

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

TRUE VALUE COMPANY, L.L.C. *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12337 (KBO)

(Jointly Administered)

Re: Dkt. Nos. 19, 106, 175, 224, 289

**FINAL ORDER (I)(A) AUTHORIZING DEBTORS TO USE CASH
COLLATERAL; (B) GRANTING ADEQUATE PROTECTION TO
PREPETITION LENDERS; AND (C) MODIFYING THE
AUTOMATIC STAY; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of a final order under sections 105(a), 361, 362, 363, 503, 506, 507, 552, and 553 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, 7062 and 9014, and Local Bankruptcy Rules 2002-1, 4001-2, 9006-1 and 9013-1 (i)(a) authorizing the Debtors to use Cash Collateral and any proceeds thereof; (b) granting adequate protection, solely to the extent provided in this final order (this “Final Order”), to the Prepetition Secured Parties for any diminution in value of their interest in the Prepetition Collateral (as defined herein) resulting from the Debtors’ use of Cash Collateral and imposition of the automatic stay under section 362 of the Bankruptcy Code; (c) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms of this Final Order; and (d) waiving the Debtors’ ability to surcharge against

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: True Value Company, L.L.C. (9896); TV Holdco II, L.L.C. (2272); TV TSLC, L.L.C. (7025); TV GPMC, L.L.C. (8136); True Value Retail, L.L.C. (7946); TrueValue.com Company, L.L.C. (6386); True Value Virginia, L.L.C. (9197); and Distributors Hardware, L.L.C. (8106). The address of the Debtors’ corporate headquarters is 8600 W. Bryn Mawr Ave. Chicago, IL 60631.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

the Prepetition Collateral or the Collateral pursuant to section 506(c) of the Bankruptcy Code or any other applicable principle of equity or law and waiving of the applicability of the “equities of the case” exception under section 552(b) of the Bankruptcy Code; and (ii) granting related relief; and upon consideration of the relief requested in the Motion, the Cash Collateral Declarations and the evidence submitted and arguments made at the interim hearings held on October 16, 2024, October 30, 2024 and October 31, 2024 (collectively, the “Interim Hearings”) and the final hearing held on November 4, 2024 (the “Final Hearing”); and notice of the Interim Hearings and the Final Hearing having been given in accordance with Bankruptcy Rules 2002, 4001 and 9014 and all applicable local rules; and it appearing that no other or further notice is necessary; and the Interim Hearings and the Final Hearing having been held and concluded; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled on the merits by this Court; and this Court having entered the *Interim Order (I)(A) Authorizing Debtors to Use Cash Collateral; (B) Granting Adequate Protection to Prepetition Lenders; (C) Modifying the Automatic Stay; and (D) Scheduling a Further Interim Hearing and (II) Granting Related Relief* [Dkt. No. 106] (the “First Interim Order”) on October 18, 2024; and this Court having entered the *Second Interim Order (I)(A) Authorizing Debtors to Use Cash Collateral; (B) Granting Adequate Protection to Prepetition Lenders; (C) Modifying the Automatic Stay; and (D) Scheduling a Further Interim Hearing and (II) Granting Related Relief* [Dkt. No. 175] (the “Second Interim Order”) on October 28, 2024; and this Court having entered the *Third Interim Order (I)(A) Authorizing Debtors to Use Cash Collateral; (B) Granting Adequate Protection to Prepetition Lenders; (C) Modifying the Automatic Stay; and (D) Scheduling a Further Interim Hearing and (II) Granting Related Relief* [Dkt. No. 224] (the “Third Interim Order,” and collectively with the First Interim Order and the Second Interim Order, the “Interim Orders”) on October 30, 2024; and

at the October 31, 2024 Interim Hearing this Court having orally authorized the Debtors' continued use of Cash Collateral, on the terms stated in this Court's oral ruling, pending entry of the Final Order; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and otherwise fair and reasonable and in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor, **BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARINGS AND THE FINAL HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**³

A. Disposition. The relief requested in the Motion is hereby granted on a final basis on the terms set forth below. Any objections to the Motion that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby denied, and overruled on the merits. This Final Order shall become effective immediately upon its entry.

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

B. *Petition Date.* On October 13, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court, commencing these chapter 11 cases (the “Chapter 11 Cases”).

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

D. *Jurisdiction and Venue.* This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This Court may enter a final order consistent with Article III of the United States Constitution. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b). 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.

E. *Committee Formation.* On October 23, 2024, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (the “Committee”), and counsel for the Committee appeared and was heard at the October 30, 2024 and October 31, 2024 Interim Hearings and the Final Hearing.

F. *Notice.* Notice of the Motion, the Interim Hearings, and the Final Hearing complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 4001(b) and 9014, and the Local Bankruptcy Rules, and no other or further notice of the Motion with respect to the relief requested at the Interim Hearings or Final Hearing or the entry of this Final Order shall be required.

G. *Debtors' Representations and Stipulations.* Without prejudice to the rights of any other party, but in each case subject to the limitations contained in Paragraph 5 below, the Debtors represent, admit, stipulate, and agree (collectively, "Debtors' Stipulations") as follows:

(1) Prepetition Credit Facility. On April 20, 2018, Debtor True Value Company, L.L.C. ("TVC"), as a borrower, and each of Distributors Hardware, L.L.C., TV GPMC, L.L.C., True Value Retail, L.L.C., TrueValue.com Company, L.L.C., TV TSLC, L.L.C., and True Value Virginia L.L.C., as additional borrowers (together with TVC, the "Borrowers"), TV Holdco II L.L.C., as guarantor (the "Guarantor" and, together with the Borrowers, the "Prepetition Loan Parties"), PNC Bank, National Association, as administrative agent ("PNC" and, in such capacity, the "Prepetition Administrative Agent"), for itself and the lenders and issuing banks party thereto (each a "Prepetition Lender" and collectively, the "Prepetition Lenders" and, together with the Prepetition Administrative Agent, the "Prepetition Secured Parties") entered into that certain Credit Agreement (as amended by Amendment No. 1 to Credit Agreement, dated as of September 16, 2021, as further amended by Amendment No. 2 to Credit Agreement, dated as of November 2, 2022, as further amended by Amendment No. 3 to Credit Agreement, dated as of January 24, 2023, as further amended by Amendment No. 4 (as defined in the Motion), dated as of August 26, 2024, and as further amended by Amendment No. 5 (as defined in the Motion), dated as of September 9, 2024, the "Prepetition Credit Agreement" and, collectively with all agreements, documents, notes, mortgages, security agreements, pledges, guarantees, subordination agreements, deeds, instruments, indemnities, indemnity letters, fee letters, assignments, charges, amendments, and any other agreements delivered pursuant thereto or in connection therewith, including the "Other Documents" as such term is defined in the Prepetition Credit Agreement, the "Prepetition Loan Documents") provided term loans, revolving loan commitments, and other financial

