole discretion:

i. failure to make payments when due;
ii. non-compliance with any obligations or covenants set forth herein or in any other DIP Documents, judgements, impairment of security interest in the DIP Collateral or other Defaults;
iii. breaches of representations and warranties, the occurrence of a Material Adverse Effect, change in ownership or control, termination of the Stalking Horse APA, the existence of certain materially adverse employee benefit or environmental liabilities, except for such liabilities as are in existence as of the Closing Date and are set forth on a schedule to the DIP Term Sheet and customary ERISA and similar foreign plan events;
iv. section 7.3(c) of the Stalking Horse APA is not satisfied prior to entry of the Final Order;
v. the entry of the Final Order shall have not occurred within 45 days after the date on which a motion to approve the DIP Facility is filed;
vi. Prepetition Lender challenging the subordination of their Prepetition Term Loan Lender Claims and Prepetition Term Loan Lender Liens to those of the DIP Lender;
vii. filing of any chapter 11 plan that does not propose to indefeasibly repay the DIP obligations in full in cash on the plan effective date, without the prior written consent of the DIP Lender;
viii. the dismissal of any of the Chapter 11 Cases or the conversion of any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code;
ix. reversal, vacatur or stay of the effectiveness of the Interim Order of Final Order;
x. non-compliance, subject to any applicable grace and/or cure periods, by any Loan Party or any of its subsidiaries with the terms of the Interim Order or the Final Order;
xi. the entry of an order staying, reversing, vacating or otherwise modifying the Interim Order or the Final Order, in each case without the prior written consent of the DIP Lender;
xii. failure to meet a Milestone, unless extended or waived by the DIP Lender;
xiii. the entry of an order appointing a trustee, responsible officer, or an examiner having expanded powers (beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code) under Bankruptcy Code section 1104 (other than a fee examiner) in the Chapter 11 Cases, or the Bankruptcy Court shall have entered an order providing for such appointment, in each case without the prior written consent of the DIP Lender in its sole discretion;
xiv. the entry of an order in any of the Chapter 11 Cases granting relief from any stay or proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure against any material assets of the Loan Parties;
xv. the Debtors' filing of (or supporting another party in the filing of) a motion seeking entry of, or the entry of an order by the Bankruptcy Court, granting any superpriority claim or lien (except as contemplated herein) which is senior to or *pari passu* with the DIP Facility;
xvi. the Debtors' filing of a motion seeking entry of an order approving any key employee incentive plan, employee retention plan, or comparable plan;
xvii. the Debtors shall assert in any pleading filed in any court that the guarantee contained in the DIP Documents is not valid and binding, for any reason, to be in full force and effect;

xviii. the entry of an order (a) surcharging any of the DIP Collateral under Sections 105, 506(c), or any other section of the Bankruptcy Code, (b) allowing any administrative expense claim having priority over or ranking in parity with the DIP Claims or the rights of the DIP Lender, or (c) resulting in the marshaling of any DIP Collateral;

xix. any action by any Debtor to (a) challenge the rights and remedies of the DIP Lender under the DIP Facility in any of the Chapter 11 Cases or acting in a manner inconsistent with the DIP Documents or (b) avoid or require disgorgement by the DIP Lender of any amounts received in respect of the obligations under the DIP Facility;

xx. entry of an order without the express written consent of the DIP Lender and DIP Lender obtaining additional financing from a party other than the DIP Lender under Section 364(d) of the Bankruptcy Code except if such financing contemplates payment in full of the DIP Facility;

xxi. the making of any material payments in respect of prepetition obligations other than (a) as permitted by the Interim Order or the Final Order, (b) as permitted by any "first day" or "second day" orders reasonably satisfactory to the DIP Lender, (c) as permitted by any other order of the Bankruptcy Court reasonably satisfactory to the DIP Lender, (d) as permitted under the DIP Documents, or (e) as otherwise agreed to by the DIP Lender, and in each case as set forth in and otherwise consistent with the approved Budget;

xxii. entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of any Debtor to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, without the prior written consent of the DIP Lender;

xxiii. the cessation of the DIP Liens or the DIP Claims to be valid, perfected and enforceable in all respects;

xxiv. permitted variances under the Budget are exceeded for any period of time without consent of or waiver by the DIP Lender;

