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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re:	Chapter 11
EDDIE BAUER LLC, *et al*.,	Case No. 26-11422 (SLM)
Debtors.[1]	(Joint Administration Requested)

DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES, (III) SCHEDULING A FINAL HEARING, (IV) MODIFYING THE AUTOMATIC STAY, AND (V) GRANTING RELATED RELIEF

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

[1] The last four digits of Debtor Eddie Bauer LLC's tax identification number are 6060. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at https://cases.stretto.com/EddieBauer. The location of Debtor Eddie Bauer LLC's principal place of business is 10401 Northeast 8th Street, Suite 500, Bellevue, WA 98004; the Debtors' service address in these chapter 11 cases is 6501 Legacy Drive, Suite B100, Plano, TX 75024.

The above-captioned debtors and debtors in possession (collectively, the "Debtors") state the following in support of this motion (this "Motion"):[2]

Preliminary Statement

1. As described more fully in the First Day Declaration and the Coulombe Declaration, the Debtors commenced the Chapter 11 Cases to execute a value-maximizing restructuring transaction through a going-concern sale and/or liquidation sales at their remaining brick-and-mortar retail locations. Executing on this dual-track plan, as well as funding ordinary course obligations and the administrative expenses of these Chapter 11 Cases, requires immediate access to liquidity. Because substantially all of the Debtors' cash and cash equivalents constitute Cash Collateral[3] under the Prepetition Credit Facilities, however, section 363(c)(2) of the Bankruptcy Code prohibits the Debtors from accessing their cash on hand absent relief from the Court. The Debtors therefore filed this Motion to obtain immediate access to their Cash Collateral and enable them to pursue a value-maximizing restructuring for the benefit of all parties in interest.

2. The Debtors enter these Chapter 11 Cases with approximately $20 million of cash on hand and expected average weekly disbursements of approximately $1.6 million over the next thirteen weeks. Given the Debtors' anticipated funding needs, the Debtors and their advisors

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[2] A description of the Debtors and their business, as well as the facts and circumstances giving rise to the Debtors' Chapter 11 Cases is set forth in greater detail in the *Declaration of Stephen Coulombe, Co-Chief Restructuring Officer of Eddie Bauer LLC and its Affiliates, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration, later in this Motion, or the Interim Order.

[3] "Cash Collateral" has the meaning set forth in the Bankruptcy Code:

> Cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest and includes the proceeds, products, offspring rents, or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in section 552(b) of this title, whether existing before or after the commencement of a case under this title. 11 U.S.C. § 363(a).

engaged with the Prepetition Secured Parties in the weeks leading up to these Chapter 11 Cases to negotiate the terms of consensual use of the Cash Collateral and ensure a smooth transition into chapter 11. Following good-faith, arm's-length negotiations, the Debtors and the Prepetition Secured Parties agreed to the consensual use of Cash Collateral on the terms set forth in the Interim Order (as defined herein). Specifically, the Debtors agreed to operate according to a detailed cash collateral budget, grant certain adequate protection liens and claims, and prosecute the Chapter 11 Cases on an expeditious case timeline in order to induce the Prepetition Secured Parties to consent to the Debtors' use of Cash Collateral. Such concessions are consistent with cash collateral arrangements in chapter 11 cases of similar size and complexity and are fair and necessary under the circumstances.

3. The initial budget attached to the Interim Order as Exhibit 1 (the "Initial Budget"), which was developed by BRG, together with the Debtors' management and major stakeholders, outlines the Debtors' postpetition cash flow forecast over the first thirteen weeks of these Chapter 11 Cases. The Initial Budget includes all reasonable, necessary, and foreseeable expenses that the Debtors expect to incur in carrying out going-out-of-business sales, conducting a going-concern marketing process, prosecuting these Chapter 11 Cases, and continuing to operate the Debtors' business. Projected disbursements include payments to employees, taxing authorities, vendors, landlords, and other parties. The Initial Budget establishes that, subject to the continued access to Cash Collateral, the Debtors will have sufficient cash on hand to operate their business through to the conclusion of a value-maximizing restructuring transaction.

4. The Interim Order also contemplates the Debtors' providing the Prepetition Secured Parties with adequate protection (the "Adequate Protection Package") to protect against the postpetition diminution in value of their Prepetition Collateral, including Cash Collateral. The

Adequate Protection Package, which is summarized in the below table includes customary superpriority replacement liens, superpriority claims, and periodic cash payments to pay down the Debtors' Prepetition ABL Obligations.

5. The terms and conditions of the Debtors' use of Cash Collateral embodied in the proposed Interim Order represent the best option available to the Debtors under the circumstances and constitute a reasonable compromise with the Prepetition Secured Parties to fund necessary operations while the Debtors administer these Chapter 11 Cases and pursue one or more value-maximizing transactions. Without access to the Cash Collateral, the Debtors, their creditors, and their estates would suffer immediate and irreparable harm because the Debtors would be forced to immediately cease operations, resulting in a disorderly liquidation and profound destruction of value to the detriment of all parties in interest, including the Debtors, the Prepetition Secured Parties, and the Debtors' employees, vendors, landlords, and customers. Therefore, the Debtors' access to Cash Collateral is critical to preserving and maximizing the value of their estates for the benefit of all stakeholders and should be approved.

Relief Requested

6. The Debtors seek entry of an interim order, substantially in the form attached hereto as **Exhibit A**, and a final order (respectively, the "Interim Order" and the "Final Order"), (a) authorizing the Debtors to use Cash Collateral, (b) granting adequate protection, solely to the extent provided in the Interim Order, to the Prepetition Secured Parties, (c) scheduling a final hearing (the "Final Hearing") within approximately twenty-one days after the commencement of these Chapter 11 Cases to consider entry of the Final Order, (d) modifying the automatic stay imposed by section 362 of the Bankruptcy Code (the "Automatic Stay") to the extent necessary to implement and effectuate the terms of the Orders, and (e) granting related relief.

7. In support of this Motion, the Debtors respectively submit the First Day Declaration and the *Declaration of Stephen Coulombe in Support of the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Scheduling a Final Hearing, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* (the "Coulombe Declaration") filed contemporaneously herewith.

Jurisdiction and Venue

8. The United States Bankruptcy Court for the District of New Jersey (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11*, entered July 23, 1984, and amended on June 6, 2025 (Bumb, C.J.). The Debtors confirm their consent to the Court's entry of a final order in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The bases for the relief requested herein are sections 105, 361, 362, 363, 503, 506, 507, 510, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rules 4001-3 and 9013-5 of the Local Rules of the United States Bankruptcy Court for the District of New Jersey, dated August 1, 2025 (the "Bankruptcy Local Rules"), and the *Chapter 11 Complex Case Procedures*.

Background

11. On February 9, 2026 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have filed a Motion

contemporaneously herewith requesting procedural consolidation and joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no official committees have been appointed or designated.

Concise Statement Pursuant to
Bankruptcy Rule 4001(b) and Local Rule 4001-3

12. Pursuant to Bankruptcy Rule 4001(b) and Local Rule 4001-3, the Debtors submit the following concise statement summarizing the material terms of the Interim Order.[4]

Summary of Material Terms	
Parties with an Interest in Cash Collateral Bankruptcy Rule 4001(b)(1)(B) Local Rule 4001-3	The Prepetition Secured Parties are the (i) Prepetition ABL Secured Parties, (ii) Prepetition Term Loan Secured Parties, and (iii) Prepetition Subordinated Loan Secured Parties. *See* Interim Order ¶ E(i)–(iii)
Purposes for Use of Cash Collateral Bankruptcy Rule 4001(b)(1)(B)	The Debtors are authorized, but not directed, on an interim basis, to use the Cash Collateral solely in accordance with and to the extent set forth in the Approved Budget and the Interim Order (including the Carve Out) during the period commencing on the date of the Interim Order through the Termination Date, in an amount not to exceed at any time, prior to the payment in full of the Prepetition Secured Parties, the aggregate amount of disbursements projected in the Approved Budget, subject to the Permitted Variances and the other terms of paragraph 4(e), from the Petition Date through the date of measurement, or such other amounts that may be agreed to in writing by the Prepetition ABL Administrative Agent in its Permitted Discretion. See Interim Order ¶ 2.
Budget and Variance Reporting Bankruptcy Rule 4001(b)(1)(B) Local Rule 4001-3	The Debtors are permitted to use the Cash Collateral in accordance with the Approved Budget, subject to the Permitted Variances. *See* Interim Order ¶ 4.
Termination Events	Each of the following shall constitute Termination Events:

[4] The summaries contained in this Motion are qualified in their entirety by the provisions of the Interim Order. To the extent anything in this Motion is inconsistent with the Interim Order, the terms of the Interim Order shall control.

Summary of Material Terms	
Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	(a) solely as to the Prepetition ABL Administrative Agent, failure to meet or satisfy any of the Milestones set forth in the Interim Order; (b) failure to deliver to the Prepetition Agents any of the documents or other information required to be delivered pursuant to the Interim Order as and when due, if not cured within five business days of receipt by the Debtors; (c) failure to comply with the Approved Budget, subject to the Permitted Variances and the other terms of the Interim Order; (d) the use of any Cash Collateral in a manner that is not permitted by the Approved Budget and this Interim Order; (e) the Debtors' filing of a motion, application, or other pleading to (i) obtain postpetition financing that has not been previously consented to in writing by the Prepetition ABL Administrative Agent, and, subject to the Intercreditor Agreements, the Prepetition Term Loan Agent; or (ii) use Cash Collateral, other than as permitted in the Interim Order or consented to by the Prepetition ABL Administrative Agent and, subject to the applicable Intercreditor Agreements, the Prepetition Term Loan Agent; (f) entry of an order or a judgment by the Court or any other court granting relief from the automatic stay, without the consent of the Prepetition ABL Administrative Agent and, subject to the Intercreditor Agreements, the Prepetition Term Loan Agent, that would allow a third party to recover or obtain possession of any property of the Debtors' estates (other than cash deposits serving as collateral) with a value in excess of $1,000,000; (g) entry of an order or a judgment by this Court or any other court staying, reversing, vacating, amending, rescinding, or otherwise modifying any of the terms of the Interim Order or filing of a motion, application, or other pleading by the Debtors seeking such entry, without the consent of the Prepetition ABL Administrative Agent, the Prepetition Term Loan Agent, and the Prepetition Subordinated Loan Agent; (h) making of any payments in respect of prepetition obligations, except as permitted pursuant to the Approved Budget or the Interim Order or another order of the Court (or the Canadian Court), or with prior written consent of the Prepetition ABL Administrative Agent; (i) dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (j) the appointment in any of the Chapter 11 Cases of a trustee or examiner with expanded powers; (k) the entry of an order of the Court that materially impairs the security interests, liens, priority claims, or rights granted to any of the Prepetition ABL Secured Parties or any of the Prepetition Term Loan Secured Parties; (l) any material misrepresentation by any Debtor in the financial reporting or certifications to be provided by the Debtors to the Prepetition ABL Administrative Agent and/or the Prepetition Term Loan Agent under this Interim Order that remains uncured for three business days following receipt of notice thereof; (m) any of the Debtors proposes, files, or supports (i) any plan of reorganization, plan of liquidation, or sale of all or substantially all of any Debtor's assets, or (ii) entry of any order confirming any such confirmation plan or sale, as applicable, without the prior written consent of the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent, including any order confirming a Plan that materially deviates from the treatment of the Prepetition ABL Obligations as specified in the Restructuring Support Agreement;

Summary of Material Terms	
	(n) the Debtors fail to provide, after request, any additional adequate protection ordered by the Court and such failure shall continue unremedied for more than three (3) business days; and (o) any Debtor fails to perform, in any respect, any of its material obligations under the Interim Order. *See* Interim Order ¶ 11.
Adequate Protection Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	As adequate protection against any postpetition Diminution in Value of the Prepetition Secured Parties' interests in the Collateral, the Prepetition Agents, for themselves and for the benefit of the Prepetition Secured Parties, as applicable, shall receive the following as adequate protection, as more fully set forth in the Interim Order: (a) the Adequate Protection Liens; (b) the Superpriority Claims; and (c) the Debtors' compliance with the Approved Budget. The Prepetition ABL Administrative Agent shall also receive adequate protection cash payments as described more fully in paragraph 7(h) of the Interim Order. *See* Interim Order ¶ 7.
Liens on Avoidance Actions Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	The Adequate Protection Liens granted to the Prepetition Secured Parties shall include liens on Avoidance Actions and Avoidance Proceeds, subject to and effective upon entry of the Final Order. *See* Interim Order ¶ 7.
Stipulation to Prepetition Liens and Claims Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	Subject to entry of the Interim Order, the Debtors, for themselves, their estates, and all representatives of such estates, acknowledge, represent, admit, stipulate, and agree, to certain stipulations regarding the validity and extent of the Prepetition Secured Parties' claims and liens. *See* Interim Order ¶ E.
Establishment of a Deadline for the Filing of a Plan Local Rule 4001-3	The Debtors' must comply with certain Milestones, including the requirement to file a plan of reorganization not later than fourteen calendar days following the Petition Date. *See* Interim Order ¶ 10(b).
Carve Out Bankruptcy Rule 4001(b)(1)(B) Local Rule 4001-3	The Order provides a "Carve Out" of certain statutory fees and allowed professional fees of the Debtors pursuant to section 1103 of the Bankruptcy Code. *See* Interim Order ¶ 13.
Modification of Automatic Stay Bankruptcy Rule 4001(b)(1)(B) Local Rule 4001-3	The stay under section 362 of the Bankruptcy Code is modified to permit the Debtors and the Prepetition Secured Parties to implement and effectuate the terms and provisions of the Interim Order and Final Order. *See* Interim Order ¶ 8.
Challenge Period Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	The Challenge Period (as defined in the Interim Order) shall expire no later than (a) with respect to the Committee, sixty (60) calendar days from the date of appointment of the Committee by the U.S. Trustee, unless extended in writing by the Debtors (email being sufficient), subject to the consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Administrative Agent (email being sufficient), and (b) with respect to all other parties in interest,

Summary of Material Terms	
	seventy-five (75) calendar days from the Petition Date, unless extended in writing by the Debtors (email being sufficient), subject to the written consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Administrative Agent (email being sufficient). *See* Interim Order ¶ 5(b).
506(c) Waiver Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	Upon entry of the Final Order, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases or Successor Cases at any time shall be charged against the Prepetition Secured Parties or the Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise and all rights to surcharge the Prepetition Secured Parties or the Collateral under sections 105 or 506(c) of the Bankruptcy Code or any other applicable principle of equity or law shall be finally and irrevocably waived, and such waiver shall be binding upon the Debtors and all parties in interest in this or any Successor Cases. *See* Interim Order ¶ 21.
Section 552(b) Waiver Bankruptcy Rule 4001(b)(l)(B) Local Rule 4001-3	Upon entry of the Final Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral or Postpetition Collateral. *See* Interim Order ¶ 20.
Marshalling Waiver Bankruptcy Rule 4001(b)(l)(B)	Subject to and effective upon the entry of a Final Order granting such relief, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshalling" or any other similar doctrine with respect to any of the Collateral. *See* Interim Order ¶ 21.

The Prepetition Credit Facilities

13. The following table summarizes the Debtors' prepetition capital structure:

Prepetition Capital Structure (As of February 2026)[5]					
	Lead Lender	**Maturity**	**Interest Rate**	**Commitment**	**Amount Outstanding**
Prepetition ABL Facility – Letters of Credit	Wells Fargo	September 19, 2030	SOFR + 2.50%	$1,750,000,000	**$728,477,563**
Prepetition ABL Facility – Loans			Variable[6]	$202,000,000	**$196,811,453**
Prepetition Term Loan Facility	WhiteHawk	September 19, 2030	SOFR + 6.75%	$600,000,000	**$600,000,000**
Prepetition Subordinated Loan Facility	Copper Retail JV LLC	February 19, 2031	15.0%	$211,844,000	**$216,281,687**
Total					**$1,741,570,703**

Basis for Relief

I. The Debtors' Request to Use Cash Collateral and Proposed Adequate Protection Is Appropriate.

14. Section 363 of the Bankruptcy Code governs the Debtors' use of property of their estates, including Cash Collateral. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may use Cash Collateral where "(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section." 11 U.S.C. § 362(c)(2). To the extent consent is required, the Prepetition Secured Parties have, or shall be deemed to have, consented to the Debtors' use of the Cash Collateral, subject to the terms and limitations set forth in the Orders.

[5] The obligations set forth in this chart represent the aggregate funded debt obligations of the U.S. Debtors.

[6] Each outstanding letter of credit issued under the Prepetition ABL Facility accrues a letter of credit fee on the stated amount thereof, which fee varies based on whether the letter of credit is a standby letter of credit or a trade letter of credit.