accommodations to the Prepetition Secured Parties (the “Prepetition Credit Facility”). The Prepetition Secured Obligations (as defined herein) shall be deemed to have been automatically accelerated on the Petition Date as a result of the commencement of these Chapter 11 Cases in accordance with the terms of the Prepetition Loan Documents and all commitments of the Prepetition Secured Parties have been terminated. All indebtedness, liabilities, and obligations under the Prepetition Loan Documents, specifically including all “Obligations” as defined in the Prepetition Credit Agreement are referred to herein as the “Prepetition Secured Obligations.” Each of the Prepetition Loan Documents is valid, binding, and, subject to applicable bankruptcy law, enforceable against the Debtors party to any Prepetition Loan Documents.

(2) Prepetition Secured Obligations. As of the Petition Date, the Debtors were justly and lawfully indebted and liable, jointly and severally, under the Prepetition Loan Documents, without defense, counterclaim, reduction or offset of any kind, in the aggregate principal amount of not less than \$238,200,000, consisting of approximately \$219,456,000 in revolving loan borrowings and approximately \$18,750,000 in outstanding term loans, and other financial accommodations made by the Prepetition Secured Parties, in each case pursuant to, and in accordance with the terms of, the Prepetition Loan Documents, plus accrued and unpaid interest, fees, expenses, disbursements (including attorneys’ fees and financial advisors’ fees and related expenses and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, chargeable or reimbursable chargeable or reimbursable under the Prepetition Loan Documents, with respect to each of the foregoing.

(3) Prepetition Liens. Pursuant to and as more particularly described in the Prepetition Loan Documents, the Prepetition Secured Obligations are secured by, among other

things, first priority liens on, security interests in, and assignments and pledges of (collectively, “Prepetition Liens”), all of the Debtors’ right, title, and interest in the Collateral (as such term is defined in the Prepetition Credit Agreement, and all rights and interests related to proceeds of Collateral, the “Prepetition Collateral”), subject to any other valid, perfected, and unavoidable lien or security interest otherwise existing as of the Petition Date that is senior to the security interest of the Prepetition Secured Parties, to the extent such liens or security interests are valid, perfected and unavoidable liens or security interests existing as of the Petition Date and otherwise senior to the Prepetition Liens as of the Petition Date (collectively, the “Prepetition Permitted Liens” and each a “Prepetition Permitted Lien”).

(4) Validity of Prepetition Liens and Prepetition Secured Obligations. The Prepetition Liens are (a) valid, binding, perfected, duly recorded and enforceable liens on, and security interests in, all of the Debtors’ respective right, title, and interest in, and to, 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, offset, recoupment, counterclaim, defense, “claim” (as defined in the Bankruptcy Code), impairment, or any other challenge of any kind by any person or entity. Each Debtor (i) irrevocably releases and waives, for itself and its estate, any right to challenge or contest in any way the scope, extent, perfection, priority, validity, non-avoidability, or enforceability of the Prepetition Liens or the validity, or enforceability of the Prepetition Loan Documents or the validity, enforceability, or priority of payment of the Prepetition Secured Obligations, and (ii) forever releases and waives, any claims, objections, challenges, counterclaims, causes of action, defenses, setoff rights, obligations, rights to subordinate, or any other liabilities, whether arising in equity or under the Bankruptcy Code or

applicable nonbankruptcy law, against the Prepetition Secured Parties, or any of their respective affiliates, agents, attorneys, consultants, advisors, professionals, officers, directors, and employees from the beginning of time through the Petition Date. The Prepetition Liens were granted to the respective Prepetition Secured Parties 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 Loan Documents. No portion of the Prepetition Secured Obligations or any payments made to the Prepetition Secured Parties or applied to or paid on account of the obligations owing under the Prepetition Loan Documents prior to the Petition Date is subject to any contest, attack, rejection, recovery, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance, or other claim, cause of action, or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law.

H. Adequate Protection for the Prepetition Secured Parties. As a result of the authorization for the Debtors' sale, use, or lease of Prepetition Collateral and the imposition or enforcement of the automatic stay of Bankruptcy Code section 362, 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 its interests in the Prepetition Collateral resulting from the automatic stay and/or from the Debtors' use of the Prepetition Collateral. As adequate protection for the imposition of the automatic stay and such use of the Prepetition Collateral, the Prepetition Secured Parties will receive the adequate protection described in this Final Order, and, in light of 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 Final Order. The adequate protection provided herein, and other

benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code and is offered by the Debtors to protect such party's interests in the Prepetition Collateral in accordance with sections 361, 362 and 363 of the Bankruptcy Code. The adequate protection provided herein, and other benefits and privileges contained herein are necessary in order to (i) protect the Prepetition Secured Parties from any diminution of its interests in the value of the Prepetition Collateral (including the proceeds thereof) and (ii) obtain the foregoing consents and agreements.

I. *Cash Collateral.* For purposes of this Final Order, the term "Cash Collateral" shall be deemed to include, without limitation, all of each Debtor's "Cash Collateral" as defined under section 363 of the Bankruptcy Code, including all deposits subject to setoff and cash arising from the collection or other conversion to cash of any and all property (whether real or personal) in which the Prepetition Secured Parties have valid, perfected security interests, liens or mortgages, regardless of whether such security interests, liens, or mortgages existed as of the Petition Date or arise thereafter or pursuant to this Final Order.