xxv. any uninsured judgments are entered with respect to any post-petition non-ordinary course claims against any of the Debtors or any of their respective affiliates;

xxvi. any Debtor asserting any right of subrogation or contribution against any other Debtor until all borrowings under the DIP Facility are paid in full and the commitments are terminated;

xxvii. subject to entry of the Final Order, the allowance of any claim or claims under Section 506(c) of the Bankruptcy Code or otherwise against any DIP Lender;

xxviii. the commencement of a suit or action against the DIP Lender and, as to any suit or action brought by any person other than any Debtor or an officer or employee of any Debtor, the continuation thereof without dismissal for thirty (30) days after service thereof on the DIP Lender, that asserts or seeks by or on behalf of the Debtors, any Committee or any other party in interest in any of the Chapter 11 Cases, a claim or any legal or equitable remedy that would (i) have the effect of subordinating any or all of the DIP Obligations or DIP Liens of the DIP Lender under the DIP Documents to any other claim, or (ii) have a material adverse effect on the rights and remedies of the DIP Lender under any DIP Document or the collectability of all or any portion of the DIP Obligations;

xxix. the entry of an order in any Bankruptcy Case avoiding or requiring repayment of any portion of the payments made on account of the DIP Obligations owing under the DIP Documents;

xxx. an order shall have been entered by the Bankruptcy Court prohibiting, limiting or restricting the right of the DIP Lender to credit bid for any or all of the Debtors' assets;

xxxi. the Debtors shall seek to, or support any other person's motion to, (a) disallow in whole or in part the DIP Obligations, (b) challenge the validity and enforceability of the DIP Liens, (c) contest any material provision of any DIP Document;

xxxii. any Debtor shall fail to execute and deliver to the DIP Lender any agreement, financing statement, trademark filing, copyright filing, notices of lien or similar instruments or other documents that the DIP Lender may reasonably request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Lender (provided that mortgages shall not be required), subject to the time periods set forth in this Term Sheet;

xxxiii. the Subscription Agreements shall be in full force and effect;

xxxiv. at least two Business Days prior to any Extension of Credit, the DIP Lender shall have received a certificate in form and substance satisfactory to the DIP Lender in its sole discretion that at least $16,000,000 in cash has been received by Avem FMI Primary Vehicle, LLC pursuant to the Subscription Agreements and deposited into an escrow account;

xxxv. the termination of any FMI contracts or Memorandums of Understanding with (i) Northrop Grumman or (ii) Lockheed Martin, including the Commercial Agreement and Consent to Assumption and Assignment (together with all Exhibits and Schedules thereto), in each case, (the "**Northrop and Lockheed Contracts**") during the pendency of these Chapter 11 Cases;

xxxvi. any lender other than CRG Financial LLC shall provide any commitments or funding, including DIP Commitments or Loans in connection with any DIP Facility;

xxvii. the Subscription Closing (as defined in the Subscription Agreement) does not occur on or prior to March 28, 2025;

xxviii. the Lease shall be in full force and effect; and

xxxix. any Termination Event.

Representations and Warranties: The DIP Documents shall contain representations and warranties with respect to the Loan Parties as are usual and customary in loan documents for similar debtor-in-possession financings and as acceptable to the DIP Lender. The Debtor represents and warrants to the DIP Lender that (i) the execution of this DIP Facility has been duly authorized and this DIP Facility has been duly and validly executed and delivered by such Debtor and constitutes the Debtor's legal, valid and binding obligation, enforceable against it in accordance with its terms; (ii) the Borrowers have no subsidiaries and does not intend to form any subsidiaries; and (iii) the provisions of Article 9.1 of the Prepetition Loan Agreement, together with all related definitions and ancillary provisions, (as amended, waived or otherwise modified with the consent of the DIP Lender on or prior to the Closing Date of the DIP Facility), are hereby incorporated herein by reference mutatis mutandis for the benefit of the DIP Lender and the DIP Lender, and the Borrower hereby makes each of those representations and warranties as if (A) each reference therein to "this Agreement" were to this DIP Facility, (B) each reference therein to "Closing Date" were references to the "Closing Date" of the DIP Facility and (C) each reference therein to "obligations" includes all DIP Obligations. The only customers with claims are Northrop Grumman and Lockheed Martin.