15. Section 363(e) of the Bankruptcy Code provides for adequate protection of interests in property when a debtor uses Cash Collateral. Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996). While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection on a case-by-case basis. *See In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994); *In re Satcon Tech. Corp.*, No. 12-12869, 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012); *In re N.J. Affordable Homes Corp.*, No. 05-60442, 2006 WL 2128624, at *14 (Bankr. D.N.J. June 29, 2006); *In re Columbia Gas Sys., Inc.*, Nos. 91-803, 91-804, 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992); *In re Dynaco Corp.*, 162 B.R. 389, 394 (Bankr. D.N.H. 1993) (citing 2 Collier on Bankruptcy ¶ 361.01 [1] at 361-66 (15th ed. 1993) (explaining that adequate protection can take many forms and "must be determined based upon equitable considerations arising from the particular facts of each proceeding")).

16. The concept of adequate protection is designed to shield a secured creditor from diminution in the value of its interest in collateral during the period of a debtor's use. *See In re Carbone Cos.*, 395 B.R. 631, 635 (Bankr. N.D. Ohio 2008) ("The test is whether the secured party's interest is protected from diminution or decrease as a result of the proposed use of cash collateral."); *see also In re Cont'l Airlines, Inc.*, 154 B.R. 176, 180–81 (Bankr. D. Del. 1993) (holding that adequate protection for use of collateral under section 363 of the Bankruptcy Code is limited to use-based decline in value). As set forth in the Interim Order and described above, the Debtors propose to provide the Prepetition Secured Parties with the Adequate Protection to protect against the postpetition diminution in value of their Prepetition Collateral, including Cash

Collateral. The Adequate Protection Package includes (i) granting superpriority claims and liens, (ii) the requirement for the Debtors to comply with an Approved Budget, and (iii) periodic payments to the Prepetition ABL Administrative Agent for application against the Prepetition ABL Obligations.

17. The Debtors respectfully submit that the proposed adequate protection is sufficient to protect the Prepetition Secured Parties from any diminution in value to the Prepetition Collateral during the interim period. *See In re 495 Cent. Park Ave. Corp.*, 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992) (evaluating "whether the value of the debtor's property will increase as a result of the" use of collateral in determining sufficiency of adequate protection); *see also In re Salem Plaza Assocs.*, 135 B.R. 753, 758 (Bankr. S.D.N.Y. 1992) (holding that debtor's use of cash collateral to pay operating expenses, thereby "preserv[ing] the base that generates the income stream," provided adequate protection to the secured creditor).

18. The importance and appropriateness of allowing debtors to use cash collateral and granting adequate protection to prepetition secured parties in large chapter 11 cases has been repeatedly recognized by courts in this district, and such courts have granted relief similar to the relief requested herein. *See, e.g.*, *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Apr. 4, 2024) (authorizing debtors to use cash collateral and granting adequate protection in the form of, among other things, replacement liens on prepetition collateral, superpriority administrative claims pursuant to section 507(b), and fees and expenses); *In re Invitae Corp.*, No. 24-1136 (MBK) (Bankr. D.N.J. Mar. 18, 2024) (same); *In re WeWork Inc.* No. 23-19865 (JKS) (Bankr. D.N.J. Nov. 9, 2023) (same); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D. N.J. Oct. 16, 2023) (same); *In re Careismatic Brands, LLC*, No. 24-10561 (VFP) (Bankr. D.N.J. Feb. 29, 2024) (same).

19. In light of the foregoing, the Debtors submit that the Adequate Protection Package is appropriate. The proposed adequate protection is (a) necessary to protect the Prepetition Secured Parties against any diminution in value of the Prepetition Collateral and (b) fair and appropriate under the circumstances to ensure the Debtors can continue using the Cash Collateral for the benefit of their estates.

II. Failure to Obtain the Immediate Interim Use of Cash Collateral Would Cause Immediate and Irreparable Harm.

20. Bankruptcy Rule 4001(b) provides that a final hearing on a motion to use cash collateral pursuant to section 363 of the Bankruptcy Code may not be commenced earlier than fourteen days after the service of such motion. Upon request, however, the Court is authorized to conduct a preliminary expedited hearing on this Motion and authorize the Debtors' proposed use of Cash Collateral to the extent necessary to avoid immediate and irreparable harm to the Debtors' estates. *See* Fed. R. Bankr. P. 4001(b)(2). Section 363(c)(3) of the Bankruptcy Code authorizes the court to authorize the use of cash collateral at a preliminary hearing "if there is a reasonable likelihood that the [debtor] will prevail at [a] final hearing." 11 U.S.C. § 363(c)(3).

21. The Debtors have an immediate postpetition need to use the Cash Collateral. The Debtors cannot maintain the value of their estates during the pendency of these Chapter 11 Cases without access to cash. The Debtors will use Cash Collateral to, among other things, pay employees, landlords, and vendors, meet overhead obligations, and to make payments that are necessary for the continued management, operation, and preservation of the Debtors' business as well as maintaining and continuing the Debtors' going-concern sale process and liquidation sales at the Debtors' remaining brick-and-mortar retail locations. As of the Petition Date, the Debtors have approximately $20 million of cash on hand. Absent the ability to use Cash Collateral, the Debtors will be unable to continue to operate their business in the near term or otherwise fund

these Chapter 11 Cases. If the Debtors' proposed use of Cash Collateral were denied, the Debtors would suffer immediate and irreparable harm to their business reputation and relationships with employees, vendors, landlords, and customers. In short, the Debtors' use of Cash Collateral is vital to preserve and maximize the value of their estates.

22. The Debtors therefore seek immediate authority to use the Cash Collateral as set forth in this Motion and in the proposed Interim Order to prevent immediate and irreparable harm to their estates pending the Final Hearing pursuant to Bankruptcy Rule 4001(b). The Debtors submit that they have satisfied the requirements of Bankruptcy Rule 4001 to support an expedited preliminary hearing and immediately access Cash Collateral on an interim basis.

III. The Automatic Stay Should Be Modified on a Limited Basis.

23. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to permit the Debtors to grant the Adequate Protection Liens and the Adequate Protection Claims, to incur all liabilities and obligations to the Prepetition Secured Parties under the Interim Order, and, subject to the Carve Out, to make certain payments to Prepetition Secured Parties.

24. The Debtors have determined, in an exercise of their business judgment, that such stay modification is appropriate under the circumstances, in the context of a negotiated, consensual cash collateral order. Stay modifications of this kind are ordinary and are reasonable and fair under the circumstances of these Chapter 11 Cases. Courts in this district and others have granted similar relief in other recent chapter 11 cases. *See, e.g.*, *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Apr. 4, 2024) (modifying the automatic stay as necessary to effectuate the terms of the order); *In re Invitae Corp.*, No. 24-1136 (MBK) (Bankr. D.N.J. Mar. 18, 2024) (same); *In re WeWork Inc.* No. 23-19865 (JKS) (Bankr. D.N.J. Nov. 9, 2023) (same); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D. N.J. Oct. 16, 2023) (same); *In re Careismatic Brands, LLC*,

No. 24-10561 (VFP) (Bankr. D.N.J. Feb. 29, 2024); *In re Cyxtera Techs., Inc.*, No. 23-14853 (JKS) (Bankr. D.N.J. June 6, 2023) (same); *In re David's Bridal, LLC*, No. 23-13131 (CMG) (Bankr. D.N.J. May 24, 2023) (same); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (Bankr. D.N.J. Apr. 24, 2023) (same).

The Requirements of Bankruptcy Rule 6003(a) Are Satisfied

25. Bankruptcy Rule 6003(a) empowers a court to grant certain relief within the first twenty-one days after the Petition Date to the extent that such "relief is needed to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the viability of the Debtors' operations. Failure to receive the requested relief during the first twenty-one days of these Chapter 11 Cases would severely disrupt the Debtors' operations at this critical juncture and cause immediate and irreparable harm. The requested relief is necessary for the Debtors to operate their business in the ordinary course, preserve the ongoing value of their operations, and maximize the value of their estates for the benefit of all stakeholders. The Debtors have demonstrated that the requested relief is "needed to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003(a), and the Court should grant the requested relief.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

26. The Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the fourteen-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

27. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as: (a) an implication or admission as to the amount of, basis for, or validity

of any particular claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission by the Debtors as to the validity, priority, enforceability, or perfection of any lien (contractual, common law, statutory, or otherwise) on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; or (h) a waiver of the obligation of any party in interest to file a proof of claim.

No Prior Request

28. No prior request for the relief sought in this Motion has been made to this Court or any other court.

Notice

29. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee for the District of New Jersey; (b) the holders of the thirty largest unsecured claims against the Debtors (on a consolidated basis); (c) the state attorneys general for the states in which the Debtors conduct business; (d) the United States Attorney's Office for the District of New Jersey; (e) the Internal Revenue Service; (f) Otterbourg P.C., counsel to the Prepetition ABL Administrative Agent; (g) Ropes & Gray LLP, counsel to the Consenting Prepetition Term Loan Agent; and (i) any party that has requested notice pursuant to

Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors request that the Court enter the Interim Order and the Final Order granting the relief requested herein and such other relief the Court deems appropriate under the circumstances.

Dated: February 9, 2026

/s/ Michael D. Sirota

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Proposed Co-Counsel to the Debtors and the Debtors in Possession

Exhibit A

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
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-and-

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Proposed Co-Counsel to the Debtors and the Debtors in Possession

In re: EDDIE BAUER LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 26-11422 (SLM) (Joint Administration Requested)

[1] The last four digits of Debtor Eddie Bauer LLC's tax identification number are 6060. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at https://cases.stretto.com/EddieBauer. The location of Debtor Eddie Bauer LLC's principal place of business is 10401 Northeast 8th Street, Suite 500, Bellevue, WA 98004; the Debtors' service address in these chapter 11 cases is 6501 Legacy Drive, Suite B100, Plano, TX 75024.

INTERIM ORDER (I) AUTHORIZING POSTPETITION USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO THE SECURED PARTIES, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered three (3) through seventy-seven (77), is **ORDERED**.

This matter came before this Court on the motion (the "**Motion**")[2] of the debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned cases (the "**Chapter 11 Cases**") seeking entry of an interim order (this "**Interim Order**") and a final order (the "**Final Order**"), pursuant to sections 105, 361, 362, 363, 503, 506, 507, 510, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "**Bankruptcy Code**"), Rules 2002, 4001, 6003, 6004, 7062, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rules 2002-1, 4001-1(a), 4001-3, and 9013-1 of the Local Rules of the United States Bankruptcy Court for the District of New Jersey, dated August 1, 2025 (the "**Bankruptcy Local Rules**") *inter alia*:

(a) authorizing the Debtors' use of cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code, subject to the terms of this Interim Order, and granting adequate protection to each of the Prepetition Secured Parties (as defined herein), as applicable, and their interests in the Prepetition Collateral (as defined herein) pursuant to sections 105, 361, 362, 363, and 507 of title 11 of the Bankruptcy Code to the extent of any Diminution in Value of such rights and interests on and after the Petition Date (as defined herein);

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or in the *Declaration of Stephen Coulombe in Support of Debtors' Motion for Entry Of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Scheduling a Final Hearing, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* (the "**First Day Declaration**"), filed contemporaneously herewith.

(b) vacating and modifying the automatic stay arising under section 362 of the Bankruptcy Code in accordance with the provisions hereof, to the extent necessary to implement and effectuate the terms and provisions of this Interim Order;

(c) waiving, subject to and effective upon entry of the Final Order, all the Debtors' rights to surcharge the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, and any "equities of the case" exception under section 552(b) of the Bankruptcy Code;

(d) waiving, subject to and effective upon entry of the Final Order, the equitable doctrine of "marshaling" with respect to any of the Prepetition Collateral for the benefit of any party other than the Prepetition Secured Parties;

(e) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the "**Final Hearing**") to consider approval of the relief sought in the Motion on a final basis pursuant to the Final Order; and

(f) granting related relief, all as more fully set forth herein.

This Court having considered the Motion, the exhibits thereto, the *Declaration of Stephen Coulombe in Support of Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, (III) Scheduling a Final Hearing, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* (the "**Coulombe Declaration**"), the First Day Declaration, and the evidence submitted and arguments made by the Debtors at the hearing before this Court on February [●], 2026 (the "**Interim Hearing**"); and due and proper notice of the Motion and the Interim Hearing

having been given as set forth in the Motion; and such notice having been adequate and appropriate under the applicable Bankruptcy Rules and Bankruptcy Local Rules; and the Interim Hearing having been held and concluded; and notice of the Motion and opportunity for a hearing on the Motion having been appropriate and no other notice needing to be provided; and all objections, if any, to the relief requested in the Motion on an interim basis having been withdrawn, resolved, or overruled by this Court; and this Court having determined that the legal and factual bases set forth in the Motion and at the Interim Hearing establish just cause for the relief granted herein; and it appearing that granting the relief requested in the Motion on an interim basis is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and otherwise is fair and reasonable, in the best interests of the Debtors, and is essential for the continued operation of the Debtors' business and the preservation of the value of the Debtors' assets; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

A. Petition Date. On February 9, 2026 (the "**Petition Date**"), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey (the "**Court**").

[3] The findings and conclusions set forth herein constitute this 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.

B. Debtors in Possession. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) [Docket No. [●]]. No trustee or examiner or official committee of unsecured creditors (a "**Committee**") has been appointed in the Chapter 11 Cases.

C. Jurisdiction and Venue. This Court has core jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on June 6, 2025 (Bumb, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b). The predicates for relief sought herein are sections 105, 361, 362, 363, 502, 503, 506, 507, and 552 of the Bankruptcy Code and Rules 2002, 4001, 6003, 6004, and 9014 of the Bankruptcy Rules. 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.

D. Cash Collateral. Any and all cash of the Debtors, including cash, cash equivalents, and other amounts on deposit or maintained in any deposit account or any other account of the Debtors and any amounts generated by the collection of accounts receivable, the sale of inventory, or any other disposition of Prepetition Collateral (as defined herein), wherever located and whether existing as of the Petition Date or arising or acquired after the Petition Date, together with all proceeds of any of the foregoing, is cash collateral within the meaning of section 363(a) of the

Bankruptcy Code (the "**Cash Collateral**") of the Prepetition Secured Parties (defined below). The Debtors are not able to use Cash Collateral without either (a) the Prepetition Secured Parties' consent or (b) this Court's authorization after notice and a hearing pursuant to section 363(c)(2) of the Bankruptcy Code. The Prepetition Secured Parties have consented to the Debtors' use of the Cash Collateral, expressly limited to, and conditioned upon, the terms and conditions specified in this Interim Order.

E. Debtors' Stipulations. In requesting the use of Cash Collateral (as defined herein), and in exchange for and as a material inducement to the consent of the Prepetition Secured Parties (as defined herein) to the use of their Cash Collateral, and subject only to the challenge rights set forth in paragraph 5 below (but subject to the limitations thereon contained herein), the Debtors, for themselves, their estates, and all representatives of such estates, acknowledge, represent, admit, stipulate, and agree as follows (collectively, the "**Debtors' Stipulations**"):

(i) *Prepetition ABL Loan Documents.* Prior to the Petition Date, certain of the Prepetition Secured Parties made loans, advances, and other extensions of credit pursuant to that certain Credit Agreement, originally dated as of December 7, 2020 (as amended, restated, supplemented, waived, or otherwise modified prior to the Petition Date, including pursuant to that certain Limited Consent and Seventh Amendment to Credit Agreement, dated as of February 8, 2026, the "**Prepetition ABL Credit Agreement**," and collectively with the Loan Documents (as defined in the Prepetition ABL Credit Agreement, and including that certain Canadian Limited Guarantee and Collateral Agreement, dated as of February 8, 2026 (the "**Canadian Guarantee Agreement**"), the "**Prepetition ABL Loan Documents**"), by and among (a) Penney Holdings

LLC, as lead administrative borrower, and the other Loan Parties (as defined therein) party thereto (together with Penney Holdings LLC, collectively, the "**Prepetition ABL Loan Parties**"), (b) Wells Fargo Bank, National Association ("**Wells Fargo**"), as administrative agent (solely in such capacity, the "**Prepetition ABL Administrative Agent**"), and (c) the Lenders (as defined in the Prepetition ABL Credit Agreement) from time to time party thereto with respect to the Revolving Loans, and any other Obligations (each as defined in the Prepetition ABL Credit Agreement) (collectively, the "**Prepetition ABL Lenders**," and collectively with the Prepetition ABL Administrative Agent and all other holders of Prepetition ABL Obligations (as defined herein), the "**Prepetition ABL Secured Parties**"). Each of the Prepetition ABL Loan Documents is valid, binding, non-voidable, and enforceable against the applicable Debtors in accordance with its terms.