J. *Section 552(b); Section 506(c).* The Prepetition Secured Parties are entitled to (a) all of the rights and benefits of section 552(b) of the Bankruptcy Code in connection with the use of any of the Prepetition Collateral and Cash Collateral and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply with respect to the proceeds, products, offspring or profits with respect to any of the Prepetition Collateral and Cash Collateral, and (b) a waiver by the Debtors' and their respective estates of their right to surcharge the Prepetition Collateral and Cash Collateral pursuant to section 506(c) of the Bankruptcy Code.

K. *Necessity of Relief Requested.* Good cause has been shown for the entry of this Final Order. The Debtors have an immediate need to use cash on hand and cash flow from their operations,

including Cash Collateral, to pursue their going concern sale process and avoid immediate and irreparable harm to the Debtors, their estates and creditors. In the absence of access to and the ability to use Cash Collateral during such time, the Debtors would not be able to operate their business or continue their going concern sale process, and serious and irreparable harm to the Debtors, their estates, and their creditors would occur.

L. Terms of Cash Collateral Use. All Cash Collateral, including proceeds of the Prepetition Collateral, shall be used only for: (i) operating expenses; (ii) payments to the Prepetition Secured Parties; (iii) other general corporate purposes of the Debtors; (iv) the Debtors' going concern sale process and (v) the satisfaction of the costs and expenses of administering the Chapter 11 Cases, in accordance with the Approved Budget (as defined herein).

M. Cash Collateral Objections. The Prepetition Administrative Agent filed its preliminary objection to the Motion [Dkt. No. 68] on October 16, 2024 and its supplemental objection to the Motion [Dkt. No. 203] (together, the "Cash Collateral Objection") on October 29, 2024. The Cash Collateral Objection has been resolved by the agreements set forth herein. The limited objections of certain of the Debtors' landlords filed at Dkt. No. 178 on October 28, 2024 and Dkt. No. 230 on October 30, 2024, have each been resolved.

N. Consent by Prepetition Secured Parties. The Prepetition Secured Parties have consented to the Debtors' use of Cash Collateral in accordance with and subject in all respects to the terms and conditions provided for in this Final Order and the Approved Budget.

O. Good Faith. The Prepetition Secured Parties, Debtors, and Committee acted in good faith in connection with this Final Order and this Final Order has been, and is, in good faith.

P. Need for Immediate Entry of this Final Order. The Debtors have requested immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(b)(2). The permission

granted herein to use Cash Collateral (and provide adequate protection therefor) is necessary, essential, and appropriate to avoid immediate and irreparable harm to the Debtors, their estates and creditors, and their going concern sale process.

NOW THEREFORE, based on the foregoing findings and conclusions, the Motion, the Cash Collateral Declarations and the record before this Court, including the Interim Hearings and the Final Hearing, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. ***Motion Approved.*** The Motion is granted on a final basis as and solely to the extent set forth in this Final Order. Any objections to the Motion with respect to the entry of the is Final Order, to the extent not withdrawn, waived or otherwise resolved, and all reservations of right included therein, are hereby denied and overruled.

2. ***Cash Collateral Resolution Term Sheet Approved.*** The Cash Collateral Resolution Term Sheet attached hereto as **Exhibit 1** (the “Cash Collateral Resolution Term Sheet”) is incorporated herein by reference and approved on a final basis. Following the closing of the Sale, the Cash Collateral Resolution Term Sheet and this Final Order shall be construed as a whole and interpreted in a way that renders them compatible and not contradictory.

3. ***Authorization to Use Cash Collateral.*** The Debtors are authorized to use Cash Collateral as set forth in this Final Order commencing from the Petition Date, subject to the terms and conditions of this Final Order and solely in accordance with the budget attached hereto as **Exhibit 2** (the “Approved Budget”), subject to the Permitted Variances as set forth herein. Any amendment to the Approved Budget must be acceptable in form and substance to the Prepetition Administrative Agent, the acceptance of which by the Prepetition Administrative Agent must be confirmed in writing.

4. ***Adequate Protection for the Prepetition Senior Secured Parties.***

(a) *Adequate Protection Liens.* Pursuant to sections 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code and in consideration of the stipulations and consents set forth herein, the Debtors hereby grant to the Prepetition Secured Parties an additional and replacement valid, binding, enforceable, non-avoidable, and automatically perfected, as of the Petition Date, postpetition security interest in and first priority senior lien ((i) and (ii) below referred to collectively as “Adequate Protection Liens”), in each case solely to the extent of any diminution in the value, from and after the Petition Date, of the Prepetition Secured Parties’ interests in the Prepetition Collateral (“Diminution in Value”), (i) on the Debtors’ postpetition assets which, but for the commencement of the Chapter 11 Cases, would constitute Prepetition Collateral in which the Prepetition Secured Parties had a valid and perfected security interest as of the Petition Date, and (ii)(A) any postpetition use of Cash Collateral; (B) the use, sale, or lease of the Prepetition Collateral, including the Cash Collateral; and (C) the imposition of the automatic stay (collectively, the “Adequate Protection Obligations”), on all of the rights, titles, and interests of the Debtors and their “estates” (as created pursuant to section 541(a) of the Bankruptcy Code) in, to, and under all property and rights and interests in property of the Debtors of any kind or nature whatsoever in existence as of the Petition Date as well as thereafter created or acquired, and wherever located, including, without limitation, (a) all Prepetition Collateral, (b) all Receivables⁴ and all supporting obligations relating thereto; (c) all equipment and fixtures; (d) all general intangibles (including all payment intangibles and all software) and all supporting obligations related thereto; (e) all Inventory; (f) all securities, investment property, and financial assets; (g) all real property; (h) all

⁴ All capitalized terms used in this definition of “Collateral” but not otherwise defined herein shall have the meanings ascribed such terms in the Credit Agreement.