Affirmative and Negative Covenants: The DIP Documents shall contain affirmative covenants as are usual and customary with respect to the Loan Parties in loan documents for similar debtor-in-possession financings and as are acceptable to the DIP Lender. The Borrowers and each of their Subsidiaries shall:

i. Deliver to the DIP Lender and their counsel for review and comment, as soon as commercially reasonable, and in any event not less than three (3) Business Day prior to filing (or as soon thereafter as is reasonably practicable under the circumstances), all pleadings, motions and other documents material to the DIP Lender or DIP Lender (provided that any of the foregoing relating to the DIP Facility, Sale Motion, Bidding Procedures, or sale of any assets of the Debtors shall be deemed material) to be filed on behalf of the Debtors with the Bankruptcy Court.

ii. Promptly deliver in accordance with the Bidding Procedures, to the DIP Lender and the DIP Lender's counsel copies of any term sheets, proposals, presentations, amendments to any asset purchase agreement(s) or other documents, from any party, related to (i) the restructuring of the Debtors, or (ii) the sale of assets of one or more of the Debtors.

iii. Comply with all laws (including without limitation, the Bankruptcy Code, ERISA, environmental laws, OFAC, money laundering laws, PATRIOT Act and other anti-terrorism laws and anti-corruption laws), pay taxes, maintain all necessary licenses and permits and trade names, trademarks, patents, preserve corporate existence, maintain appropriate and adequate insurance coverage and permit inspection of properties, books and records.

iv. Limit all transactions with affiliates of the Debtors (other than ordinary course transactions consistent with past practice among or between any Debtors), including, without limitation, restrictions on payment of any management fees to affiliates.

v. Maintain a cash management system as required by the Interim Order and the Final Order.

vi. Not make or commit to make payments to critical vendors in respect of prepetition amounts unless such payments are approved by an order of the Bankruptcy Court or permitted pursuant to any approved Budget.

vii. Deliver the Budget, updated as described herein and adhere to the Budget.

viii. Subject to the Budget, not incur or assume any additional debt or contingent obligations in respect of debt, give any guaranties in respect of debt, create any liens, charges or encumbrances or incur additional material lease obligations, in each case, beyond to be agreed upon limits; not merge or consolidate with any other person, change the nature of business or corporate structure or create or acquire new subsidiaries, in each case, beyond to be agreed upon limits; not amend its charter or by laws; not sell, lease or otherwise dispose of assets (including, without limitation, in connection with a sale leaseback transaction) outside the ordinary course of business and beyond to be agreed upon limits; not give a negative pledge on any assets in favor of any person other than the DIP Lender for the benefit of the DIP Lender; and not permit to exist any consensual encumbrance on the ability of any subsidiary to pay dividends or other distributions to the Borrower; in each case, subject to customary exceptions or baskets as may be agreed.

ix. Other than the DIP Obligations or as otherwise set forth in the Interim Order or the Final Order, not prepay, redeem, purchase, defease, exchange or repurchase any debt or amend or modify any of the terms of any such debt or other similar agreements entered into by any Debtor or its subsidiaries.

x. Not make any loans, advances, capital contributions or acquisitions, form any joint ventures or partnerships or make any other investments in subsidiaries (other than among the Debtors) or any other person.

xi. Not make or commit to make any payments in respect of warrants, options, repurchase of stock, dividends or any other distributions.

xii. Not make, commit to make, or permit to be made any bonus payments to

executive officers of the Debtors and their subsidiaries in excess of the amounts set forth in the Budget.

xiii. Not permit any change in ownership or control of any Debtor or any subsidiary or any change in accounting treatment or reporting practices without the prior consent of the DIP Lender, except as required by GAAP or as permitted or contemplated by the DIP Facilities.

xiv. Without the prior written consent of the DIP Lender (at the direction of the DIP Lender), not make or permit to be made any change to the Interim Order or the Final Order.

xv. Not permit the Debtors to seek authorization for, and not permit the existence of, any claims other than that of the DIP Lender entitled to a superpriority under section 364(c)(1) of the Bankruptcy Code that is senior or pari passu with the DIP Lender's section 364(c)(1) claim, except for the Carve-Out and the Prepetition Agent Carve-Out.

xvi. The Debtors shall comply with the Milestones (as defined herein).

xvii. Any securities shall be held at the accounts in effect as of the Closing Date and shall not be transferred from such account(s) without prior notice and consent of the DIP Lender.