(ii) *Prepetition Term Loan Documents.* Prior to the Petition Date, certain of the Prepetition Secured Parties made loans, advances, and other extensions of credit pursuant to that certain Credit Agreement, originally dated as of September 19, 2025 (as amended, restated, supplemented, waived, or otherwise modified prior to the Petition Date, including pursuant to that certain Limited Consent and First Amendment to Credit Agreement, dated as of February 8, 2026, the "**Prepetition Term Loan Credit Agreement**," and collectively with the Loan Documents (as defined in the Prepetition Term Loan Credit Agreement), the "**Prepetition Term Loan Documents**"), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Prepetition Term Loan Credit Agreement) party thereto (together with Penney Holdings LLC, collectively, the "**Prepetition Term Loan Parties**"),

(b) Whitehawk Capital Partners LP, as administrative and collateral agent (solely in such capacities, the "**Prepetition Term Loan Agent**"), and (d) the Lenders (as defined in the Prepetition Term Loan Credit Agreement) from time to time party thereto with respect to the Loans and any other Obligations (each as defined in the Prepetition Term Loan Credit Agreement) (collectively, the "**Prepetition Term Loan Lenders**," and collectively with the Prepetition Term Loan Agent and all other holders of Prepetition Term Loan Obligations (as defined herein), the "**Prepetition Term Loan Secured Parties**"). Each of the Prepetition Term Loan Documents is valid, binding, non-voidable, and enforceable against the applicable Debtors in accordance with its terms.

(iii) *Prepetition Subordinated Loan Documents*. Prior to the Petition Date, certain of the Prepetition Secured Parties made loans, advances, and other extensions of credit pursuant to that certain Term Loan Credit, Guaranty and Security Agreement, dated as of February 23, 2024 (as amended, restated, supplemented, waived, or otherwise modified prior to the Petition Date, including pursuant to that certain Limited Consent and Third Amendment to Credit Agreement, dated as of February 8, 2026, the "**Prepetition Subordinated Loan Credit Agreement**," and collectively with the Loan Documents (as defined in the Prepetition Subordinated Loan Credit Agreement), the "**Prepetition Subordinated Loan Documents**," and the Prepetition Subordinated Loan Documents collectively with the Prepetition ABL Loan Documents and the Prepetition Term Loan Documents, the "**Prepetition Loan Documents**"), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Prepetition Subordinated Loan Credit Agreement) party thereto (together with

Penney Holdings LLC, collectively, the "**Prepetition Subordinated Loan Parties**"), (b) Copper Retail JV LLC, as administrative and collateral agent (solely in such capacities, the "**Prepetition Subordinated Loan Agent**," and collectively with the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent, the "**Prepetition Agents**"), and (c) the Lenders (as defined in the Prepetition Subordinated Loan Credit Agreement) from time to time party thereto with respect to the Loans and any other Obligations (each as defined in the Prepetition Subordinated Loan Credit Agreement) (collectively, the "**Prepetition Subordinated Loan Lenders**," and collectively with the Prepetition Subordinated Loan Agent and all other holders of Prepetition Subordinated Loan Obligations (as defined herein), the "**Prepetition Subordinated Loan Secured Parties**," and the Prepetition Subordinated Loan Secured Parties collectively with the Prepetition ABL Secured Parties and the Prepetition Term Loan Secured Parties, the "**Prepetition Secured Parties**"). Each of the Prepetition Subordinated Loan Documents is valid, binding, and, subject to applicable bankruptcy law, enforceable against the applicable Debtors in accordance with its terms.

(iv) *Prepetition ABL Obligations.* All indebtedness, liabilities, and obligations owing from time to time under the Prepetition ABL Loan Documents, specifically to the extent constituting Obligations (as defined in the Prepetition ABL Credit Agreement), and for the avoidance of doubt, including all fees, premiums, interest on interest, expenses of legal counsel and financial advisors, whether matured or unmatured, are collectively referred to herein as "**Prepetition ABL Obligations**". As of the Petition Date, each of the Debtors, without defense, counterclaim, or offset of any kind, were jointly and severally indebted and liable to the Prepetition

ABL Secured Parties under the Prepetition ABL Loan Documents in a principal amount not less than (x) $728,477,563 on account of Loans (as defined in the Prepetition ABL Credit Agreement), plus (y) additional amounts arising from and relating to Letters of Credit (as defined in the Prepetition ABL Credit Agreement) in the aggregate outstanding amount of $196,811,452.80, plus (z) all interest accrued and accruing thereon, together with all costs, fees, premiums, expenses (including attorneys' fees and legal expenses) and all other Obligations (as defined in the Prepetition ABL Credit Agreement) accrued, accruing, or otherwise chargeable in respect thereof or in addition thereto; *provided* that the liability of Debtor Eddie Bauer of Canada Corporation and Debtor 13051269 Canada Inc. (together, the "**Canadian Debtors,**" and Eddie Bauer LLC, SPARC EB Holdings LLC, and Eddie Bauer Gift Card Services LLC, the "**U.S. Debtors**") under the Prepetition ABL Loan Documents is limited to $6,384,000, subject to the terms of the Canadian Guarantee Agreement. The Prepetition ABL Obligations and the Prepetition ABL Loan Documents constitute (a) the legal, valid, binding, enforceable, and non-avoidable obligations and agreements of the Debtors, enforceable in accordance with their terms; and (b) allowed claims under sections 502 and 506 of the Bankruptcy Code. The Prepetition ABL Liens, the Prepetition ABL Obligations, and all payments made to any of the Prepetition ABL Secured Parties or applied to the Prepetition ABL Obligations owing under the Prepetition ABL Loan Documents prior to the Petition Date, are not subject to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense, or "claim" (as defined in the Bankruptcy Code) of any kind, nature or description pursuant to the Bankruptcy Code or other applicable law.

(v) *Prepetition Term Loan Obligations.* All indebtedness, liabilities, and obligations owing from time to time under the Prepetition Term Loan Documents, specifically to the extent constituting Obligations (as defined in the Prepetition Term Loan Credit Agreement), and for the avoidance of doubt, including all fees, premiums, interest on interest, expenses of legal counsel and financial advisors, whether matured or unmatured, are collectively referred to herein as "**Prepetition Term Loan Obligations**." As of the Petition Date, the applicable Debtors were indebted and liable under the Prepetition Term Loan Documents to the Prepetition Term Loan Lenders in respect of the Prepetition Term Loan Obligations for: (a) an aggregate principal amount of not less than $600,000,000 in respect of the Loans issued under the Prepetition Term Loan Credit Agreement; and (b) accrued and unpaid interest, fees, premiums, and costs, expenses (including any attorneys' and financial advisors' fees), charges, indemnities, and all other Obligations (as defined in the Prepetition Term Loan Credit Agreement) incurred or accrued with respect to the foregoing pursuant to, and in accordance with, the Prepetition Term Loan Documents. The Prepetition Term Loan Obligations and the Prepetition Term Loan Documents constitute (x) the legal, valid, binding, enforceable, and non-avoidable obligations and agreements of the applicable Debtors, enforceable in accordance with their terms; and (y) allowed claims under sections 502 and 506 of the Bankruptcy Code. The Prepetition Term Loan Liens, the Prepetition Term Loan Obligations, and all payments made to any of the Prepetition Term Loan Secured Parties or applied to the Prepetition Term Loan Obligations owing under the Prepetition Term Loan Documents prior to the Petition Date are not subject to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense, or "claim" (as defined in the

Bankruptcy Code) of any kind, nature, or description pursuant to the Bankruptcy Code or other applicable law.

(vi) *Prepetition Subordinated Loan Obligations.* All indebtedness, liabilities, and obligations owing from time to time under the Prepetition Subordinated Loan Documents, specifically to the extent constituting Obligations (as defined in the Prepetition Subordinated Loan Credit Agreement), and for the avoidance of doubt, including all fees, premiums, interest on interest, and expenses of legal counsel and financial advisors, whether matured or unmatured, are collectively referred to herein as "**Prepetition Subordinated Loan Obligations**," and the Prepetition ABL Obligations, the Prepetition Term Loan Obligations, and the Prepetition Subordinated Loan Obligations are, together, collectively referred to herein as the "**Prepetition Secured Obligations**." As of the Petition Date, the applicable Debtors were indebted and liable under the Prepetition Subordinated Loan Documents to the Prepetition Subordinated Loan Lenders in respect of the Prepetition Subordinated Loan Obligations for: (a) an aggregate principal amount of not less than $216,281,687 in respect of the Loans issued under the Prepetition Subordinated Loan Credit Agreement; and (b) accrued and unpaid interest, fees, and costs, expenses (including any attorneys' and financial advisors' fees), charges, indemnities, and all other Obligations (as defined in the Prepetition Subordinated Loan Credit Agreement) incurred or accrued with respect to the foregoing pursuant to, and in accordance with, the Prepetition Subordinated Loan Documents. The Prepetition Subordinated Loan Obligations and the Prepetition Subordinated Loan Documents constitute (x) the legal, valid, binding enforceable, and non-avoidable obligations and agreements of the applicable Debtors, enforceable in accordance

with their terms; and (y) allowed claims under sections 502 and 506 of the Bankruptcy Code. The Prepetition Subordinated Loan Liens, the Prepetition Subordinated Loan Obligations, and all payments made to any of the Prepetition Subordinated Loan Secured Parties or applied to the Prepetition Subordinated Loan Obligations owing under the Prepetition Subordinated Loan Documents prior to the Petition Date, are not subject to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense, or "claim" (as defined in the Bankruptcy Code) of any kind, nature, or description pursuant to the Bankruptcy Code or other applicable law.

(vii) *Prepetition Liens and Prepetition Collateral.* Pursuant to and as more particularly described in the Prepetition Loan Documents, and subject in all cases to the terms of the Intercreditor Agreements (as defined herein), as applicable, the Prepetition Secured Obligations are secured by, among other things, senior liens on, security interests in, and assignments and pledges of (collectively, the "**Prepetition Liens**," and as such Prepetition Liens secure Obligations under and as defined in the Prepetition ABL Credit Agreement, the Prepetition Term Loan Credit Agreement, and the Prepetition Subordinated Loan Credit Agreement, the "**Prepetition ABL Liens**," the "**Prepetition Term Loan Liens**," and the "**Prepetition Subordinated Loan Liens**," respectively), substantially all assets of the applicable Debtors as more fully described in the Prepetition Loan Documents, including without limitation, any property of the Debtors described as Collateral in the Prepetition Loan Documents (the "**Prepetition Collateral**"), subject, however, to (a) other valid, perfected, and unavoidable senior priority liens and security interests existing as of the Petition Date securing valid, binding, and unavoidable obligations permitted under the Loan Documents or arising by operation of

applicable law (collectively, the "**Permitted Encumbrances**"). The Prepetition Liens granted to the Prepetition Agents for the benefit of themselves and the Prepetition Secured Parties in the Prepetition Collateral pursuant to and in connection with the Loan Documents, including, without limitation, any security agreements, pledge agreements, mortgages, deeds of trust, deposit account control agreements, and other security documents executed by any of the Debtors in favor of any of the Prepetition Agents, (a) are valid, binding, perfected, enforceable, non-avoidable, properly perfected liens and security interests in the Debtors' assets, (b) are not subject, pursuant to the Bankruptcy Code or other applicable law, to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense, or "claim" (as defined in the Bankruptcy Code) of any kind, (c) are subject and/or subordinate only to Permitted Encumbrances, the Carve Out, and the Canadian Court Liens, and (d) constitute the legal, valid, and binding obligations of the Debtors, enforceable in accordance with the terms of the applicable Loan Documents.

(viii) *Validity of Prepetition ABL Obligations.* The Prepetition ABL Liens are (a) valid, binding, perfected, duly recorded, and enforceable liens on, and security interests in, the Prepetition Collateral, and (b) not subject to, pursuant to the Bankruptcy Code or other applicable law (foreign or domestic), avoidance, disallowance, reduction, recharacterization, recovery, subordination (whether equitable, contractual, or otherwise), attachment, setoff, offset, recoupment, counterclaim, defense, "claim" (as such term is defined in the Bankruptcy Code), impairment, or any other challenge of any kind by any person or entity. The Prepetition ABL Liens were granted for fair consideration and reasonably equivalent value and were granted in consideration of the making and/or continued making of loans, commitments, and/or other

financial accommodations under the Prepetition ABL Loan Documents. The Prepetition ABL Obligations owing to the Prepetition ABL Secured Parties constitute legal, valid, and binding obligations of the applicable Debtors, enforceable against them in accordance with their respective terms, and no portion of the Prepetition ABL Obligations or any payments made to the Prepetition ABL Secured Parties or applied to or paid on account of the Prepetition ABL Obligations owing under the Prepetition ABL Loan Documents prior to the Petition Date is subject to any contest, attack, rejection, recovery, recoupment, reduction, defense, counterclaim, setoff, offset, subordination (whether equitable, contractual, or otherwise), recharacterization, avoidance, or other claim, cause of action, or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law. The Prepetition ABL Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(ix) *Validity of Prepetition Term Loan Obligations.* The Prepetition Term Loan Liens are (a) valid, binding, perfected, duly recorded, and enforceable liens on, and security interests in, the Prepetition Collateral, and (b) not subject to, pursuant to the Bankruptcy Code or other applicable law (foreign or domestic), avoidance, disallowance, reduction, recharacterization, recovery, subordination (whether equitable, contractual, or otherwise), attachment, setoff, offset, recoupment, counterclaim, defense, "claim" (as such term is defined in the Bankruptcy Code), impairment, or any other challenge of any kind by any person or entity. The Prepetition Term Loan Liens were granted for fair consideration and reasonably equivalent value and were granted in consideration of the making and/or continued making of loans, commitments, and/or other financial accommodations under the Prepetition Term Loan Documents. The Prepetition Term

Loan Obligations owing to the Prepetition Term Loan Secured Parties constitute legal, valid, and binding obligations of the applicable Debtors, enforceable against them in accordance with their respective terms, and no portion of the Prepetition Term Loan Obligations or any payments made to the Prepetition Term Loan Secured Parties or applied to or paid on account of the Prepetition Term Loan Obligations owing under the Prepetition Term Loan Documents prior to the Petition Date is subject to any contest, attack, rejection, recovery, recoupment, reduction, defense, counterclaim, setoff, offset, subordination (whether equitable, contractual, or otherwise), recharacterization, avoidance, or other claim, cause of action, or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law. The Prepetition Term Loan Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(x) *Validity of Prepetition Subordinated Loan Obligations.* The Prepetition Subordinated Loan Liens are (a) valid, binding, perfected, duly recorded, and enforceable liens on, and security interests in, the Prepetition Collateral, and (b) not subject to, pursuant to the Bankruptcy Code or other applicable law (foreign or domestic), avoidance, disallowance, reduction, recharacterization, recovery, subordination (whether equitable, contractual, or otherwise), attachment, setoff, offset, recoupment, counterclaim, defense, "claim" (as such term is defined in the Bankruptcy Code), impairment, or any other challenge of any kind by any person or entity. The Prepetition Subordinated Loan Liens were granted for fair consideration and reasonably equivalent value and were granted in consideration of the making and/or continued making of loans, commitments, and/or other financial accommodations under the Prepetition

Subordinated Loan Documents. The Prepetition Subordinated Loan Obligations owing to the Prepetition Subordinated Loan Secured Parties constitute legal, valid, and binding obligations of the applicable Debtors, enforceable against them in accordance with their respective terms, and no portion of the Prepetition Subordinated Loan Obligations or any payments made to the Prepetition Subordinated Loan Secured Parties or applied to or paid on account of the Prepetition Subordinated Loan Obligations owing under the Prepetition Subordinated Loan Documents prior to the Petition Date is subject to any contest, attack, rejection, recovery, recoupment, reduction, defense, counterclaim, setoff, offset, subordination (whether equitable, contractual, or otherwise), recharacterization, avoidance, or other claim, cause of action, or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law. The Prepetition Subordinated Loan Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(xi) *No Control*. None of the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties controls (or in the past controlled) the Debtors or their properties or operations, has authority to determine the manner in which any of the Debtors' operations are conducted, or is a control person or insider 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 or the Prepetition ABL Loan Documents or Prepetition Term Loan Documents, respectively.