leasehold interests (*provided, however*, that as to a lien on all fee, leasehold, and other real property interests and the proceeds thereof: (I) with respect to non-residential real property leases, no liens or encumbrances shall be granted or extended to such leases under this Final Order, except as permitted by the applicable lease or pursuant to applicable law, but if any such restriction applies, liens shall then be deemed to extend only to the economic value of proceeds of any sale or other disposition of, and any other proceeds or products of, such leasehold interests; and (II) should any of the Prepetition Secured Parties' internal regulatory or compliance requirements require the completion of either or both flood due diligence and obtaining evidence of applicable flood insurance with respect to any real property or leasehold interest, then until completion of such flood due diligence, the Prepetition Administrative Agent shall be deemed to have obtained a lien only on the economic value of, proceeds of any sale or other disposition of such real property interests); (i) all contract rights, rights of payment which have been earned under a contract rights, chattel paper (including electronic chattel paper and tangible chattel paper), commercial tort claims (whether now existing or hereafter arising and whether or not specifically identified) and the proceeds thereof (subject to the proviso set forth later in this paragraph regarding the sharing of certain proceeds), documents (including all warehouse receipts and bills of lading), deposit accounts, goods, instruments (including promissory notes), letters of credit (whether or not the respective letter of credit is evidenced by a writing) and letter-of-credit rights, cash, certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), security agreements, eminent domain proceeds, condemnation proceeds, and all supporting obligations, including, without limitation, all liquidation and other proceeds, refunds, and supporting obligations under any hedge liabilities; (j) all other causes of action whether pursuant to federal or applicable state law, and the proceeds thereof and property received thereby whether by judgment, settlement, or

otherwise, other than Avoidance Actions (as defined below); (k) all claims and causes of action, including proceeds of and property received from such claims and causes of action, under chapter 5 of the Bankruptcy Code or any other avoidance actions under the Bankruptcy Code or state law of the Debtors or their Estates (collectively, “Avoidance Actions”) solely with respect to any insider (as defined in section 101(31) of the Bankruptcy Code, the “Insider Avoidance Actions”); (l) subject to Paragraph 5(a) of this Final Order, the Carve-Out Reserve Account and all funds on deposit in the Carve-Out Reserve Account and all other segregated or reserve accounts provided for in the Cash Collateral Resolution Term Sheet, subject to any subordination provided for in this Final Order; *provided* that after the closing of the Sale (as defined herein) such Adequate Protection Lien shall be subordinated to the Carve-Out Reserve Account and all other segregated or reserve accounts provided for in the Cash Collateral Resolution Term Sheet, consistent with the Approved Budget, and subject to the Prepetition Secured Parties’ reversionary interest in any excess funds therefrom; (m) if not otherwise described, all of the property or rights in property identified as Collateral (as defined in the Prepetition Credit Agreement), (n) all ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by the Debtor or in which it has an interest), computer programs, tapes, disks and documents, including all of such property relating to the property described in clauses (a) through (m) of this definition; and (o) all proceeds and products of the property described in clauses (a) through (n) of this definition, in whatever form (all of the foregoing being sometimes collectively referred to in this Final Order as “Collateral”); *provided* that the Prepetition Secured Parties shall share equally with the Committee, reorganized Debtors, or post-confirmation trust, as applicable, in any proceeds relating to (1) commercial tort actions and (2) Insider Avoidance Actions; *provided, further*, that Adequate Protection Liens with respect solely to the Insider Avoidance

Actions shall be released upon the closing of the sale pursuant to the Debtors' sale motion filed at Dkt. No. 12 (the "Sale," and the purchaser thereunder, the "Purchaser"). The Adequate Protection Liens are subject or subordinate only to the Carve-Out and Prepetition Permitted Liens, if any. Moreover, subject to Paragraph 5(a) below, the 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 Bankruptcy Code sections 361 or 363 or otherwise except as expressly provided in this Final Order. Notwithstanding anything to the contrary contained herein, the Adequate Protection Liens shall not encumber (1) the Debtors' leasehold interests in the premises located at 1750 South Lincoln Drive, Freeport, Illinois (but shall encumber any proceeds with respect thereto) or (2) any security deposits held by Plymouth MWG 1750 South Lincoln LLC (except upon reversion to the Debtors of any such security deposits).

(b) Adequate Protection Superpriority Claims. Subject only to the Carve-Out, the Prepetition Administrative Agent, for the benefit of itself and the other Prepetition Secured Parties, is hereby granted an allowed superpriority administrative expense claim (each an "Adequate Protection Superpriority Claim" and, collectively, the "Adequate Protection Superpriority Claims") as provided for in section 507(b) of the Bankruptcy Code to the fullest extent provided thereunder, payable from and having recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof. Subject only to the Carve-Out, and except as provided below, the Adequate Protection Superpriority Claims shall have priority over any and 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), 507, 546(c), 552(b), 726, and 1114 of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy, or attachment) and all other claims against the Debtors or their estates in any of the Chapter 11 Cases or any Case(s) or any subsequently converted bankruptcy case(s) of any Debtors (collectively, “Successor Cases”), at any time existing or arising, of any kind or nature whatsoever; *provided* that the Prepetition Secured Parties shall share equally with the Committee, reorganized Debtors, or post-confirmation trust, as applicable, in any proceeds relating to (1) commercial tort actions and (2) Insider Avoidance Actions; *provided, further*, that the Adequate Protection Superpriority Claims solely with respect to the Insider Avoidance Actions shall be released upon the closing of the Sale. The Adequate Protection Superpriority Claim shall be against each Debtor on a joint and several basis. Other than the Carve-Out, no cost or expense of administration of the Chapter 11 Cases shall be senior to, or *pari passu* with, any of the Adequate Protection Superpriority Claims.

(c) Additional Adequate Protection. As additional adequate protection to the Prepetition Secured Parties: (1) each Monday following the first full week after entry of this Final Order, the Debtors shall report cash holdings of not less than the budgeted “EOP Bank Cash Balance” tested weekly at the end of each Approved Budget period as set forth in the Approved Budget; (2) the Debtors shall provide the Variance Reports and other reporting required by paragraph 7 hereof; and (3) the APA (as defined herein) shall include as a condition to closing that the Purchaser shall fund in cash any Lender Recovery Shortfall up to \$10 million dollars in accordance with the APA to achieve the Required Paydown Amount (as defined herein).