DIP Budget / Variance Reporting: The DIP Lender shall receive an extended weekly budget and variance reporting, in each case commencing with the week during which the Interim Order is entered, in accordance with the DIP Orders and in form and substance satisfactory to the DIP Lender.

Other Reporting Requirements: The DIP Lender shall receive, in each case in form and substance satisfactory to the DIP Lender, financial reporting and other customary reporting requirements for similar debtor-in-possession financings and others determined by the DIP Lender in its discretion to be appropriate to the transactions contemplated herein, including, without limitation, with respect to material adverse events, events and notices under other material debt instruments, litigation, contingent liabilities, ERISA or environmental events.

Due Diligence Access: The Loan Parties shall provide, and shall direct their respective advisors and other representatives to provide, due diligence items reasonably required by the DIP Lender in connection with the entry by the parties into the DIP Loans and the security interests as herein provided. The Loan Parties shall furnish supplemental information or documentation which DIP Lender or their respective counsel reasonably deems necessary in connection with the DIP Facility.

Carve-Out The Carve-Out shall be, collectively, (a) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee (the "U.S. Trustee") pursuant to 28 U.S.C. §1930(a) *plus* interest at the statutory rate, if any, pursuant to 31 U.S.C § 3717 (without regard to the Carve-Out Trigger Notice (as defined below)), (b) reasonable fees and expenses incurred by a trustee and payable under section 726(b) of the Bankruptcy Code in an aggregate amount not to exceed $25,000 (without regard to the Carve-Out Trigger Notice), and (c) to the extent allowed at any time, all accrued unpaid fees and expenses of the professionals retained by the Debtors and, subject to amounts set forth in any approved budget that (i) are incurred on or prior to the two business days succeeding the date of delivery of the Carve-Out Trigger Notice, or (ii) are incurred after the second business day succeeding the date of delivery of a Carve-Out Trigger Notice, subject to an aggregate cap of $100,000 for the Debtors' professionals.

Contemporaneously with the initial funding of the DIP Term Loans, the Debtors will transfer cash proceeds from the DIP Facility in an amount equal to the total budgeted weekly fees and expenses incurred by the Debtors' retained professionals for the first two weekly periods set forth in any approved budget and thereafter on a weekly basis until receipt of a Carve-Out Trigger Notice, in each case, excluding any other transaction fees of any investment banker or financial advisor of the Debtors, into a segregated escrow account (the "**Professional Fee Reserve**").

Amounts funded into the Professional Fee Reserve shall be considered used by the Debtors at such time as they are deposited into the Professional Fee Reserve for distribution to professionals in accordance with orders of the Bankruptcy Court. Any amounts remaining in the Professional Fee Reserve after payment of allowed fees and expenses shall be DIP Collateral. The Professional Fee Reserve shall not constitute a cap on the professional fees included in the Carve-Out.

"Carve-Out Trigger Notice" shall mean a written notice delivered by the DIP Lender to the Debtors' lead counsel and the U.S. Trustee, which notice may only be delivered following the occurrence and during the continuation of an Event of Default under the DIP Facility.

Indemnification and Reimbursement of Expenses:

The DIP Documents shall contain customary indemnification provisions for the benefit of the DIP Lender, and its related parties, including, without limitation, indemnification against losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated by the DIP Documents or the use or the proposed use of proceeds thereof.

The Borrowers shall pay (i) all costs and expenses incurred by the DIP Lender (including reasonable and documented out-of-pocket fees and disbursements of King & Spalding LLP), in each case incurred in connection with the DIP Facility, and the preparation, execution, delivery and administration of this DIP Term Sheet and any amendments, modifications or waivers of the provisions hereof and (ii) all costs and expenses incurred by the DIP Lender, including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the DIP Lender, in connection with the preservation, enforcement or protection of any rights or remedies (A) in connection with the DIP Facility or this DIP Term Sheet (including all such reasonable and documented out-of-pocket costs and expenses incurred during any legal proceeding, including any proceeding under any debtor relief laws) or (B) in connection with the DIP Term Loans to be made hereunder, including all such reasonable and documented out-of-pocket costs and expenses incurred during any workout, restructuring or negotiations in respect of such DIP Term Loans.