(xii) *No Claims Against Prepetition ABL Secured Parties, Prepetition Term Loan Secured Parties, or Prepetition Subordinated Loan Secured Parties*. The Debtors hold no

valid or enforceable "claims" (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses, or setoff rights of any kind (including any challenge, avoidance, disallowance, disgorgement, recharacterization, or subordination) against any of the Prepetition ABL Secured Parties, Prepetition Term Loan Secured Parties, Prepetition Subordinated Loan Secured Parties, and/or the Prepetition Collateral. Each Debtor hereby forever waives and releases any and all "claims" (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses, or setoff rights against each of the Prepetition ABL Secured Parties, Prepetition Term Loan Secured Parties, Prepetition Subordinated Loan Secured Parties, and each of their respective officers, directors, employees, agents, sub-agents, attorneys, consultants, advisors, and affiliates, in each case in their capacities as such, and the Collateral, whether arising at law or in equity, under tort (including lender liability) or contract, including recharacterization, subordination, avoidance, or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law.

(xiii) *Prepetition Intercreditor Agreements*.

a) *ABL-Term Loan Intercreditor Agreement*. Reference is made to that certain Intercreditor Agreement, dated as of September 19, 2025 (as amended, restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**ABL-Term Loan Intercreditor Agreement**"), by and among (i) the Prepetition ABL Administrative Agent, (ii) the Prepetition Term Loan Agent, and (iii) Penney Intermediate Holdings LLC, as holdings, (iv) Penney Borrower LLC, as lead borrower, and (v) the Prepetition ABL Loan Parties and the Prepetition Term Loan Parties from time to time party thereto. Among other things, the ABL-

Term Loan Intercreditor Agreement governs the rights, interests, obligations, priorities, and positions of the liens and claims of the Prepetition ABL Secured Parties and the Prepetition Term Loan Secured Parties with respect to the Prepetition Liens and the Prepetition Collateral. Pursuant to the ABL-Term Loan Intercreditor Agreement, the parties thereto agreed, among other things, that any lien on the ABL Priority Collateral (as defined in the ABL-Term Loan Intercreditor Agreement) securing or purporting to secure any Prepetition ABL Obligations shall have priority over and be senior in all respects and prior to any lien on the ABL Priority Collateral securing or purporting to secure any Prepetition Term Loan Obligations. Pursuant to the ABL-Term Loan Intercreditor Agreement, the parties thereto agreed, among other things, that any lien on the Term Loan Priority Collateral (as defined in the ABL-Term Loan Intercreditor Agreement) securing or purporting to secure any Prepetition Term Loan Obligations shall have priority over and be senior in all respects and prior to any lien on the Term Loan Priority Collateral securing or purporting to secure any Prepetition ABL Obligations.

b) *Senior-Subordinated Intercreditor Agreement*. Reference is made to that certain Intercreditor Agreement, dated as of September 19, 2025 (as amended, restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**Senior-Subordinated Intercreditor Agreement**," and together with the ABL-Term Loan Intercreditor Agreement, the "**Intercreditor Agreements**"), by and among (i) the Prepetition ABL Administrative Agent, (ii) the Prepetition Term Loan Agent, (iii) the Prepetition Subordinated Loan Agent, and (iv) the Prepetition ABL Loan Parties, the Prepetition Term Loan Parties, and the Prepetition Subordinated Loan Parties from time to time party thereto. Among other things, the

Senior-Subordinated Intercreditor Agreement governs the rights, interests, obligations, priorities, and positions of the liens and claims of the Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, and the Prepetition Subordinated Loan Secured Parties with respect to the Prepetition Liens and the Prepetition Collateral. Pursuant to the Senior-Subordinated Intercreditor Agreement, the parties thereto agreed, among other things, that any lien on the Prepetition Collateral securing or purporting to secure any Prepetition ABL Obligations or Prepetition Term Loan Obligations shall, subject to the terms of the ABL-Term Loan Intercreditor Agreement, have priority over and be senior in all respects and prior to any lien on the Prepetition Collateral securing or purporting to secure any Prepetition Subordinated Loan Obligations.

c) Pursuant to section 510 of the Bankruptcy Code, the Intercreditor Agreements and any other applicable intercreditor or subordination provisions contained in any of the other Prepetition Loan Documents (i) are in full force and effect, (ii) shall continue to govern the relative priorities, rights, and remedies of the Prepetition Secured Parties (including the relative priorities, rights, and remedies of such parties with respect to replacement liens, administrative expense claims, and superpriority administrative expense claims granted or amounts payable in respect thereof by the Debtors under this Interim Order or otherwise), and (iii) shall not be deemed to be amended, altered, or modified by the terms of this Interim Order, unless otherwise expressly set forth herein.

F. Adequate Protection for the Prepetition Secured Parties. The Prepetition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code for any diminution in the value, from and after the Petition Date, of their

respective interests in the Prepetition Collateral, including, without limitation, the amount of Cash Collateral used by any Debtor during these Chapter 11 Cases resulting from the imposition of the stay, the funding of the Carve Out to the extent set forth herein, any other act or omission which may cause diminution in the value of its rights or interests in the Prepetition Collateral, the use, sale, or lease of the Prepetition Collateral, or from the granting of a security interest in the Prepetition Collateral, net of any cash payments actually received by the applicable Prepetition Secured Parties on account of the Weekly Paydowns (as defined herein) (collectively, the "**Diminution in Value**"); *provided*, that nothing set forth herein shall be construed as a determination or finding as to the amount of any Diminution in Value of the Prepetition Collateral. As adequate protection therefor, the Prepetition Secured Parties will receive the adequate protection described in this Interim Order, including the adequate protection set forth in paragraph 7 hereof. In exchange for such adequate protection, the Prepetition Secured Parties have consented to the Debtors' use of the Cash Collateral, solely on the terms and conditions set forth in this Interim Order. The adequate protection and other benefits and privileges provided herein by the Debtors are consistent with and authorized by section 363 and all other relevant provisions of the Bankruptcy Code and are necessary to obtain the Prepetition Secured Parties' consent to the use of the Cash Collateral. The terms of the proposed adequate protection arrangements and of the use of the Collateral (as defined herein), including the Cash Collateral, are fair and reasonable, reflect the Debtors' prudent exercise of business judgment, and constitute reasonably equivalent value and fair consideration for the use of Cash Collateral. The Prepetition Secured Parties reserve the right to seek additional adequate protection beyond the adequate protection provided in this

Interim Order, and nothing in this Interim Order or otherwise shall be deemed or construed to limit, impair, or otherwise prejudice the Prepetition Secured Parties' rights to seek and/or obtain such other or additional adequate protection or any other relief during these Chapter 11 Cases.

G. 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 avoid distracting litigation, added administrative expense, possible delay, and will minimize disruption of the Debtors' businesses and permit the Debtors to immediately satisfy expenses necessary to maximize the value of the Estates.

H. Good Faith. The terms of the Cash Collateral arrangement described herein are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration. The Debtors' use of Cash Collateral in accordance with the terms hereof has been negotiated in good faith and at arms' length among the Debtors and the Prepetition ABL Administrative Agent, the Prepetition Term Loan Agent, and the Prepetition Subordinated Loan Agent, and the consent of the Prepetition ABL Administrative Agent, the Prepetition Term Loan Agent, and the Prepetition Subordinated Loan Agent to the Debtors' use of the Cash Collateral in accordance with the terms hereof shall be deemed to have been made in good faith. Accordingly, the claims, superpriority claims, replacement liens, and other protections granted to the Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, and the Prepetition Subordinated Loan Secured Parties pursuant to this Interim Order will not be affected by any subsequent reversal, modification,

vacatur, amendment, reargument, or reconsideration of this Interim Order or any other order, solely to the extent such claims, superpriority claims, replacement liens, and other protections exist as of the date of any such subsequent reversal, modification, vacatur, amendment, reargument, or reconsideration.

I. Necessity for Relief Requested; Immediate and Irreparable Harm. The Debtors requested the entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). The Debtors have an immediate need to use the Cash Collateral to, among other things, preserve and maximize the value of the Debtors' assets, absent which the Debtors and their estates will suffer immediate and irreparable harm to the detriment of all of their creditors and stakeholders. The preservation and maintenance of the Debtors' assets and business are necessary and appropriate to maximize value available for distribution to creditors. Absent the Debtors' ability to use Cash Collateral, the Debtors would not have any available sources of working capital and would be unable to pay their operating expenses or maintain their assets to the detriment of the Debtors' estates, their creditors, and all of their stakeholders. The relief requested in the Motion is therefore necessary to avoid immediate and irreparable harm to the Debtors, their estates, and creditors. Additionally, the use of Cash Collateral avoids the immediate need for the Debtors to obtain postpetition financing, which would require the Debtors to incur additional expense, which would likely be substantial. The Prepetition Secured Parties and the Debtors have negotiated at arm's length and in good faith regarding the Debtors' use of Cash Collateral during the pendency of the Chapter 11 Cases. Accordingly, this Court finds that entry of this Interim Order is necessary to avoid immediate and irreparable harm to the Debtors' estates, is critical to the Debtors' ability to maximize the value of

their estates, is in the best interests of the Debtors' estates, and is necessary, essential, and appropriate for the continued operation of the Debtors' business and the management and preservation of their assets.

J. Proper Exercise of Business Judgment; Arm's-Length, Good-Faith Negotiations. Based on the Motion, the First Day Declaration, the Coulombe Declaration, and the record presented to this Court at the Interim Hearing, (i) the adequate protection to be granted to the Prepetition Secured Parties hereunder, (ii) the terms on which the Debtors may continue to use Prepetition Collateral (including Cash Collateral) as reflected herein, and (iii) the Cash Collateral arrangements described herein pursuant to this Interim Order, in each case: (a) are fair, reasonable, and the best available to the Debtors under the circumstances; (b) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; and (c) are supported by reasonably equivalent value and fair consideration. The Debtors' use of Prepetition Collateral (including Cash Collateral) was negotiated in good faith and at arm's length among the Debtors and the Prepetition Secured Parties.

K. Consent by Prepetition Secured Parties. The Prepetition Secured Parties have consented to, or are deemed to consent under, the applicable Intercreditor Agreement to the Debtors' use of Cash Collateral, in accordance with and subject to the terms and conditions provided for in this Interim Order, including the respective rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements.

L. Notice. In accordance with Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014, the Bankruptcy Local Rules, notice of the Interim Hearing and the emergency relief requested in

the Motion has been provided by the Debtors. The notice given by the Debtors of the Motion, the relief requested therein, and of the Interim Hearing is good, sufficient, and appropriate and complies with the requirements of the Bankruptcy Rules. The parties have made reasonable efforts to afford the best notice possible under the circumstances to permit the relief set forth in this Interim Order to be granted with immediate effect, and no other or further notice is required.

Based upon the forgoing findings of fact and conclusions of law, the Motion, the record before this Court with respect to the Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Motion Granted. The Motion is GRANTED on an interim basis, as set forth herein. Any objection to the entry of this Interim Order, to the extent not withdrawn, waived, or resolved, is hereby denied and overruled.

2. Authorization to Use Cash Collateral. The Debtors are authorized, but not directed, on an interim basis, to use the Cash Collateral solely in accordance with and to the extent set forth in the Approved Budget (as defined herein) and this Interim Order (including the Carve Out) during the period commencing on the date of this Interim Order through the Termination Date (as defined herein), in an amount not to exceed at any time, prior to the payment in full of the Prepetition Secured Parties, the aggregate amount of disbursements projected in the Approved Budget (as defined herein), subject to the Permitted Variances (as defined herein) and the other terms of paragraph 4(e), from the Petition Date through the date of measurement, or such other

amounts that may be agreed to in writing by the Prepetition ABL Administrative Agent in its Permitted Discretion.[4]

3. Minimum Sweep Balance. Subject to the Carve Out, commencing on Friday, March 6, 2026, and on each Friday thereafter, the Debtors shall calculate for the purpose of determining the Weekly Paydown Amount (as defined herein), as of any date of determination: (a) the Debtors' good faith estimate of the actual ending cash balance as of the end of the determination date, *less* (b) the amount set forth in the line item titled "Ending Book Cash" for the week of the determination date in the applicable Approved Budget, *less* (c) all outstanding and unpaid disbursements through the determination date in the applicable Approved Budget, *less* (d) the greater of (i) zero, and (ii) (x) actual total cash receipts through the determination date *less* (y) the amount set forth in the line item titled "Cash Receipts" through the determination date in the applicable Approved Budget, *less* (e) the amount, if any, by which the amount due to be funded into the Funded Reserve Account pursuant to paragraph 13 hereof for such week exceeds the amount set forth in the line item titled "Professional Fees" for the week of the determination date in the applicable Approved Budget, *less* (f) the incremental amount attributable to the Permitted Variance applicable to such outstanding and unpaid disbursements referenced in (c) of this paragraph (the "**Minimum Sweep Balance**"). The Minimum Sweep Balance will be funded in accordance with the Approved Budget and from the proceeds of the Prepetition Collateral (including Cash Collateral).

[4] "**Permitted Discretion**" as used herein shall mean acting reasonably from the standpoint of a secured asset-based lender or secured term loan lender, as applicable.

4. Budget.

(a) Subject to the other provisions of this Interim Order, the Debtors may use Cash Collateral during the Cash Collateral Period only to pay the expenses set forth in the 13-week cash collateral budget, a summary of which is attached as **Exhibit 1** hereto (as the same may be updated from time to time with the prior written consent of the Prepetition ABL Administrative Agent, the "**Approved Budget**") in the amounts and during the periods in which such expenses are projected in the Approved Budget to be paid, subject to the Permitted Variances and the other terms of paragraph 4(e). Each Approved Budget shall be delivered to counsel to any Committee (if appointed) and the U.S. Trustee.

(b) Beginning on the first Wednesday that is at least 28 calendar days after the Petition Date, and every 28 calendar days thereafter, as applicable, the Debtors shall provide a revised budget updating the budget line items only for the 13-week period following delivery of such revised budget (each, a "**Proposed Budget**") to the Prepetition ABL Administrative Agent by 5:00 p.m. (prevailing Eastern Time), which Proposed Budget shall be acceptable to the Debtors and the Prepetition ABL Administrative Agent in its Permitted Discretion. If the Prepetition ABL Administrative Agent approves of the Proposed Budget in writing (with e-mail to counsel to the Debtors being sufficient), then such Proposed Budget shall be deemed the Approved Budget for the period covered thereby. If the Prepetition ABL Administrative Agent does not approve the Proposed Budget in writing, then the then-existing Approved Budget shall remain the Approved Budget until an updated Approved Budget has been approved; *provided*, that in such case, when the period covered by the previously Approved Budget expires, the Approved Budget will be

derived in a manner reasonably satisfactory to the Debtors and the Prepetition ABL Administrative Agent and consistent with the weekly details set forth in the previously Approved Budget; *provided*, *further*, that the initial budget attached hereto as **Exhibit 1** is an Approved Budget.

(c) Beginning on Wednesday during the third full week following the Petition Date, and every third business day of the week thereafter, the Debtors shall deliver a budget variance report (the "**Budget Variance Report**") to the Prepetition Agents and any Committee (if appointed) by 5:00 p.m. (prevailing Eastern Time). Beginning with the fourth full week following the Petition Date, the Budget Variance Report shall set forth on a line-item basis, as of the preceding Saturday of such week, variances of all actual amounts received or disbursed relative to the amounts projected for each such line-item in the Approved Budget for the prior cumulative four-week period (each, a "**Testing Period**"). Each Budget Variance Report shall also show cash balances.

(d) To the extent requested, the Debtors' financial advisors, Berkeley Research Group, LLC, shall, beginning in the third full week following the Petition Date, establish a standing weekly call with advisors to the Prepetition Secured Parties to address questions related to the Budget Variance Report and other information that is reasonably requested by any Prepetition Agent.

(e) Notwithstanding the Approved Budget, the following limited variances shall be permitted (each such variance, a "**Permitted Variance**," and all Permitted Variances collectively, the "**Permitted Variances**"), each measured at the end of each applicable Testing Period: (i) the actual total receipts during such Testing Period shall not be less than 85% of the

total projected receipts set forth in the Approved Budget for such Testing Period; and (ii) the actual total disbursements during such Testing Period shall not exceed 110% of the projected disbursements set forth in the Approved Budget for such Testing Period; *provided*, that for purposes of calculating the Permitted Variance, neither the projected amount nor the actual amount of the following disbursements shall be included in such calculation: (i) Allowed Professional Fees incurred by the Debtors, the Committee (if any), and the Information Officer and its counsel in the Canadian Proceeding; (ii) amounts owed to the U.S. Trustee; (iii) fees and expenses owed to the Prepetition Secured Parties; (iv) any disbursements paid to the Debtors' proposed claims and noticing agent; and (v) fees and expenses of Hilco Merchant Resources, LLC and SB360 Capital Partners, LLC, as set forth in the Agency Agreement attached as Exhibit A to the *Interim Order (I) Authorizing the Debtors To Assume the Agency Agreement; (II) Authorizing and Approving the Conduct of Store Closing Sales, with Such Sales to Be Free and Clear of All Liens, Claims, and Encumbrances; (III) Modifying Customer Programs at the Closing Stores; and (IV) Granting Related Relief*.