(d) Adequate Protection Reservation. The receipt by the Prepetition Secured Parties of the adequate protection provided herein shall not be deemed an admission that the interests of the

Prepetition Secured Parties are adequately protected. Nothing herein shall 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, without prejudice to the Debtors' rights to contest the seeking of such relief by the Prepetition Secured Parties. Each of the Debtors shall be jointly and severally liable for the adequate protection provided for herein.

(e) In addition to, and without limiting, whatever rights to access the Prepetition Administrative Agent and the other Prepetition Secured Parties have under the Prepetition Loan Documents, respectively, the Debtors shall permit representatives, agents, and employees of the Prepetition Administrative Agent and other Prepetition Secured Parties to have reasonable access to: (i) inspect the Debtors' assets and properties; (ii) examine the Debtors' books and records, and (iii) discuss the Debtors' affairs, finances, and condition with the Debtors' officers, management, financial advisors, attorneys and consultants, provided, however, that the Debtors shall not be required to disclose to the Prepetition Administrative Agent or the Prepetition Secured Parties information protected by the work product doctrine, the attorney-client privilege or any similar privileges.

5. ***Effect of Stipulations on Third Parties.***

(a) Generally. The Debtors have admitted, stipulated, and agreed to the various stipulations and admissions contained in this Final Order, including Paragraph G above ("Stipulations"), which stipulations and admissions are and shall be binding upon the Debtors and any successors thereto (other than with respect to a successor Trustee (as defined herein) appointed before the expiration of the Initial Challenge Period (as defined herein), which successor Trustee shall be bound by the Stipulations upon expiration of the Challenge Period, as provided in this paragraph) in all circumstances. The Stipulations shall also be binding upon the Debtors' estates

and all other parties in interest, including the Committee or any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors (a “Trustee”), for all purposes unless (a) the Committee or any other party in interest, on the earlier of (I) if the closing of the Sale occurs, no later than the date that is one day prior to the closing of the Sale or (II) if such the closing of the Sale does not occur, solely with respect to the Committee, thirty (30) days from the date of this Final Order (the “Challenge Period”), which Challenge Period may be extended by the Court for cause or upon the agreement of the Committee and Prepetition Administrative Agent, has properly filed an adversary proceeding as required under the Bankruptcy Rules (x) challenging the amount, validity, enforceability, priority or extent of the Prepetition Secured Obligations, the liens of the Prepetition Administrative Agent on the Prepetition Collateral securing the Prepetition Secured Obligations, (y) otherwise asserting any other claims, counterclaims, causes of action, objections, contests or defenses against the Prepetition Administrative Agent and/or any of the other Prepetition Secured Parties on behalf of the Debtors’ estates, or (z) any of the other Stipulations ((x), (y), and (z), collectively, referred to herein as the “Challenges”), and (b) this Court rules in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding or contested matter; *provided*, that, as to the Debtors, all such Challenge(s) are hereby irrevocably waived and relinquished effective as of the Petition Date. If during the Challenge Period, the Committee or other third party files a motion for standing with a draft complaint identifying and describing all Challenge(s) consistent with applicable law and rules of procedure, the Challenge Period will be tolled solely for the Committee or such other third party and solely with respect to the Challenge(s) asserted in the draft complaint until five (5) business days from the entry of an order granting the motion for standing to prosecute such Challenge(s) described in the draft complaint and permitted by the Court. If standing is denied by the Court, the Challenge Period shall be deemed to have

expired. For the avoidance of doubt, the Prepetition Secured Parties and, to the extent necessary, the Debtors, waive any right to contest the Committee's ability to obtain standing on grounds that the Committee cannot obtain standing as a matter of law because the applicable Debtor is a limited liability company and applicable non-bankruptcy law prohibits a party other than the Debtors from bringing claims on behalf of such an entity. Notwithstanding anything to the contrary contained herein, all Challenges shall be released at the closing of the Sale and the releases set forth in Paragraph 6 below shall be effective.

(b) Binding Effect. If (x) the closing of the Sale occurs, or (y) if no Challenge or motion for standing, as applicable, is timely filed prior to the expiration of the Challenge Period , without further order of the Court: (1) the Debtors' Stipulations and the releases set forth in Paragraph 6 below shall be binding on all parties in interest, including the Debtors' estates, the Committee, and any subsequently appointed Trustee, case fiduciary, or successors and assigns; (2) the Prepetition Secured Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in these Chapter 11 Cases and any subsequent chapter 7 cases; (3) the Prepetition Administrative Agent's liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, to be, legal, valid, binding, perfected, and with the priority specified in the Stipulations, not subject to defense, counterclaim, recharacterization, subordination or avoidance; and (4) the Prepetition Secured Parties (and their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors) shall not be subject to any other or further Challenge by any Committee or any other party in interest, and any such Committee or party in interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a Trustee, whether such Trustee

is appointed or elected prior to or following the expiration of the Challenge Period); *provided*, that if the Chapter 11 Cases are converted to chapter 7 or a Trustee is appointed prior to the expiration of the Challenge Period, then any such estate representative or Trustee shall receive the full benefit of the later of (a) the expiration of the Challenge Period and (b) thirty (30) days from the appointment of such estate representative or Trustee, subject to the limitations described herein. If any Challenge or motion for standing, as applicable, is timely and properly filed prior to the expiration of the Challenge Period, the Stipulations and the releases set forth in Paragraph 6 below shall, to the extent set forth in the first sentence of this paragraph, nonetheless remain binding and preclusive on any Committee and any other person, including any Trustee appointed in any Chapter 11 Case(s) or Successor Cases, as applicable, except as to any such findings and admissions that were expressly challenged in the original complaint initiating the adversary proceeding and excluding any amended or additional claims that may or could have been asserted thereafter through an amended complaint under FRCP 15 or otherwise.