The Borrower shall defend, protect, indemnify, pay and hold harmless the DIP Lender and each of their respective officers, directors, affiliates, attorneys, employees and agents (each an "Indemnified Party") for and from and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, fees, costs, charges, expenses and disbursements of any kind or nature whatsoever (including reasonable and documented out-of-pocket fees and disbursements of one outside counsel) arising out of or in any way relating to or as a consequence, direct or indirect, of: (i) the DIP Facility, including this DIP Term Sheet, any documents or instruments relating thereto, and/or the transactions contemplated hereby or thereby, (ii) any action or failure to act or action taken only after delay or the satisfaction of any conditions by any Indemnified Party in connection with and/or relating to the negotiation, execution, delivery or administration of the DIP Term

Sheet, the DIP Facility established hereunder, any documents or instruments relating thereto, and/or the transactions contemplated hereby, (iii) Borrower's failure to observe, perform or discharge any of its covenants, obligations, agreements or duties under or breach of any of the representations or warranties made in this DIP Term Sheet, (iv) the enforcement of any of the rights and remedies of the DIP Lender under this DIP Term Sheet and any documents or instruments relating thereto, (v) any threatened or actual imposition of fines or penalties, or disgorgement of benefits, for violation of any anti-terrorism law by the Borrower, and (vi) any claim, litigation, proceeding or investigation instituted or conducted by any governmental body or instrumentality or any other person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, the DIP Facility including this DIP Term Sheet, any documents or instruments relating thereto, whether or not the DIP Lender is a party thereto; except to the extent any portion of such claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, fees, costs, charges, expenses and disbursements are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

The foregoing reimbursement and indemnification obligations of the Borrower and the DIP Lender shall survive the payment in full of the DIP Obligations, the termination of the DIP Facility and the resignation or removal of the DIP Lender.

All out-of-pocket accrued and unpaid fees, costs, disbursements, and expenses of the DIP Lender, including the fees and expenses of King & Spalding LLP, as counsel to the DIP Lender, and as necessary, other local counsel in their capacity as counsel to the DIP Lender, incurred in connection with the DIP Facility and the Chapter 11 Cases shall be included for payment in the first Interim Draw. Subsequent to the first Interim Draw, Borrower agrees to pay all costs and expenses incurred by the DIP Lender, including legal and other advisory fees as they come due.

Borrower agrees to pay all expenses and costs incurred by the DIP Lender in connection with underwriting and preparing to close the DIP Facility, including but not limited to lender legal fees, title searches, and surveys.

Amendments: No amendment or waiver of any provision of this DIP Term Sheet or the DIP Facility, and no consent to any departure by the Borrower or the DIP Lender therefrom, shall be effective unless in writing and agreed by DIP Lender and the Borrower (which may be in the form of an email or other written communication and which may come from primary counsel to the DIP Lender, DIP Lender or the Borrower, as applicable) such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Assignments and Participations: No consent of the Borrower shall be required for any assignments or participations. Each DIP Lender shall have the right to assign or sell participations in its DIP Term Loan Commitments or DIP Term Loans.

Release: Each Loan Party, for itself and its successors, assigns, parents, subsidiaries, affiliates, predecessors, employees, agents, heirs and executors, as applicable, hereby fully and unconditionally releases each of the DIP Lender, and their respective directors, officers, employees, subsidiaries, affiliates, attorneys, agents, representatives, successors and assigns (collectively, the "**Released Parties**") from any and all claims, causes of action, costs or demands of whatever kind or nature, whether known or unknown, liquidated or unliquidated, fixed or contingent, asserted or unasserted,

	foreseen or unforeseen, or matured or unmatured, which any Loan Party may have had against the Released Parties by reason of any act or omission on the part of the Released Parties occurring prior to the date hereof, in each case regarding or relating to this DIP Term Sheet, the DIP Facility, or any document or instrument relating thereto (collectively, the "**Released Matters**"). The Orders shall include a customary release of the DIP Lender, with respect to the Released Matters and any and all claims and causes of action arising from or related to the DIP Facility.
Waivers:	The Orders shall include terms and conditions customary for final DIP financing orders and shall be acceptable to the DIP Lender, including, without limitation, waiver of the automatic stay, credit-bidding rights, "no marshaling" provisions, and waivers of the imposition of costs pursuant to Section 506(c) of the Bankruptcy code and the "equities of the case" exception in Section 552(b) of the Bankruptcy Code, in each case, to the extent applicable.
Governing Law:	New York (and to the extent applicable, the Bankruptcy Code). The Debtors shall waive any right to trial by jury.
Counsel to the DIP Lender	King & Spalding LLP