(f) Notwithstanding anything to the contrary set forth herein or otherwise, neither Cash Collateral nor the Carve Out may be used (i) to investigate, initiate, or prosecute (except as expressly provided in this section 4(f)), initiation, prosecution, joinder to, or financing of the initiation or prosecution of any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, or other litigation of any type (A) against the Prepetition Secured Parties or seek relief that would impair the rights and remedies of the Prepetition Secured Parties under the Prepetition Loan Documents or this Interim Order, including, without limitation,

for the payment of any services rendered by the professionals retained by the Debtors or any Committee (if appointed) in connection with the assertion of or joinder in any claim, counterclaim, action, proceeding, application, motion, objection, defense, or other contested matter, that is adverse to the interests of any of the Prepetition Secured Parties; (B) invalidating, setting aside, avoiding, or subordinating, in whole or in part, any of the Prepetition Secured Obligations or Prepetition Liens on Prepetition Collateral or any portion thereof; or (C) for monetary, injunctive, or other affirmative relief against any of the Prepetition Secured Parties or with respect to any of the Prepetition Liens on the Prepetition Collateral; (ii) for objecting to or challenging in any way the legality, validity, priority, perfection, or enforceability of any claims, liens, or interests (including the Prepetition Liens) held by or on behalf of any of the Prepetition Secured Parties; (iii) for asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any Avoidance Actions (as defined herein) against any of the Prepetition Secured Parties; (iv) for prosecuting an objection to, contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Prepetition Liens, the Prepetition Secured Obligations, or any other rights or interests of the Prepetition Secured Parties under the Prepetition Loan Documents or herein; or (v) preventing, hindering, or otherwise delaying the exercise by any of the Prepetition Agents or any other Prepetition Secured Party of any rights under this Interim Order; *provided*, *however*, that an amount up to $50,000 of Cash Collateral nevertheless may be used exclusively by any Committee (if appointed) solely to investigate the foregoing matters within the Challenge Period (as defined herein).

(g) Notwithstanding anything to the contrary in the Prepetition Loan Documents, to the extent not cash collateralized prior to the Petition Date or set forth in the Approved Budget, the Debtors may, but shall not be required to, cash collateralize any letters of credit or any similar instrument outstanding under the Prepetition Loan Documents.

(h) The Prepetition ABL Administrative Agent may, in its discretion, agree in writing to the use of the Cash Collateral (i) in a manner or amount which does not conform to the Approved Budget (each such approved non-conforming use of Cash Collateral, a "**Non-Conforming Use**") or (ii) for a period following the Termination Date (such period, the "**Subsequent Budget Period**"). If such written consent is given, the Debtors shall be authorized pursuant to this Interim Order to expend Cash Collateral for any such Non-Conforming Use or any such Subsequent Budget Period in accordance with a subsequent Approved Budget (a "**Subsequent Budget**") without further Court approval, and the Prepetition Agents and other Prepetition Secured Parties shall be entitled to all of the protections specified in this Interim Order for any such use of Cash Collateral; *provided*, that each such permitted Non-Conforming Use shall be deemed a modification to the Approved Budget for all testing purposes. The Debtors shall provide notice of any Non-Conforming Use, Subsequent Budget Period, and Subsequent Budget to the U.S. Trustee and counsel to the Committee, if appointed, two (2) business days prior to implementation.

5. Effect of Stipulation on Third Parties.

(a) Subject to the terms of paragraph 5(b), each stipulation, admission, and agreement contained in this Interim Order including, without limitation, the Debtors' Stipulations,

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), creditors, responsible persons, examiners with expanded powers, any other estate representatives, and any other third parties and all of their successors in interest and assigns, including, without limitation, any Committee, under all circumstances and for all purposes, and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined herein) as of the date of the Petition Date.

(b) Nothing in this Interim Order shall prejudice the rights of any Committee or any other party in interest, if granted standing by the Court, to seek, solely in accordance with the provisions of this paragraph 5(b), to assert claims against any of the Prepetition Agents or any other Prepetition Secured Parties, on behalf of the Debtors or the Debtors' creditors or to otherwise challenge the Debtors' Stipulations, including, in relation to (i) the validity, extent, priority, or perfection of the security interests, and liens of the Prepetition Agents or any other Prepetition Secured Parties, (ii) the validity, allowance, priority, or amount of the Prepetition ABL Obligations, the Prepetition Term Loan Obligations, or the Prepetition Subordinated Loan Obligations, or (iii) any liability of the any of the Prepetition Secured Parties with respect to anything arising from the Loan Documents, in each case whether under sections 502 or 506 of the Bankruptcy Code or otherwise (collectively, the "**Prepetition Lien and Claim Matters**"); *provided*, that, solely to the extent that any such party in interest (including the Committee, if any) with standing and requisite authority (other than the Debtors, as to which any Challenge is irrevocably waived and relinquished) timely files the appropriate papers, and timely commences

the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, including, without limitation, as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in paragraph 4(f) of this Interim Order) challenging (or to the extent challenging) the Prepetition Lien and Claim Matters (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "**Challenge**") by no later than, (x)(i) with respect to the Committee, sixty (60) calendar days from the date of appointment of the Committee by the U.S. Trustee, unless extended in writing by the Debtors (e-mail being sufficient), subject to the consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent (e-mail being sufficient), and (ii) with respect to all other parties in interest, seventy-five (75) calendar days from the Petition Date, unless extended in writing by the Debtors (e-mail being sufficient), subject to the written consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent (e-mail being sufficient) (collectively, the "**Challenge Period**"). The timely filing of a motion seeking standing to file a Challenge before the termination of the Challenge Period that attaches a proposed pleading commencing such Challenge shall toll the Challenge Period only as to the party that timely filed such standing motion and only as to the specific claims and causes of action raised in such standing motion until such motion is resolved or adjudicated by the Court. Any pleadings filed in any Challenge proceeding shall set forth with specificity the basis for such Challenge, and any Challenge not so specified prior to the Challenge Period shall be deemed forever waived, released, and barred.

(c) *Binding Effect.* To the extent no Challenge is timely and properly commenced during the Challenge Period by a party in interest with requisite standing, or to the

extent such proceeding does not result in a final and non-appealable judgment or order of this Court that is inconsistent with the Prepetition Lien and Claim Matters, then, without further notice, motion, or application to, order of, or hearing before this Court, and without the need or requirement to file any proof of claim, the Prepetition Lien and Claim Matters shall, pursuant to this Interim Order, become final, conclusive, and binding on the Debtors, their estates, all creditors, any person, entity, or party in interest in the Chapter 11 Cases, and the successors and assigns, as applicable, of any of the foregoing, and in any Successor Cases (as defined herein) for all purposes and shall not be subject to challenge or objection by any party in interest, including, without limitation, a trustee, responsible individual, examiner with expanded powers, or other representative of the Debtors' estates. More specifically, as to (i) any parties in interest, including any Committee, if appointed, that fail to file a Challenge within the Challenge Period, or if any such Challenge is filed and overruled, or (ii) any and all matters that are not expressly the subject of a timely Challenge: (A) any and all such Challenges by any party (including, without limitation, any Committee, if appointed, any chapter 11 trustee, any examiner, or any other estate representative appointed in the Chapter 11 Cases, or any chapter 7 trustee, any examiner, or any other estate representative appointed, as applicable, in any Successor Cases), shall be deemed to be forever waived and barred; (B) all of the findings, Debtors' Stipulations, waivers, releases, affirmations, and other stipulations hereunder as to the priority, extent, validity, and enforceability as to the Prepetition Liens and the Prepetition Secured Obligations shall be of full force and effect and forever binding upon the Debtors' estates and all creditors, interest holders, and other parties in interest in the Chapter 11 Cases and any Successor Cases; and (C) the Prepetition Secured

Parties and each of their respective agents, officers, directors, employees, attorneys, consultants, professionals, successors, and assigns shall be deemed released and discharged from all claims and causes of action arising out of or in any way relating to the Prepetition Lien and Claim Matters and shall not be subject to any further objection or challenge by any party at any time.

(d) *No Standing.* Nothing in this Interim Order vests or confers on any "person" (as such term is defined in the Bankruptcy Code), including any Committee (if appointed), standing or authority to pursue any claim or cause of action belonging to the Debtors and/or their estates, including, without limitation, any Challenge with respect to the Prepetition Loan Documents, the Prepetition Liens, and/or the Prepetition Secured Obligations.

6. Termination Date. Unless otherwise ordered by this Court, the Debtors' authorization, and the Prepetition Secured Parties' consent, subject in all circumstances to the respective rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements, to use Cash Collateral in accordance with this Interim Order shall terminate on the earliest to occur of (the "**Termination Date**"): (a) the date that is 45 days after the Petition Date, unless such date is extended pursuant to the written consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent (which may be by e-mail among counsel to the Debtors, counsel to the Prepetition ABL Secured Parties and counsel to the Prepetition Term Loan Secured Parties); *provided*, that the Termination Date shall be extended to 180 calendar days after the Petition Date upon entry of the Final Order; (b) consummation of a confirmed chapter 11 plan in the Chapter 11 Cases; and (c) the delivery by the Prepetition ABL Administrative Agent to counsel to the Debtors, counsel to the Prepetition Term Loan Agent, counsel to the Prepetition

Subordinated Loan Agent, and counsel to the Committee (if appointed) of notice of the occurrence of a Termination Event and the expiration of the Remedies Notice Period.

7. Adequate Protection. As adequate protection against any postpetition Diminution in Value of the Prepetition Secured Parties' interests in the Collateral (including Cash Collateral) resulting from: (a) the imposition of the automatic stay or (b) the Debtors' use, sale, or disposition of the Collateral (including Cash Collateral) during the Chapter 11 Cases (the "**Adequate Protection Obligations**"), the Prepetition Agents, for themselves and for the benefit of the Prepetition Secured Parties, as applicable, shall receive the following adequate protection (collectively, the "**Adequate Protection Package**"):

(a) *Adequate Protection Liens for the Prepetition ABL Secured Parties*. Subject to the Carve Out, the Canadian Court Liens, the terms of this Interim Order, and the terms of the Intercreditor Agreements, pursuant to sections 361 and 363(e) of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, including, without limitation, the Debtors' Stipulations, the Prepetition ABL Administrative Agent, for itself and for the benefit of the Prepetition ABL Secured Parties, effective as of the Petition Date, is hereby granted, solely to the extent of any Diminution in Value of the Prepetition Collateral, if any, and pursuant to sections 361 and 363 of the Bankruptcy Code, valid, binding, enforceable, non-avoidable, and automatically perfected replacement liens ("**ABL Adequate Protection Liens**") upon and security interests in all of each Debtor's presently owned or hereafter acquired property and assets, whether such property and assets were acquired by such Debtor before or after the Petition Date, of any kind or nature, whether real or personal, tangible or intangible, wherever located, and the proceeds

and products thereof, including, subject to and effective upon entry of the Final Order, all proceeds of transfers or obligations avoided or actions maintained pursuant to chapter 5 of the Bankruptcy Code or section 724(a) of the Bankruptcy Code or any other avoidance actions under the Bankruptcy Code or applicable state law or foreign law equivalents (such actions, "**Avoidance Actions**" and any proceeds therefrom "**Avoidance Proceeds**") and any proceeds or value received by the Debtors in connection with a disposition of any leasehold interests (whether by sale, financing, or other disposition or form of transfer, termination, or transaction) and (collectively, to the extent acquired after the Petition Date, the "**Postpetition Collateral**" and, together with the Prepetition Collateral and the Cash Collateral, the "**Collateral**"); *provided*, that the ABL Adequate Protection Liens shall not attach to any of the Debtors' leasehold interests of non-residential real property that prohibit or restrict the granting of such liens in the applicable lease unless otherwise permitted pursuant to applicable non-bankruptcy law. The ABL Adequate Protection Liens shall be subject or junior only to (v) the Carve Out, (w) the Permitted Encumbrances, (x) the Canadian Court Liens, (y) subject to the Intercreditor Agreements, the Term Loan Adequate Protection Liens on the Term Loan Priority Collateral, and (z) subject to the Intercreditor Agreements, the Prepetition Term Loan Liens on the Term Loan Priority Collateral. Moreover, the ABL Adequate Protection Liens shall not be subject or subordinate to or made *pari passu* with (x) any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code, (y) any intercompany claim, whether secured or unsecured, of any Debtor or any domestic or foreign subsidiary or affiliate of any Debtor, or (z) any other lien or security interest under sections 361, 363, or 364 of the Bankruptcy Code or otherwise, except

as expressly provided in this Interim Order or the Intercreditor Agreements. The ABL Adequate Protection Liens shall be enforceable against and binding upon the Debtors, their estates, and any successors thereto, including, without limitation, any trustee, examiner, or other estate representative appointed in the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing (each, a "**Successor Case**"). For the avoidance of doubt, this Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of the ABL Adequate Protection Liens, without any further act and without the necessity of the execution, filing, or recording of any financing statement, mortgage, security agreement, pledge agreement, notice, or other instrument or document, or the registration of liens on any certificates of title, that may otherwise be required under the law or regulation of any jurisdiction, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any Postpetition Collateral, subject to the terms of the Intercreditor Agreements) to attach, validate, perfect, or prioritize such liens and security interests, or to entitle the Prepetition ABL Secured Parties to the priorities granted herein.

(b) *Adequate Protection Liens for the Prepetition Term Loan Secured Parties*. Subject to the Carve Out, the Canadian Court Liens, the terms of this Interim Order, and the terms of the Intercreditor Agreements, pursuant to sections 361 and 363(e) of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, including, without limitation, the Debtors' Stipulations, the Prepetition Term Loan Agent, for itself and for the benefit of the

Prepetition Term Loan Secured Parties, effective as of the Petition Date, is hereby granted, solely to the extent of any Diminution in Value of the Prepetition Collateral, if any, and pursuant to sections 361 and 363 of the Bankruptcy Code, valid, binding, enforceable, non-avoidable, and automatically perfected replacement liens on and security interests in (the "**Term Loan Adequate Protection Liens**") all of the Collateral of the applicable Debtors without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages, or other similar documents, all of the right, title, and interest of the Debtors and their "estates" (as created pursuant to section 541(a) of the Bankruptcy Code) in, to, and under the Postpetition Collateral; *provided*, that the Term Loan Adequate Protection Liens shall not attach to (i) any of the Debtors' leasehold interests of non-residential real property that prohibit or restrict the granting of such liens in the applicable lease unless otherwise permitted pursuant to applicable non-bankruptcy law, or (ii) prior to the entry of the Final Order, any Avoidance Proceeds. The Term Loan Adequate Protection Liens shall be subject or junior only to (v) the Carve Out, (w) the Permitted Encumbrances, (x) the Canadian Court Liens, (y) subject to the Intercreditor Agreements, the ABL Adequate Protection Liens on the ABL Priority Collateral, and (z) subject to the Intercreditor Agreements, the Prepetition ABL Liens on the ABL Priority Collateral. Moreover, the Term Loan Adequate Protection Liens shall not be subject or subordinate to or made *pari passu* with (x) any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code, (y) any intercompany claim, whether secured or unsecured, of any Debtor or any domestic or foreign subsidiary or affiliate of any Debtor, or (z) any other lien

or security interest under sections 361, 363, or 364 of the Bankruptcy Code or otherwise, except as expressly provided in this Interim Order or the Intercreditor Agreements. The Term Loan Adequate Protection Liens shall be enforceable against and binding upon the Debtors, their estates, and any successors thereto, including, without limitation, any trustee, examiner, or other estate representative appointed in the Chapter 11 Cases or any Successor Cases. For the avoidance of doubt, this Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of the Term Loan Adequate Protection Liens, without any further act and without the necessity of the execution, filing, or recording of any financing statement, mortgage, security agreement, pledge agreement, notice, or other instrument or document, or the registration of liens on any certificates of title, that may otherwise be required under the law or regulation of any jurisdiction, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any Postpetition Collateral, subject to the terms of the Intercreditor Agreements) to attach, validate, perfect, or prioritize such liens and security interests, or to entitle the Prepetition Term Loan Secured Parties to the priorities granted herein.