(c) No Standing. Nothing in this Final Order vests or confers on any person (as defined in the Bankruptcy Code), including the Committee, standing or authority to pursue any claim or cause of action belonging to the Debtors and/or their bankruptcy estates, including, without limitation, any Challenge(s) with respect to the Prepetition Loan Documents or the Prepetition Secured Obligations.

6. ***Debtors' Waivers and Releases.***

(a) Section 506(c) Claims, 552(b) Equities, and Marshaling. No costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases or any Successor Cases at any time shall be charged against any of the Prepetition Secured Parties, their respective claims, the Prepetition Collateral, Collateral, or Cash Collateral, pursuant to section 506(c) of the

Bankruptcy Code without the prior written consent of the Prepetition Administrative Agent (and no such consent shall be implied from any other action, inaction or acquiescence by the Prepetition Administrative Agent or any other Prepetition Secured Parties) and after the Prepetition Secured Parties are indefeasibly paid and satisfied in full. The Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under Bankruptcy Code section 552(b) shall not apply to the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any of the Prepetition Collateral. In no event shall the Prepetition Secured Parties be subject to the equitable doctrine of “marshalling” or any similar doctrine with respect to the Prepetition Collateral, Collateral or Cash Collateral.

(b) Release. Subject to Paragraph 5 above, and effective upon the closing the Sale, or, if the Sale does not close, upon the expiration of the Challenge Period, in consideration of and as a condition to the Prepetition Administrative Agent’s consent to the use of Cash Collateral and providing other financial accommodations to the Debtors pursuant to the provisions of this Final Order, each Debtor, on behalf of itself, and its respective successors and assigns and such Debtor’s estate (collectively, “Releasors”), subject only to Paragraph 5 above, hereby absolutely releases and forever discharges and acquits (i) each of the Prepetition Secured Parties, (ii) the respective successors, participants, assigns directors, officers, attorneys, employees, financial advisors, consultants and other representatives of each of the Prepetition Secured Parties, (iii) the present and former shareholders, affiliates, subsidiaries, divisions, and predecessors of each of the Prepetition Secured Parties (the parties identified in clauses (i) through (iii) being hereinafter referred to collectively as “Releasees”) of and from any and all claims, demands, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills,

reckonings, damages, and any and all other claims, counterclaims, cross claims, defenses, rights of set-off, demands, and liabilities whatsoever (individually, a “Prepetition Released Claim” and collectively, “Prepetition Released Claims”) of every kind, name, nature and description, known or unknown, foreseen or unforeseen, matured or contingent, liquidated or unliquidated, primary or secondary, suspected or unsuspected, both at law and in equity, which, including, without limitation, any so-called “lender liability” claims or defenses, that any Releasor may now or hereafter own, hold, have, or claim to have against Releasees, or any of them for, upon, or by reason of any nature, cause, or thing whatsoever which arose or may have arisen at any time on or prior to the date of this Final Order, in respect of the Debtors, the Prepetition Secured Obligations, the Prepetition Loan Documents, and any letters of credit, or other financial accommodations under the Prepetition Loan Documents; *provided*, that such release shall be effective with respect to the Debtors, and shall not be effective with respect to the Debtors’ estates until the expiration of the Challenge Period.

7. *Permitted Variances; Reporting; Covenants.*

(a) The Debtors shall not permit aggregate actual operating disbursements to exceed 107.5% of the aggregate projected operating disbursements for the period as set forth in the Approved Budget (such deviations from the applicable projected amount set forth in the Approved Budget satisfying the foregoing, the “Permitted Variances”); *provided* that cash receipts for the applicable reporting period shall also not be considered for determining compliance with this covenant; *provided further* that there shall be no variance permitted on Allowed Professional Fees (as defined below). On the dates and for the periods set forth below, the Debtors shall provide to the Prepetition Secured Parties and the Committee a report (each, a “Variance Report”) that sets forth the Debtors’ aggregate actual operating disbursements and aggregate projected operating

disbursements for the applicable reporting period, and a comparison (whether positive or negative, in dollars and expressed as a percentage) of the foregoing:

(i) On November 7, 2024, for the period ending October 19, 2024 through and including the period ending November 2, 2024 (the “First Variance Reporting Period”);

(ii) On November 14, 2024 and every subsequent Thursday, until the earlier of (x) close of the Sale to the Purchaser or (y) conversion or dismissal of these Chapter 11 Cases, for the four-week period ending the prior Saturday (each, a “Subsequent Variance Reporting Period” and, together with the First Variance Reporting Period, the “Variance Reporting Periods”); and

(iii) The Debtors may carry forward aggregate actual disbursements below aggregate projected disbursements for any Variance Reporting Period for use in testing in any following Variance Reporting Period.

(b) On November 7, 2024, in addition to the Variance Report for the First Variance Reporting Period, the Debtors shall provide the Prepetition Secured Parties and the Committee with (i) the Debtors’ cash balance as of November 1, 2024 and (ii) weekly actual vs. budget for cash flow forecast and disbursement variance test (by Thursday 5 p.m. ET of the following week).

(c) Beginning with Thursday, November 7, 2024, the Debtors shall provide the Prepetition Secured Parties and the Committee with the following, in each case as set forth below:

(i) Weekly cash balance as of Friday (by Tuesday 5 p.m. ET of the following week);

(ii) Weekly collections as of Friday (by Tuesday 5 p.m. ET of the following week);

(iii) Weekly disbursement detail (by Tuesday 5 p.m. ET of the following week);

(iv) A weekly roll forward of projections under the Approved Budget (including the postpetition accounts payable incurred and expected future incurrence of accounts payable), to the extent prepared; *provided* that if such a weekly roll forward has not been prepared, the Debtors shall reasonably and promptly cooperate with financial advisors to the Prepetition Secured Parties to provide the necessary information for such financial advisors to complete a roll forward following a request for such information (by Thursday 5 p.m. ET);

(v) Weekly borrowing base (same reporting on Thursday each week);

(vi) Weekly reporting of postpetition accounts payable by vendor (by Thursday 5 p.m. ET);

(vii) Weekly actual and projected inventory receipts through November 23, 2024 (by Thursday 5 p.m. ET); and

(viii) Weekly incurred fees to date by firm (by Thursday 5pm ET).