EXHIBIT B

Approved Budget

FMI Aerostructures
DIP Cash Flow Output - Filing Version
$s in 000s

	Week Number	1	2	3	4	5	6	7	8	9		Post-Petition	Post-Petition
	Period / Week End (Sunday)	2/26 – 3/2	3/9/25	3/16/25	3/23/25	3/30/25	4/6/25	4/13/25	4/20/25	4/27/25	Wind	Total	+ Wind Down
	Act/Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Down	Fcst	Total Fcst
I. Cash Flow													
1.)	Total Operating Receipts	693	1,949	1,270	1,000	1,125	1,050	1,000	1,000	1,825	-	10,913	10,913
2.)	Total Operating Disbursements	1,669	1,353	1,468	1,305	2,129	1,385	1,216	1,235	2,011	121	13,767	13,888
3.)	**Net Operating Cash Flow**	**(975)**	**596**	**(197)**	**(305)**	**(1,004)**	**(335)**	**(216)**	**(235)**	**(186)**	**(121)**	**(2,855)**	**(2,975)**
4.)	Total Restructuring Professional Fees	543	293	333	293	283	293	333	293	2,143	-	4,803	4,803
5.)	DIP Lenders Professional Fees	250	-	-	-	350	-	-	-	-	-	600	600
6.)	Utility Deposit	78	-	-	-	-	-	-	-	-	-	78	78
7.)	BMO Adequate Assurance	500	-	-	-	250	-	-	-	-	-	750	750
8.)	Total UST Fees	-	-	-	-	-	-	-	-	-	500	-	500
9.)	Wind Down Operations Funding	-	-	-	-	-	-	-	-	300	-	300	300
10.)	DIP Interest & Fees	872	-	-	-	310	55	-	-	1,285	-	2,522	2,522
11.)	**Total Non-Operating Disbursements**	**2,242**	**293**	**333**	**293**	**1,193**	**348**	**333**	**293**	**3,727**	**500**	**9,053**	**9,553**
12.)	**Total Disbursements**	**3,911**	**1,646**	**1,800**	**1,597**	**3,321**	**1,733**	**1,548**	**1,527**	**5,738**	**621**	**22,820**	**23,441**
13.)	**Net Cash Flow**	**$ (3,218)**	**$ 303**	**$ (530)**	**$ (597)**	**$ (2,196)**	**$ (683)**	**$ (548)**	**$ (527)**	**$ (3,913)**	**$ (621)**	**$ (11,908)**	**$ (12,528)**
Liquidity													
II. Financing													
14.)	Beginning Book Cash	111	894	1,197	667	70	5,624	4,942	4,393	3,866	704	111	111
15.)	Net Cash Flow	(3,218)	303	(530)	(597)	(2,196)	(683)	(548)	(527)	(3,913)	(621)	(11,908)	(12,528)
16.)	Total DIP Draw[1]	4,000	-	-	-	7,750	-	-	-	750	-	12,500	12,500
17.)	**Ending Total Book Cash Balance**	**$ 894**	**$ 1,197**	**$ 667**	**$ 70**	**$ 5,624**	**$ 4,942**	**$ 4,393**	**$ 3,866**	**$ 704**	**$ 83**	**$ 704**	**$ 83**
18.)	Checks Outstanding	456	461	321	470	443	999	658	528	543	-	543	-
19.)	**Ending Total Bank Cash Balance**	**$ 1,349**	**$ 1,658**	**$ 988**	**$ 540**	**$ 6,067**	**$ 5,940**	**$ 5,051**	**$ 4,395**	**$ 1,247**	**$ 83**	**$ 1,247**	**$ 83**

[1] $750k draw in week nine to be funded solely at the discretion of the DIP lender.

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SCHEDULE 1

(Prepetition Permitted Liens)

None