(c) *Adequate Protection Liens for the Prepetition Subordinated Loan Secured Parties*. Subject to the Carve Out, the terms of this Interim Order, and the terms of the Intercreditor Agreements, pursuant to sections 361 and 363(e) of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, including, without limitation, the Debtors' Stipulations, the Prepetition Subordinated Loan Agent, for itself and for the benefit of the Prepetition Subordinated Loan Secured Parties, effective as of the Petition Date, is hereby granted,

solely to the extent of any Diminution in Value of the Prepetition Collateral, if any, and pursuant to sections 361 and 363 of the Bankruptcy Code, valid, binding, enforceable, non-avoidable, and automatically perfected replacement liens on and security interests in (the "**Subordinated Loan Adequate Protection Liens**," and collectively with the ABL Adequate Protection Liens and the Term Loan Adequate Protection Liens, the "**Adequate Protection Liens**") all of the Collateral of the applicable Debtors without the necessity of the execution by the applicable Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages, or other similar documents, all of the right, title, and interest of the applicable Debtors and their "estates" (as created pursuant to section 541(a) of the Bankruptcy Code) in, to, and under the Postpetition Collateral; *provided*, that the Subordinated Loan Adequate Protection Liens shall not attach to (i) any of the applicable Debtors' leasehold interests of non-residential real property that prohibit or restrict the granting of such liens in the applicable lease unless otherwise permitted pursuant to applicable non-bankruptcy law, or (ii) prior to entry of the Final Order, any Avoidance Proceeds. The Subordinated Loan Adequate Protection Liens shall be subject or junior only to (t) the Carve Out, (u) the Permitted Encumbrances, (v) the Canadian Court Liens, (w) the ABL Adequate Protection Liens, (x) the Prepetition ABL Liens, (y) the Term Loan Adequate Protection Liens, and (z) the Prepetition Term Loan Liens. Moreover, the Subordinated Loan Adequate Protection Liens shall not be subject or subordinate to or made *pari passu* with (x) any lien or security interest that is avoided and preserved for the benefit of the applicable Debtors' estates under section 551 of the Bankruptcy Code, (y) any other intercompany claim, whether secured or unsecured, of any applicable Debtor or any domestic or

foreign subsidiary or affiliate of any applicable Debtor, or (z) any other lien or security interest under sections 361, 363, or 364 of the Bankruptcy Code or otherwise, except as expressly provided in this Interim Order or the Intercreditor Agreements. The Subordinated Loan Adequate Protection Liens shall be enforceable against and binding upon the applicable Debtors, their estates, and any successors thereto, including, without limitation, any trustee, examiner, or other estate representative appointed in the Chapter 11 Cases or any Successor Cases. For the avoidance of doubt, this Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of the Subordinated Loan Adequate Protection Liens, without any further act and without the necessity of the execution, filing, or recording of any financing statement, mortgage, security agreement, pledge agreement, notice, or other instrument or document, or the registration of liens on any certificates of title, that may otherwise be required under the law or regulation of any jurisdiction, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any Postpetition Collateral, subject to the terms of the Intercreditor Agreements) to attach, validate, perfect, or prioritize such liens and security interests, or to entitle the Prepetition Subordinated Loan Secured Parties to the priorities granted herein.

(d) *Allowed Superpriority Claim of the Prepetition ABL Secured Parties.* Pursuant to section 503 and section 507(b) of the Bankruptcy Code, the Prepetition ABL Administrative Agent, for itself and for the benefit of the Prepetition ABL Secured Parties, effective as of the entry of this Interim Order, is hereby further granted an allowed superpriority administrative expense claim (the "**ABL Superpriority Claim**") in each of the Chapter 11 Cases

or any Successor Cases, solely to the extent of any Diminution in Value of the Prepetition Collateral, which claim shall be junior only to the Carve Out and shall be senior to and have priority over all other administrative expenses pursuant to the Bankruptcy Code (including without limitation the kinds specified in or arising or ordered pursuant to sections 105(a), 326, 328, 330, 331, 503(b), 506(c) (subject to and effective upon entry of a Final Order granting such relief), 507, 546(c), 552(b), 726, and 1114 of the Bankruptcy Code or otherwise) and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever. The ABL Superpriority Claim shall be against each Debtor on a joint and several basis, and, subject to the Carve Out, shall be payable from and have recourse to all assets and properties of each of the Debtors; *provided* that the Prepetition ABL Secured Parties may only enforce the ABL Superpriority Claims against the Canadian Debtors in accordance with the Prepetition ABL Loan Documents. Except for the Carve Out, the Canadian Court Liens, the Term Loan Superpriority Claim on the Term Loan Priority Collateral, and, subject to the Intercreditor Agreements, the ABL Superpriority Claim shall not be made subject to, or *pari passu* with, any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases, and shall be valid and enforceable against the Debtors, their estates, and any successors or assigns thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases.

(e) *Allowed Superpriority Claim of the Prepetition Term Loan Secured Parties.* Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Term Loan Agent, for itself and for the benefit of the Prepetition Term Loan Secured Parties, effective as of the entry of this

Interim Order, is hereby further granted an allowed superpriority administrative expense claim (the "**Term Loan Superpriority Claim**") in each of the Chapter 11 Cases or any Successor Cases, solely to the extent of any Diminution in Value of the Prepetition Collateral, if any, subsequent to the Petition Date, which claim shall be junior only to the Carve Out, the Canadian Court Liens, and the ABL Superpriority Claim, but shall be senior to and have priority over all other administrative expenses pursuant to the Bankruptcy Code (including the kinds specified in or arising or ordered pursuant to sections 105(a), 326, 328, 330, 331, 503(b), 506(c) (subject to and effective upon entry of a Final Order granting such relief), 507, 546(c) (subject to and effective upon entry of a Final Order granting such relief), 552(b) (subject to and effective upon entry of a Final Order granting such relief), 726, and 1114 of the Bankruptcy Code or otherwise) and all other claims against the applicable Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever. The Term Loan Superpriority Claim shall be against each applicable Debtor on a joint and several basis, and, subject to the Carve Out, the Canadian Court Liens, and the ABL Superpriority Claim, shall be payable from and have recourse to all assets and properties of each of the applicable Debtors. Except for the Carve Out, the Canadian Court Liens, the ABL Superpriority Claim on the ABL Priority Collateral, and the Intercreditor Agreements, the Term Loan Superpriority Claim shall not be made subject to, or *pari passu* with, any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases, and shall be valid and enforceable against the applicable Debtors, their estates, and any successors or assigns thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases.

(f) *Allowed Superpriority Claim of the Prepetition Subordinated Loan Secured Parties.* Pursuant to section 507(b) of the Bankruptcy Code, the Prepetition Subordinated Loan Agent, for itself and for the benefit of the Prepetition Subordinated Loan Secured Parties, effective as of the entry of this Interim Order, is hereby further granted an allowed superpriority administrative expense claim (the "**Subordinated Loan Superpriority Claim**," and collectively with the ABL Superpriority Claim and the Term Loan Superpriority Claim, the "**Superpriority Claims**") in each of the Chapter 11 Cases or any Successor Cases, solely to the extent of any Diminution in Value of the Prepetition Collateral, if any, subsequent to the Petition Date, which claim shall be junior only to the Carve Out, the Canadian Court Liens, the ABL Superpriority Claim, and the Term Loan Superpriority Claim, but shall be senior to and have priority over all other administrative expenses pursuant to the Bankruptcy Code (including the kinds specified in or arising or ordered pursuant to sections 105(a), 326, 328, 330, 331, 503(b), 506(c) (subject to entry of a Final Order granting such relief), 507, 546(c) (subject to entry of a Final Order granting such relief), 552(b) (subject to entry of a Final Order granting such relief), 726, and 1114 of the Bankruptcy Code or otherwise) and all other claims against the applicable Debtors or their estates in any of the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind or nature whatsoever. The Subordinated Loan Superpriority Claim shall be against each applicable Debtor on a joint and several basis, and, subject to the Carve Out, the Canadian Court Liens, the ABL Superpriority Claim, and the Term Loan Superpriority Claim, shall be payable from and have recourse to all assets and properties of each of the applicable Debtors. Except for the Carve Out, the Canadian Court Liens, the ABL Superpriority Claim, and

the Term Loan Superpriority Claim, the Subordinated Loan Superpriority Claim shall not be made subject to, or *pari passu* with, any claim heretofore or hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases, and shall be valid and enforceable against the Debtors, their estates, and any successors or assigns thereto, including, without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases.

(g) *Compliance with the Budget*. The Debtors shall comply with the Approved Budget on the terms provided herein, subject to the Permitted Variances and the other terms of paragraph 4(e).

(h) *Postpetition Payment of Prepetition ABL Obligations.* Commencing on the last business day of the fourth week following the Petition Date, and each week thereafter, the Debtors shall make adequate protection cash payments (each, a "**Weekly Paydown**") from a Bank Account (as defined in the Cash Management Order) of a U.S. Debtor to the Prepetition ABL Administrative Agent in an amount equal to the greater of (i) the amount set forth in the line item titled "Distribution to Creditors," for the week of the determination date as set forth in the applicable Approved Budget, and (ii) the Minimum Sweep Balance as of the determination date (such amount, the "**Weekly Paydown Amount**"), *provided* that, if (x) actual ending book cash as of the date of determination is less than (y) the amount set forth in the line item titled "Ending Book Cash" as of the date of determination in the applicable Approved Budget, then the Weekly Paydown Amount for such week shall be reduced by an amount equal to (y) *less* (x). For the avoidance of doubt, nothing herein shall in any way waive or limit the Debtors' obligation to comply with the applicable Approved Budget, subject to any Permitted Variances thereunder.

(i) *Adequate Protection Reservation of Rights.* The receipt by the Prepetition Secured Parties of the Adequate Protection Package provided herein shall not be deemed an admission that the interests of the Prepetition Secured Parties are adequately protected. Furthermore, this Interim Order shall not prejudice or limit the rights of the Prepetition Secured Parties to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection. Each of the Debtors shall be jointly and severally liable for the Adequate Protection Package provided for herein, and any amendment or modification to the Adequate Protection Package shall require, subject to the rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements, the prior written consent of any applicable Prepetition Agent.

8. Modification of Automatic Stay. The automatic stay provisions of section 362 of the Bankruptcy Code and any other restriction imposed by an order of the Court or applicable law are hereby modified without further notice, application or order of the Court to the extent necessary to permit the Prepetition ABL Administrative Agent, the Prepetition Term Loan Agent, and the Prepetition Subordinated Loan Agent to perform any act authorized or permitted under or by virtue of this Interim Order, the Prepetition ABL Credit Agreement, the Prepetition Term Loan Credit Agreement, the Prepetition Subordinated Loan Credit Agreement, or other Loan Documents, as applicable, including, without limitation, (a) to implement the post-petition financing arrangements authorized by this Interim Order, (b) to take any act to create, validate, evidence, attach or perfect any lien, security interest, right or claim in the Collateral, (c) to assess, charge, collect, advance, deduct and receive payments with respect to the Prepetition ABL Obligations,

Prepetition Term Loan Obligations, or Prepetition Subordinated Loan Obligations, including, without limitation, all interests, fees, costs and expenses permitted under the Loan Documents, and apply such payments to the Prepetition ABL Obligations, Prepetition Term Loan Obligations, or Prepetition Subordinated Loan Obligations, as applicable, and (d) immediately following the expiration of the Remedies Notice Period, to take any action and exercise all rights and remedies provided to it by this Interim Order, the Prepetition ABL Credit Agreement, the Prepetition Term Loan Credit Agreement, the Prepetition Subordinated Loan Credit Agreement, or the other Loan Documents, or applicable law.

9. Cash Management. The Debtors shall maintain their Cash Management System in a manner consistent with, and as defined in, the *Interim Order (I) Authorizing the Debtors to (A) Continue Using the Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, and (C) Maintain Existing Debtor Bank Accounts, Business Forms, and Books and Records; (II) Authorizing the Debtors to Continue to Perform Intercompany Transactions; (III) Waiving Certain U.S. Trustee Requirements; and (IV) Granting Related Relief* (the "Cash Management Order").

10. Milestones. As a condition to the use of Cash Collateral, the Debtors have agreed to the following milestones (the "**Milestones**"), *provided*, *however*, that the Milestones may be extended without further order of this Court with the prior written approval of the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent (which may be by e-mail from counsel to the Prepetition ABL Secured Parties and counsel to the Prepetition Term Loan Secured Parties to counsel to the Debtors):

(a) Not later than 5 calendar days after the Petition Date, this Court shall have (i) entered this Interim Order, and (ii) entered an interim order authorizing the Debtors to assume its prepetition store closing liquidation agreement, entered into between Debtors and HILCO and SB360 (the "**Store Closing Agreement**") and conduct store closing sales for all of the Debtors' store locations, in each case on terms and conditions satisfactory to, and in form and substance acceptable to the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent, in their respective Permitted Discretion;

(b) Not later than 14 calendar days after the Petition Date, the Debtors shall have filed, (i) a chapter 11 plan (the "**Plan**"), (ii) a corresponding disclosure statement (the "**Disclosure Statement**"), and (iii) a corresponding motion seeking approval of procedures for solicitation (such procedures, the "**Solicitation Procedures**"), in each case in form and substance acceptable to the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent in their respective Permitted Discretion;

(c) Not later than 22 days after the Petition Date, the deadline for submitting a qualified bid for the sale or sales of all, substantially all, or a portion of the Debtors' assets or the equity of Eddie Bauer (the "**Sale Transaction**") shall have occurred (the "**Bid Deadline**");

(d) Not later than 3 days after the Bid Deadline, an auction to consider the approval of the Sale Transaction shall commence;

(e) If applicable, not later than 31 days after the Petition Date, the Bankruptcy Court shall hold a hearing to consider approval of the Sale Transaction;

(f) Not later than 35 days after the Petition Date, this Court shall have entered an order approving the Disclosure Statement and the Solicitation Procedures in form and substance acceptable to the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent in their respective Permitted Discretion;

(g) Not later than 40 days after the Petition Date, this Court shall have entered (i) the Final Order, and (ii) a final order authorizing the Debtors to assume the Store Closing Agreement and conduct store closing sales, in each case in form and substance acceptable to the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent;

(h) Not later than 70 days after the Petition Date, this Court shall have entered an order confirming the Plan in form and substance acceptable to the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent in their respective Permitted Discretion; and

(i) Not later than 75 days after the Petition Date, the effective date under the Plan shall have occurred.

11. Termination Events. The occurrence of any of the following events, unless waived in writing by the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent (which may be by e-mail from counsel to the Prepetition ABL Secured Parties and counsel to the Prepetition Term Loan Secured Parties to counsel to the Debtors), and subject in all instances, to the rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements, shall constitute a termination event hereunder (each, a "**Termination Event**"):

(a) solely as to the Prepetition ABL Administrative Agent, failure to meet or satisfy any of the Milestones on the terms described in paragraph 10 hereof, to the extent such Milestone is not extended or waived in accordance with the terms of paragraph 10 of this Interim Order;

(b) failure to deliver to the Prepetition Agents any of the documents or other information required to be delivered pursuant to this Interim Order as and when due, if not cured within five business days of receipt by the Debtors;

(c) failure to comply with the Approved Budget, subject to the Permitted Variances and the other terms of paragraph 4(e);

(d) the use of any Cash Collateral in a manner that is not permitted by the Approved Budget and this Interim Order;

(e) the Debtors' filing of a motion, application, or other pleading to: (i) obtain postpetition financing that has not been previously consented to in writing by the Prepetition ABL Administrative Agent, and subject to the Intercreditor Agreements, the Prepetition Term Loan Agent; or (ii) use Cash Collateral, other than as permitted herein or consented to by the Prepetition ABL Administrative Agent and, subject to the applicable Intercreditor Agreements, the Prepetition Term Loan Agent;

(f) entry of an order or a judgment by this Court or any other court granting relief from the automatic stay, without the consent of the Prepetition ABL Administrative Agent and, subject to the Intercreditor Agreements the Prepetition Term Loan Agent, that would allow a

third party to recover or obtain possession of any property of the Debtors' estates (other than cash deposits serving as collateral) with a value in excess of $1,000,000;

(g) entry of an order or a judgment by this Court or any other court staying, reversing, vacating, amending, rescinding, or otherwise modifying any of the terms of this Interim Order or filing of a motion, application, or other pleading by the Debtors seeking such entry, without the consent of the Prepetition ABL Administrative Agent, the Prepetition Term Loan Agent, and the Prepetition Subordinated Loan Agent;

(h) making of any payments in respect of prepetition obligations, except as permitted pursuant to the Approved Budget or this Interim Order or another order of the Court (or the Canadian Court,[5] as applicable) or with prior written consent of the Prepetition ABL Administrative Agent;

(i) dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code;

(j) the appointment in any of the Chapter 11 Cases of a trustee or examiner with expanded powers;

(k) the entry of an order of the Court that materially impairs the security interests, liens, priority claims or rights granted to any of the Prepetition ABL Secured Parties or any of the Prepetition Term Loan Secured Parties;

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[5] The "**Canadian Court**" has the meaning ascribed to it in the *Order (I) Authorizing Eddie Bauer LLC to Act as Foreign Representative and (II) Granting Related Relief* (the "**Foreign Representative Order**") filed substantially contemporaneously herewith.