8. ***Carve-Out.*** The Prepetition Liens, the Adequate Protection Liens, and Adequate Protection Superpriority Claims shall be subject only to the right of payment of the following expenses (collectively, “Carve-Out”), to the extent provided herein, which Carve-Out shall remain in effect solely until the closing of the Sale, and which expenses set forth in clauses (b) and (c) shall be subject to the aggregate of the amounts set forth in the Approved Budget (the aggregate of the amounts set forth in clauses (b) and (c), the “Carve-Out Cap”):

(a) upon entry of this Final Order, statutory fees payable to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) with respect to the Debtors (“Statutory Fees”);

(b) the allowed fees and costs of the Debtors’ claims and noticing agent, subject in all respects to the terms of this Final Order as set forth in the Approved Budget; and

(c) the allowed fees and expenses actually incurred by persons or firms retained by the Debtors or the Committee on or after the Petition Date pursuant to section 327, 328, 363, or 1103 of the Bankruptcy Code (each a “Professional” and collectively, the “Professionals”) in a cumulative sum for the period prior to the occurrence of the delivery of a Carve-Out Trigger Notice (as defined herein), an amount not to exceed the lesser of (A) the aggregate weekly amounts budgeted for Professionals for such week in accordance with the Approved Budget (to the extent a Carve-Out Trigger Notice is delivered mid-week, pro-rated for such week) and (B) the actual amount of such Allowed Professional Fees for Professionals incurred on or after the Petition Date up through and including the date a Carve-Out Trigger Notice is delivered (“Allowed Professional Fees”), subject in all respects to the terms of this Final Order and the Approved Budget. The Carve-Out shall include all Allowed Professional Fees that are incurred or earned at any time before delivery of a Carve-Out Trigger Notice (which for the avoidance of doubt may be by electronic mail to the Debtors, the Debtors’ counsel, the U.S. Trustee, and counsel for any Committee, the “Carve-Out Trigger Notice”), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice, subject and limited in all respects to the Carve-Out Cap. The Carve-Out shall not include any bonus, transaction fees, success fees, completion fees, substantial contribution fees, or any other fees of similar import of any of the Professionals unless there is a closing of the Sale, whether pursuant to the APA or in connection with a different Successful Bid that is acceptable to the Prepetition Secured Parties (as “Successful Bid” is defined in the Order (I) *Approving the Bid Protections*; (II) *Approving the Assumption and Assignment Procedures*; (III) *Authorizing and Approving the Form of Notice of the Sale of Substantially All of the Assets of the Debtors*; (IV) *Authorizing and Scheduling the Sale Hearing and Setting Other Related Dates and Deadlines*; and (V) *Granting Related Relief* entered by the Court

contemporaneously herewith (the “Bid Protections Order”). Notwithstanding the foregoing, the Carve-Out Trigger Notice shall be deemed to have been delivered to the required notice parties on the Termination Date. For the avoidance of doubt, to the extent the budgeted amounts for the Professionals for any week exceed the actual fees and expenses incurred by the Professionals for that week, the excess may be carried forward to the next week or backward to the prior week to be applied to any fees or expenses that exceeded the budgeted amounts for such week.

9. ***Excluded Professional Fees.*** Neither the Carve-Out nor the proceeds of any Prepetition Collateral shall be used to pay any Allowed Professional Fees or any other fees or expenses incurred by any Professional from and after the date hereof in connection with any of the following: (a) an assertion or joinder in any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination, or similar relief: (i) challenging the legality, validity, priority, perfection, or enforceability of the Prepetition Secured Obligations or the Prepetition Administrative Agent’s liens on and security interests in any of the Prepetition Collateral, (ii) seeking to invalidate, set aside, avoid, or subordinate, in whole or in part, the Prepetition Secured Obligations, the Prepetition Administrative Agent’s liens on and security interests in the Prepetition Collateral, or (iii) preventing, hindering or delaying the Prepetition Administrative Agent’s assertion or enforcement of any lien, claim, right, or security interest or realization upon any Prepetition Collateral, in accordance with the terms and conditions of this Final Order, (b) a request to use the Cash Collateral on and after the Termination Date, except to the extent expressly permitted herein, (c) a request for authorization to obtain debtor-in-possession financing or other financial accommodations pursuant to Bankruptcy Code section 364(c) or (d), other than from the Prepetition Secured Parties, without the prior written consent of the Prepetition Administrative

Agent, (d) the commencement or prosecution of any action or proceeding of any claims, causes of action, or defenses against the Prepetition Secured Parties, or any of their respective officers, directors, employees, agents, attorneys, financial advisors, consultants, affiliates, successors, or assigns, including, without limitation, any attempt to avoid any claim, lien, or interest of, or obtain any recovery from any of the Prepetition Secured Parties under Chapter 5 of the Bankruptcy Code; provided, however, that, subject to the Carve-Out Cap, an amount not to exceed \$50,000 in the aggregate of Cash Collateral may be used to pay the Allowed Professional Fees of any Committee to investigate (but not prosecute) claims against and possible objections with respect to the Prepetition Secured Obligations and the prepetition liens and security interests of, the Prepetition Secured Parties (including, without limitation, issues regarding validity, perfection, priority, or enforceability of the secured claims of such parties). Nothing herein shall be construed as a consent to the allowance of the fees and expenses of any Professional or shall affect the right of the Prepetition Secured Parties to object to the allowance and payment of such fees and expenses. The Debtors shall be permitted to pay fees and expenses allowed and payable pursuant to an Order of the Bankruptcy Court under sections 330 and 331 of the Bankruptcy Code, as the same may be due and payable, solely to the extent set forth in the Approved Budget and not to exceed the amounts set forth in the Approved Budget, provided that any such payment shall be subject to entry of final orders of the Court of the Professionals' final application for allowance of such fees and expenses.