(l) any material misrepresentation by any Debtor in the financial reporting or certifications to be provided by the Debtors to the Prepetition ABL Administrative Agent and/or the Prepetition Term Loan Agent under this Interim Order that remains uncured for three business days following receipt of notice thereof;

(m) any of the Debtors proposes, files, or supports (i) any plan of reorganization, plan of liquidation, or sale of all or substantially all of any Debtor's assets or (ii) entry of any order confirming any such confirmation plan or sale, as applicable, without the prior written consent of the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent, including any order confirming a Plan that materially deviates from the treatment of the Prepetition ABL Obligations as specified in the Restructuring Support Agreement;

(n) the Debtors fail to provide, after request, any additional adequate protection ordered by the Court and such failure shall continue unremedied for more than three (3) business days; or

(o) any Debtor fails to perform, in any respect, any of its material obligations under this Interim Order.

12. Exercise of Remedies.

(a) Upon the occurrence and during the continuation of a Termination Event, unless such Termination Event has been waived in writing (which may be by e-mail from counsel to the applicable Prepetition Secured Parties to counsel to the Debtors) by the applicable Prepetition Agent, in every instance subject to the rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements, the automatic stay imposed under section 362 of

the Bankruptcy Code is hereby modified to permit the applicable Prepetition Agent, after (a) the delivery of written notice (the "**Termination Notice**") to counsel to the Debtors, counsel to any Committee (if appointed), and the U.S. Trustee (collectively, the "**Remedies Notice Parties**") and (b) the conclusion of the Remedies Notice Period, to: (w) subject to the Carve Out, terminate and/or revoke the Debtors' right under this Interim Order to use any Cash Collateral of the Prepetition Secured Parties; (x) subject to the Carve Out and the Canadian Court Liens, freeze monies or balances in any accounts subject to a control agreement or otherwise subject to a lien in favor of the Prepetition Secured Parties pursuant to the terms of this Interim Order; (y) take any act to create, validate, evidence, attach, or perfect any lien, security interest, right, or claim in the Collateral; and (z) take any action and exercise all rights and remedies provided to such Prepetition Agent by this Interim Order, the applicable Prepetition Loan Documents, applicable law, or otherwise; *provided* that, the Prepetition Agents shall not be entitled to exercise any of the remedies set forth in clauses (w) through (z) of this paragraph 12, and the automatic stay imposed under section 362 of the Bankruptcy Code shall not be so modified, for a period of 5 business days from the Remedies Notice Parties' actual receipt of the Termination Notice (as the same period may be extended consistent with this Interim Order the "**Remedies Notice Period**").

(b) During the Remedies Notice Period, the Debtors shall be entitled to object to the termination of the consensual use of Cash Collateral and be heard at an expedited hearing at which the Debtors shall be entitled to (a) seek authority and approval for the non-consensual use of Cash Collateral, subject to the Prepetition Secured Parties' rights (in each case, subject to the applicable Intercreditor Agreement) to object to, or otherwise oppose, any such non-consensual

use and seek adequate protection in connection therewith, (b) contest whether a Termination Event has occurred, (c) contest whether a Termination Notice was properly provided, and/or (d) contest whether a Termination Event has been cured or waived in accordance with this Interim Order. If the Debtors request an emergency hearing to consider relief from the automatic stay or any other appropriate relief in connection with delivery of the Termination Notice within the Remedies Notice Period, but such hearing is scheduled for a later date by the Court, the Remedies Notice Period shall be automatically extended to the conclusion of such hearing. Delivery of the Termination Notice by any party shall constitute such party's consent to such expedited hearing.

(c) Notwithstanding anything to the contrary set forth herein, during the Remedies Notice Period, the Debtors may use Cash Collateral to pay the following amounts and expenses: (a) the Carve Out; (b) amounts subject to the Canadian Court Liens, (c) amounts that the Debtors have determined in good faith are necessary for the preservation of the Debtors' business and their estates or required by applicable law during the Remedies Notice Period, in each case not to exceed any amounts set forth in the Approved Budget, including any Permitted Variance; and (d) amounts otherwise approved in advance in writing (which may be by e-mail from counsel to the applicable Prepetition Secured Parties to counsel to the Debtors) by the applicable Prepetition Agent, subject in all circumstances to the rights and obligations of the Prepetition Secured Parties set forth in the Intercreditor Agreements.

(d) On the first business day following the end of the Remedies Notice Period, unless otherwise ordered by this Court and subject to the Carve Out and the Canadian Court Liens, the Debtors will immediately cease using Cash Collateral hereunder and the applicable Prepetition

Agent may thereupon exercise the rights and remedies available under the applicable Prepetition Loan Documents, this Interim Order, or applicable non-bankruptcy law, including, without limitation but subject to the terms of the Intercreditor Agreements, foreclosing upon and selling all or a portion of the Collateral to collect any amounts payable to the applicable Prepetition Secured Parties pursuant to this Interim Order and apply the same to such obligations. The automatic stay under section 362 of the Bankruptcy Code shall be deemed immediately modified and vacated to the extent necessary to permit such actions. Any delay or failure of any of the Prepetition Secured Parties to exercise rights under any Prepetition Loan Document or this Interim Order shall, subject in all circumstances to the terms of the Intercreditor Agreements and the rights and obligations of the respective Prepetition Secured Parties set forth thereunder, not constitute a waiver of their respective rights hereunder, under any Prepetition Loan Document, or otherwise. Notwithstanding the occurrence of a Termination Date, all of the rights, remedies, benefits, and protections provided to the Prepetition Secured Parties under this Interim Order as of such date shall survive the Termination Date, subject in all circumstances to the terms of the Intercreditor Agreements and the rights and obligations of the respective Prepetition Secured Parties set forth thereunder.

13. Carve Out; Payment of Estate Professionals.

(a) As used in this Interim Order, "**Carve Out**" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate, which shall not be limited by any budget (without regard to the notice set forth in (iii) below); (ii) all reasonable fees

and expenses up to $70,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "**Allowed Professional Fees**") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "**Debtor Professionals**") and, to the extent set forth in the Approved Budget, the Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and, together with the Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by any of the Prepetition Agents of a Carve Out Trigger Notice (as defined herein), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $750,000 incurred after the first business day following delivery by any of the Prepetition Agents of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve Out Trigger Notice Cap**,") of which the foregoing $750,000 shall be funded into the Funded Reserve Account (as defined herein) from the Cash Collateral. For purposes of the foregoing, "**Carve Out Trigger Notice**" shall mean a written notice delivered by e-mail (or other electronic means) by any of the Prepetition Agents to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Committee (if any), which notice may be delivered following the occurrence and during the continuation of a

Termination Event (as defined herein) and upon termination of the Debtors' right to use Cash Collateral, as applicable, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) *Delivery of Weekly Fee Statements*. Not later than 7:00 p.m. (prevailing Eastern Time) on Wednesday of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors (e-mail being sufficient) a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, "**Estimated Fees and Expenses**") incurred during the preceding week by such Professional Person (through Saturday of such week, the "**Calculation Date**"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "**Weekly Statement**"); *provided*, that, within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver (e-mail being sufficient) one additional statement (the "**Final Statement**") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date, and the Debtors shall cause such Weekly Statement and Final Statement to be delivered as soon as reasonably practicable to the Prepetition Agents. If any Professional Person fails to deliver a Weekly Statement within three (3) calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Pre-Carve Out Trigger Notice Reserve (as defined below) with respect to the aggregate unpaid amount of Allowed Professional

Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person.

(c) *Carve Out Reserves*.

(i) Commencing with the week ended February 13, 2026, and on or before the Thursday of each week thereafter, the Debtors shall utilize all cash on hand as of such date and, to the extent insufficient, any available cash thereafter held by any Debtor, to fund a reserve account in an amount equal to the sum of (A) the greater of (1) the aggregate unpaid amount of all Estimated Fees and Expenses reflected in the Weekly Statements delivered on the immediately prior Wednesday to the Debtors and the Prepetition Agents, and (2) the aggregate amount of unpaid Allowed Professional Fees contemplated to be incurred in the Approved Budget during such week, plus (B) the Post-Carve Out Trigger Notice Cap, plus (C) an amount equal to the amount of Allowed Professional Fees set forth in the Approved Budget for the two weeks occurring after the most recent Calculation Date. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust (the "**Funded Reserve Account**") to pay such Allowed Professional Fees (the "**Funded Reserves**") prior to any and all other claims, and all payments of Allowed Professional Fees incurred prior to the Termination Declaration Date shall be paid first from such Funded Reserve Account.

(ii) On the day on which a Carve Out Trigger Notice is delivered by any of the Prepetition Agents to the Debtors with a copy to counsel to the Committee (if any) (the "**Termination Declaration Date**"), the Carve Out Trigger Notice shall constitute a demand

to the Debtors to, and the Debtors shall utilize all cash on hand as of such date, including cash in the Funded Reserve Account, and, to the extent the foregoing is insufficient, any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the sum of the amounts set forth in paragraph 13(a)(i)–(iii). The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust (the "**Pre-Carve Out Trigger Notice Reserve**") to pay prior to any other claims, first, the amounts set forth in paragraph 13(a)(iii) above, and, second, the amounts set forth in paragraph 13(a)(i)–(ii) above. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtors to utilize all cash on hand as of such date, including cash in the Funded Reserve Account, and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust (the "**Post-Carve Out Trigger Notice Reserve**" and, together with the Pre-Carve Out Trigger Notice Reserve, the "**Carve Out Reserves**") to pay prior to any and all other claims the amounts set forth in paragraph 13 (a)(iv) above.

(d) *Application of Carve Out Reserves*.

(i) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in paragraph 13 (a)(i)–(iii) (the "**Pre-Carve Out Amounts**"), but not, for the avoidance of doubt, the amounts set forth in clause 13(a)(iv), until the Pre-Carve Out Amounts are indefeasibly paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, following the indefeasible payment in full of all obligations set forth in paragraph

13(a)(iv) above, subject to paragraph 13(d)(iii) below, all remaining funds shall be distributed first to the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent on account of the Adequate Protection Obligations until indefeasibly paid in full, and thereafter to the Prepetition Subordinated Loan Agent, in each case in accordance with their respective rights and priorities as of the Petition Date and as otherwise set forth in this Interim Order.

(ii) All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in paragraph 13(a)(iv) (the "**Post-Carve Out Amounts**"). If the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, following the indefeasible payment in full of all obligations set forth in paragraph 13(a)(iv) above subject to paragraph 13(d)(iii) below, all remaining funds shall be distributed first to the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent on account of the Adequate Protection Obligations until indefeasibly paid in full, and thereafter to the Prepetition Subordinated Loan Agent, in each case in accordance with their respective rights and priorities as of the Petition Date and as otherwise set forth in this Interim Order.

(iii) Notwithstanding anything to the contrary in the Prepetition Loan Documents or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in paragraph 13(c)(ii) above, then, any excess funds in either of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively (subject to the limits contained in the Post-Carve Out Trigger Notice Cap), shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in paragraph 13(c)(ii) above, prior to making any payments to any of the Prepetition Secured Parties.

(iv) Notwithstanding anything to the contrary in the Prepetition Loan Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the Prepetition Secured Parties shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but the Adequate Protection Liens shall automatically attach to (and be deemed automatically perfected with respect to) any residual interest in the Carve Out Reserves after the applicable amounts set forth in paragraph 13(a)(i)–(iv) above have been indefeasibly paid in full, with any excess paid to the Prepetition Agents for application in accordance with this Interim Order.

(v) Further, notwithstanding anything to the contrary in this Interim Order, (A) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out with respect to any shortfall (as described below), and (B) in no way shall the Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap, or Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order or the Prepetition Loan Documents, the Carve Out shall be senior to the Adequate Protection Liens, the Prepetition Secured Obligations, and any and all other forms of adequate protection, liens, or claims securing or supporting any claim or obligation whatsoever.

(e) *Payment of Allowed Professional Fees Prior to the Termination Declaration Date*. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(f) *No Direct Obligation to Pay Allowed Professional Fees*. None of the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition Secured Parties in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(g) *Payment of Allowed Professional Fees on or After the Termination Declaration Date*. So long as the Carve Out Reserves have been fully funded, following the delivery of the Carve Out Trigger Notice, all Allowed Professional Fees shall be paid from the applicable Carve Out Reserve, and no Professional Person shall seek payment of any Allowed Professional Fees from any other source until the applicable Carve Out Reserve has been exhausted. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

(h) Nothing herein, including the inclusion of line items in the Approved Budget for Professional Persons, shall be construed as consent to the allowance of any particular professional fees or expenses of the Debtors, of the Committee, or of any other person or shall

affect the right of the Prepetition ABL Administrative Agent or the Prepetition Term Loan Agent to object to the allowance and payment of such fees and expenses. Furthermore, nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition ABL Administrative Agent or the Prepetition Term Loan Agent in any way to pay compensation to or to reimburse expenses of any Professional Person, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(i) The Funded Reserve Account shall be held by Stretto, Inc., the Debtors' Claims and Noticing Agent, at a nationally recognized, well-capitalized bank (the "**Depository Bank**"), and such amounts shall be held by Stretto, Inc. in trust solely and exclusively for the payment of the Carve Out and no other purpose. The Depository Bank shall be required to hold and disburse such funds only in accordance with, and expressly authorized by, the Carve Out provisions of this Interim Order, and the Depository Bank shall be entitled to rely conclusively (without further inquiry) on written disbursement instructions delivered by Debtors' counsel as being in compliance with the Carve Out provisions of this Interim Order; *provided*, that nothing herein shall be construed to impose upon the Depository Bank any duty to monitor or verify compliance with this Interim Order, and the Depository Bank shall incur no liability to any party in interest for acting (or refraining from acting) in accordance with such instructions of this Interim Order. The Debtors shall promptly serve this Interim Order on the Depository Bank.

14. Release. Effective upon entry of the Final Order, the Debtors on behalf of themselves and their estates (including any successor trustee or other estate representative in any of the Chapter 11 Cases or Successor Cases) and any party acting by, or through, the Debtors or

their estates, hereby, to the maximum extent permitted by applicable law, unconditionally, irrevocably and fully, forever waive and release the Prepetition Agents and each of the other Prepetition Secured Parties, and each of their respective former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest, in each case, solely in their capacities as such, of any and all "claims" (as such term is defined in section 101(5) of the Bankruptcy Code), counterclaims, causes of action, defenses, or setoff rights that exist on the date hereof relating to any of the Prepetition Collateral and any of the Prepetition Loan Documents or the transactions contemplated under any such documents, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending or threatened, arising at law or in equity, including, without limitation, any so-called "lender liability," any challenge or claim to exercise of remedies, recharacterization, subordination, avoidance, or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code, or under any other similar provisions of applicable state or federal law, and any and all claims and causes of action regarding the validity, priority, perfection, or putative avoidability of the liens or the claims of the Prepetition Agents and the other Prepetition Secured Parties.

15. Access Rights. Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the Prepetition Secured Parties pursuant to this Interim Order, the Prepetition Loan Documents, or otherwise available at law or in equity, the rights of the Prepetition Secured Parties to enter onto the Debtors' leased premises shall be

limited to (a) any such rights agreed to in writing by the applicable landlord pursuant to any separate agreement by and between such landlord and the Prepetition Secured Parties and/or the applicable Prepetition Agent, if any, (b) any rights that the Prepetition Secured Parties or any Prepetition Agent have under the Prepetition Loan Documents that are valid and enforceable under applicable non-bankruptcy law, if any, (c) any such rights of any of the Prepetition Secured Parties pursuant to applicable law, and (d) such rights as may be granted by the Court on a separate motion with notice to the applicable landlords of the leased premises and an opportunity for such landlords to respond and be heard.

16. Canadian Carve Out. Notwithstanding anything herein to the contrary, but subject in all respects to the Carve Out, the Adequate Protection Liens and the Superpriority Claims shall be junior in priority to the Administration Charge, Directors' Charge, and Intercompany Charge (each as defined in the supplemental order of the Canadian Court and solely as against the Canadian Debtors' Collateral (collectively, the "**Canadian Court Liens**") to be issued in the Canadian Proceeding)[6] following the commencement of these Chapter 11 Cases. For greater certainty, the Administration Charge, the Directors' Charge, and the Intercompany Charge shall secure the payment of obligations only up to the amount consented to by the Prepetition ABL Administrative Agent.

17. Reversal, Modification, Vacatur, or Stay. Any reversal, modification, vacatur, or stay of any or all of the provisions of this Interim Order shall not affect the validity or

[6] "**Canadian Proceeding**" means an ancillary proceeding in the Canadian Court pursuant to the Companies' Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36.

enforceability of any Adequate Protection Liens, or any claim, lien, security interest, or priority authorized or created hereby with respect to any Adequate Protection Obligations, incurred prior to the effective date of such reversal, modification, vacatur, or stay. Notwithstanding any reversal, modification, vacatur, or stay, (a) this Interim Order shall govern, in all respects, any use of Cash Collateral or Adequate Protection Package incurred by the Debtors prior to the effective date of such reversal, modification, vacatur, or stay, and (b) the Prepetition Secured Parties shall be entitled to all the benefits and protections granted by this Interim Order with respect to any such use of Cash Collateral or such Adequate Protection Package incurred by the Debtors.

18. No Waiver for Failure to Seek Relief. The failure or delay of any Prepetition Secured Party to seek relief or otherwise exercise any rights and remedies under this Interim Order, the applicable Prepetition Loan Documents, or applicable law, as the case may be, shall not constitute a waiver of any rights hereunder, thereunder, or otherwise, by the Prepetition Secured Parties.

19. Section 507(b) Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Secured Parties hereunder is insufficient to compensate for the Adequate Protection Obligations during the Chapter 11 Cases. Nothing contained herein shall be deemed a finding by this Court, or an acknowledgment by the Prepetition Secured Parties, that the Adequate Protection Package does, in fact, adequately protect the Prepetition Secured Parties against any Diminution in Value of their interests in and against the Prepetition Collateral, including the Cash Collateral.

20. Section 552(b) Waiver. Upon entry of the Final Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral or Postpetition Collateral.

21. Section 506(c) Waiver. Upon entry of the Final Order, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases or Successor Cases at any time shall be charged against the Prepetition Secured Parties or the Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code, or otherwise and all rights to surcharge the Prepetition Secured Parties or the Collateral or the Prepetition Secured Parties under sections 105 or 506(c) of the Bankruptcy Code or any other applicable principle of equity or law shall be finally and irrevocably waived, and such waiver shall be binding upon the Debtors and all parties in interest in this or any Successor Cases.

22. No Marshalling / Application of Proceeds. Subject to and effective upon the entry of a Final Order granting such relief, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshalling" or any other similar doctrine with respect to any of the Collateral.

23. Good Faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, pursuant to sections 105, 361, and 363 of the Bankruptcy Code, the Debtors and the Prepetition Secured Parties are hereby found to be entities that have acted in good faith in connection with the negotiation and entry of this Interim Order and are entitled to the protections afforded by section 363(m) of the Bankruptcy Code.

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

25. No Liability to Third Parties. In permitting the use of the Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Interim Order, the Prepetition Secured Parties shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (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 or state statute), nor shall they owe any fiduciary duty to the Debtors, their creditors, or estates, nor shall they constitute or be deemed to constitute a joint venture or partnership with the Debtors. Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose upon the Prepetition Secured Parties any liability for any claims arising from the prepetition or postpetition activities of the Debtors and/or their "affiliates" as such term is defined in section 101(2) of the Bankruptcy Code.

26. Master Proof of Claim. None of the Prepetition Secured Parties will be required to file proofs of claim in the Chapter 11 Cases or Successor Cases, and the Debtors' Stipulations shall be deemed to constitute timely filed proofs of claim for each of the Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, and the Prepetition Subordinated Loan Parties against the applicable Debtors; *provided*, *however*, that each Prepetition Agent (on behalf of itself and the other applicable Prepetition Secured Parties) is hereby authorized, in its sole

discretion, to file (and amend and/or supplement, as it sees fit) a master proof of claim for the claims of such applicable Prepetition Secured Parties arising from the applicable Prepetition Loan Documents in accordance with any order entered by this Court in relation to the establishment of a bar date in the Chapter 11 Cases; *provided*, *further*, that nothing herein shall waive the right of any Prepetition Secured Party to file its own proof of claim against the Debtors.

27. Disposition of Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the Collateral outside the ordinary course of business, other than pursuant to the terms of the Store Closing Agreement or an order of the Court (or the Canadian Court, as applicable), the Prepetition ABL Credit Agreement, and the Approved Budget, without the prior written consent of the Prepetition ABL Administrative Agent and, subject to the applicable Intercreditor Agreements, the Prepetition Term Loan Agent (and no such consent shall be implied, from any other action, inaction or acquiescence by the Prepetition ABL Administrative Agent, Prepetition Term Loan Agent or any of the Prepetition Secured Parties) and, in each case, an order of this Court.

28. Right of Setoff. Subject to the Carve Out, to the extent any funds were on deposit with the Prepetition Agents or any other Prepetition Secured Party as of the Petition Date, regardless of the capacity in which such Prepetition Secured Party held such funds, including, without limitation, all funds deposited in, or credited to, an account of any Debtor with any such institution immediately prior to the filing of these Chapter 11 Cases (regardless of whether, as of the Petition Date, such funds had been collected or made available for withdrawal by any such Debtor), such funds (the "**Deposited Funds**") are subject to rights of setoff in a manner not

inconsistent with the terms of this Order or the Approved Budget, including the Permitted Variance. By virtue of such setoff rights, the Deposited Funds are subject to a lien in favor of the Prepetition Agents and the applicable Prepetition Secured Parties pursuant to §§ 506(a) and 553 of the Bankruptcy Code.

29. Debtors' Waivers/Covenants. At all times during the Chapter 11 Cases prior to the payment in full of the Prepetition Secured Obligations, and whether or not a Termination Event has occurred, the Debtors irrevocably waive and covenant not to seek authority to take any of the following actions, other than as expressly provided for in this Interim Order, or unless each of the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent otherwise consent in writing: (i) use Cash Collateral under section 363 of the Bankruptcy Code other than as set forth herein, (ii) obtain post-petition loans or other financial accommodations pursuant to section 364(c) or 364(d) of the Bankruptcy Code, (iii) challenge the application of any payments authorized hereunder pursuant to section 506(b) of the Bankruptcy Code, or assert that the value of the Prepetition Collateral is less than the Prepetition Secured Obligations, (iv) propose, support, file or otherwise have a plan of reorganization or liquidation that does not provide for the indefeasible payment in full in cash in full satisfaction of all Prepetition Secured Obligations (including the cash collateralization of any letters of credit or any similar instrument in accordance with this Interim Order) on the effective date of such plan or to which each of the Prepetition ABL Administrative Agent and Prepetition Term Loan Agent have not consented in writing; (v) seek relief under the Bankruptcy Code, including without limitation, under section 105 of the Bankruptcy Code, to the extent any such relief would in any way restrict or impair the rights and

remedies of any Prepetition Secured Parties as provided in this Interim Order and the Prepetition Loan Documents or any Prepetition Secured Party's exercise of such rights or remedies, or (vi) challenge, contest, or otherwise seek to impair or object to the validity, extent, enforceability, or priority of any Prepetition Secured Party's post-petition liens and claims.

30. Binding Effect of Interim Order. The provisions of this Interim Order shall be binding upon all parties in interest in the Chapter 11 Cases, including the Prepetition Secured Parties, any statutory committees that may be appointed in any Chapter 11 Cases, including, without limitation, any Committee (if appointed), and the Debtors and their respective successors and assigns and shall inure to the benefit of the Prepetition Secured Parties, the Debtors, and their respective successors and assigns. This Interim Order shall bind any trustee hereafter appointed or elected for the Debtors' estates, whether in the Chapter 11 Cases or any Successor Cases. Such binding effect is a benefit of the Prepetition Secured Parties' bargain in connection with the Debtors' use of Cash Collateral and is an integral part of this Interim Order.

31. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive the entry of any order: (a) confirming any chapter 11 plan in the Chapter 11 Cases, including, without limitation, the Plan; (b) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; or (c) dismissing the Chapter 11 Cases. The terms and provisions of this Interim Order, including, for the avoidance of doubt, the provisions in paragraph 5 hereof, as well as the Adequate Protection Package granted pursuant to this Interim Order shall continue in full force and effect notwithstanding the entry of any of the foregoing orders, and the claims and liens provided for herein shall maintain their priority as provided by

this Interim Order, the applicable Prepetition Loan Documents, and to the maximum extent permitted by law until all of the Prepetition Secured Obligations are indefeasibly paid and satisfied in full in cash (including the cash collateralization of any letters of credit or any similar instrument in accordance with this Interim Order).

32. Effect of Dismissal. If the Chapter 11 Cases are dismissed or converted to cases under chapter 7 of the Bankruptcy Code, such dismissal or conversion of the Chapter 11 Cases shall not affect the rights of the Prepetition Secured Parties under this Interim Order to the extent of the adequate protection provided hereunder, and all rights and remedies hereunder of the Prepetition Secured Parties to the extent of adequate protection provided hereunder shall remain in full force and effect as if the Chapter 11 Cases had not, as applicable, been dismissed or converted. If an order dismissing the Chapter 11 Cases is entered, the adequate protection granted to and conferred upon the Prepetition Secured Parties as of such date shall continue in full force and effect and this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the Adequate Protection Obligations detailed herein. The Debtors shall not file a plan of reorganization in these Chapter 11 Cases that conflicts with the provisions of this Interim Order without the consent of the Prepetition ABL Administrative Agent and the Prepetition Term Loan Agent.

33. Findings of Fact and Conclusions of Law. This Interim Order shall constitute findings of fact and conclusions of law effective as of the Petition Date. To the extent that any findings of fact are determined to be conclusions of law, such findings of fact shall be adopted as

such; and to the extent that any conclusions of law are determined to be findings of fact, such conclusions of law shall be adopted as such.

34. Order Effective upon Entry. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

35. Retention of Jurisdiction. This Court has and will retain jurisdiction and power to enforce this Interim Order in accordance with its terms and to adjudicate all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

36. Final Hearing. A hearing on the Debtors' request for a Final Order approving the Motion on a final basis is scheduled for _____, 2026, at __:__ a.m./p.m. (prevailing Eastern time) before this Court. Within three business days after entry of this Interim Order, the Debtors shall serve, or cause to be served, by first class mail or other appropriate method of service, a copy of the Motion (to the extent the Motion was not previously served on a party), together with this Interim Order, on (a) the Notice Parties, (b) counsel to any Committee (if appointed), and (c) the largest 20 unsecured creditors of the Debtors, (d) all parties known to the Debtors to be asserting liens against or security interest in, any of the Cash Collateral or Prepetition Collateral, (e) the Internal Revenue Service, (f) all state taxing authorities in the states in which the Debtors have any tax liabilities, (g) any federal or state regulatory authorities governing the Debtors' industry (including the EPA and state equivalents if there is potential environmental liability), (h) the Securities and Exchange Commission, (i) the U.S. Attorney's Office, and (j) all of the Debtors' landlords, if their rights are affected. Any responses or objections to approval of

the Motion on a final basis shall be made in writing, conform to the applicable Bankruptcy Rules, be filed with this Court, set forth the name of the objecting party, the basis for the objection, and the specific grounds therefor, and be served so as to be actually received no later than [_____], 2026, at 4:00 p.m. (prevailing Eastern time) by the following parties: (a) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Joshua A. Sussberg, P.C. (Joshua.sussberg@kirkland.com), Matthew C. Fagen, P.C. (matthew.fagen@kirkland.com), and Oliver Paré (oliver.pare@kirkland.com), and (ii) Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601, Attn.: Michael D. Sirota (msirota@coleschotz.com), Warren A. Usatine (wusatine@coleschotz.com), and Felice R. Yudkin(fyudkin@coleschotz.com); (b) Office of the United States Trustee for the District of New Jersey, Attn.: Fran B. Steele (fran.b.steele@usdoj.gov), Lauren Bielskie (lauren.bielskie@usdoj.gov), and David Gerardi (david.gerardi@usdoj.gov), One Newark Center, Suite 2100 Newark, New Jersey 07102; (c) counsel to the Prepetition ABL Administrative Agent, (i) Otterbourg, P.C., Attn.: Daniel Fiorillo, dfiorillo@otterbourg.com, and (ii) McCarter & English, LLP, Attn.: Jeffrey Testa jtesta@mccarter.com; (d) counsel to the Prepetition Term Loan Agent, (i) Ropes & Gray LLP, Attn.: Gregg Galardi, Gregg.galardi@ropesgray.com, and (ii) Sills Cummis & Gross P.C., Attn.: Andrew Sherman, asherman@sillscummis.com; and (e) counsel to the Prepetition Subordinated Loan Agent, (i) Choate Hall & Stewart LLP, Attn.: Mark D. Silva, msilva@choate.com, Rick Thide, rthide@choate.com, and Michael E. Comerford, mcomerford@choate.com, and (ii) Chiesa Shahinian & Giantomasi PC, Attn.: Thomas M. Walsh, twalsh@csglaw.com, and (f) proposed counsel to any statutory committee appointed in

the Chapter 11 Cases. If no objections to the Motion are filed, this Court may enter a Final Order without further notice or hearing.

EXHIBIT 1

Approved Budget

Eddie Bauer
Cash Collateral Budget
($ in 000's)

		Petition													
	Fiscal Month	Feb	Feb	Feb	Mar	Mar	Mar	Mar	Mar	Apr	Apr	Apr	Apr	May	
	Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	*Total*
	Week Ending (Saturday)	14-Feb	21-Feb	28-Feb	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr	25-Apr	2-May	9-May	*Post-Pet.*
	Forecast / Actual	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	*Fcst*
Operating Cash Flow															
1)	Cash Receipts	5,086	9,038	9,921	10,168	11,060	9,404	10,104	8,879	9,209	7,969	3,622	1,147	43	95,650
2)	Direct Operating Disbursements	(8,007)	(4,588)	(8,208)	(4,835)	(1,895)	(1,751)	(7,471)	(2,992)	(1,413)	(2,514)	(1,518)	(3,710)	(94)	(48,994)
3)	Payroll Reimbursement to Parent	-	(2,221)	(5,568)	(1,907)	-	(1,832)	-	(1,717)	-	(1,872)	-	(6,020)	-	(21,137)
4)	Operating Reimbursement to Parent	-	-	(1,416)	-	-	-	(4,306)	-	-	-	-	(4,308)	-	(10,030)
5)	**Operating Cash Flow**	**(2,921)**	**2,229**	**(5,271)**	**3,427**	**9,166**	**5,820**	**(1,672)**	**4,170**	**7,796**	**3,583**	**2,103**	**(12,891)**	**(51)**	**15,488**
Restructuring Disbursements															
6)	Professional Fees	(5,264)	(1,437)	(737)	(729)	(829)	(1,279)	(700)	(700)	(925)	(1,370)	-	-	-	(13,972)
7)	Store Liquidation Fee / Expense	(947)	-	(175)	(407)	(417)	(435)	(438)	(414)	(387)	(364)	(351)	(359)	-	(4,695)
8)	Utility Deposits	-	(500)	-	-	-	-	-	-	-	-	-	-	-	(500)
9)	Credit Card Holdback	(1,500)	-	-	-	-	-	-	-	-	-	-	-	-	(1,500)
10)	**Total Restructuring Disbursements**	**(7,710)**	**(1,937)**	**(912)**	**(1,136)**	**(1,247)**	**(1,715)**	**(1,138)**	**(1,114)**	**(1,313)**	**(1,734)**	**(351)**	**(359)**	**-**	**(20,667)**
11)	**Net Cash Flow**	**(10,631)**	**291**	**(6,183)**	**2,290**	**7,919**	**4,106**	**(2,810)**	**3,056**	**6,483**	**1,849**	**1,752**	**(13,249)**	**(51)**	**(5,178)**
Cash Roll															
12)	Beginning Book Cash	20,000	9,369	9,660	3,477	3,768	11,686	12,792	9,982	10,038	16,521	16,370	18,123	4,873	20,000
13)	(+/-) Net Cash Flow	(10,631)	291	(6,183)	2,290	7,919	4,106	(2,810)	3,056	6,483	1,849	1,752	(13,249)	(51)	(5,178)
14)	(-) Distribution to Creditors	-	-	-	(2,000)	-	(3,000)	-	(3,000)	-	(2,000)	-	-	-	(10,000)
15)	**Ending Book Cash**	**9,369**	**9,660**	**3,477**	**3,768**	**11,686**	**12,792**	**9,982**	**10,038**	**16,521**	**16,370**	**18,123**	**4,873**	**4,822**	**4,822**
16)	Check Float	373	153	3,398	247	142	129	3,142	113	29	23	128	116	-	-
17)	**Ending Bank Cash**	**9,742**	**9,813**	**6,875**	**4,015**	**11,828**	**12,921**	**13,123**	**10,151**	**16,550**	**16,393**	**18,251**	**4,989**	**4,822**	**4,822**

Exhibit B

Proposed Final Order

[*To be filed later.*]