10. ***Payment of Carve-Out.***

(a) The Debtors shall deposit and hold in a segregated account in trust (the “Carve-Out Reserve Account”) projected amounts with respect to the Allowed Professional Fees as set forth in the Approved Budget. The Debtors shall make deposits into the Carve-Out Reserve Account

on a weekly basis every Friday. The Debtors shall pay Allowed Professional Fees out of the Carve-Out Reserve Account in accordance with any interim compensation procedures approved by the Court and in the manner set forth in this Final Order in accordance with the Approved Budget. Any funds in the Carve-Out Reserve Account shall be available solely for the benefit of the Professionals until any Allowed Professional Fees up to the amount of the Carve-Out Cap have been paid in full. Any excess shall remain subject to the liens of the Prepetition Secured Parties for application to the Prepetition Secured Obligations as proceeds in accordance with and subject to the terms of this Final Order.

(b) For the avoidance of doubt, any amounts the Debtors (x) fund into the Carve-Out Reserve Account or (y) pay directly to the Professionals, in each case in accordance with any interim compensation procedures approved by the Court, shall be used to satisfy the Carve-Out up to the Carve-Out Cap. Payment of any amounts on account of the Carve-Out, whether by or on behalf of the Prepetition Secured Parties, shall not be deemed to reduce the Prepetition Secured Obligations, and shall not and shall not be deemed to subordinate any of the Prepetition Secured Parties' liens and security interests in the Collateral, or the Adequate Protection Superpriority Claim, to any junior pre- or postpetition lien, interest, or claim in favor of any other party, other than with respect to the rights of the parties entitled to the Carve-Out. The Prepetition Secured Parties shall not, under any circumstance, be responsible for the direct payment or reimbursement of any fees or disbursements of any Professionals incurred in connection with these Chapter 11 Cases or Successor Cases (as defined herein) under any chapter of the Bankruptcy Code, and nothing in this Paragraph 10 shall be construed to obligate the Prepetition Secured Parties, in any way, to pay compensation to or to reimburse expenses of the Professionals, or to ensure that the Debtors has sufficient funds to pay such compensation or reimbursement.

(c) Nothing herein shall be construed as a consent to the allowance of the fees and expenses of any Professional or shall affect the right of the Prepetition Secured Parties to object to the allowance and payment of such fees and expenses. So long as no Termination Event has occurred or is continuing, the Debtors shall be permitted to pay fees and expenses allowed and payable pursuant to an order of the Court, including any order approving interim compensation procedures, under Bankruptcy Code sections 330 and 331, as the same may be due and payable, solely to the extent set forth in the Approved Budget and not to exceed the amounts set forth in the Approved Budget; *provided* that (i) any such payment shall be subject to entry of a final order of this Court of each Professional's final application for allowance of such fees and expenses and (ii) unused amounts set forth in the Approved Budget may be carried forward until the Carve-Out Trigger Notice, if any, and used to fund such item in any subsequent week.

(d) The occurrence of a Termination Event shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund the Carve-Out Reserve Account in an amount equal to the Carve-Out Cap (less any amounts already paid in satisfaction of the Carve-Out in accordance with the first sentence of clause (b) above). For the avoidance of doubt, the Debtors' obligations to pay Allowed Professional Fees shall not be limited or deemed limited to funds held in the Carve-Out Reserve Account.

11. ***Lien Perfection.*** This Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Adequate Protection Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the Adequate Protection Liens or to entitle the Adequate Protection Liens to the priorities granted herein. Notwithstanding the foregoing, the Prepetition

Administrative Agent (on behalf of itself and the other Prepetition Secured Parties) may, in its sole discretion, file such financing statements, mortgages, security agreements, notices of liens and other similar documents, and is hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Chapter 11 Cases. The Prepetition Administrative Agent (on behalf of itself and the other Prepetition Secured Parties) may, in its sole discretion, file a photocopy of this Final Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property and, in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Final Order.

12. ***Termination.*** Upon the occurrence and during the continuance of a Termination Event (unless such occurrence and continuance is waived by the Prepetition Administrative Agent in its sole discretion), the Debtors' right to use Collateral shall automatically terminate (the date of such termination, the "Termination Date"), without further notice or court proceeding, subject to the provisions set forth in Paragraph 13 in this Final Order, on the earliest to occur of any of the events set forth below (each such event, a "Termination Event"); *provided that*, following the closing of the Sale, the Prepetition Secured Parties shall consent to the use of Cash Collateral in accordance with the Cash Collateral Resolution Term Sheet, and a Termination Event cannot occur other than a Termination Event set forth in clauses (e), (f), (h), (i), (j), (k), (l), (m), or (n) of this Paragraph 12; *provided, further, that*, in the event of any such Termination Event or a conversion of the Chapter 11 Cases to chapter 7, in each case following the closing of the Sale, the parties' rights to use Cash Collateral shall be subject to the ***Liens*** section of the Cash Collateral Resolution

Term Sheet; *provided, further, that*, with the written consent of the Debtors and the Prepetition Administrative Agent, in the exercise of their respective sole discretion, the Termination Date may be extended without further Court approval upon the filing of a notice on the docket of the Chapter 11 Cases setting forth the new Termination Date:

(a) November 22, 2024 or such other date of the closing of the Sale in accordance with the asset purchase agreement with respect thereto (the “APA”); *provided* that such date may be extended to November 25, 2024 with the prior written consent of the Prepetition Secured Parties and subject to the Debtors having delivered to the Prepetition Secured Parties an Approved Budget through such date covering the administrative expenses to be incurred for the period from November 22, 2024 to the extended Sale closing date, subject, as applicable, to the Carve-Out Cap; *provided, further*, that such date may be further extended upon the consent of the Prepetition Secured Parties;

(b) The failure to have the Final Order, substantially in the form of this Final Order, including Bankruptcy Code section 506(c) and 552 waivers, entered on November 4, 2024, unless otherwise agreed in writing by the Prepetition Administrative Agent;

(c) The failure by the Debtors to comply with Paragraph 7 of this Final Order in any material respect, including by providing any documents or information that contain a material misrepresentation or failing to comply with any covenants set forth therein;

(d) The failure by the Debtors to comply with the Approved Budget, subject to Paragraph 7 of this Final Order;

(e) The Debtors shall grant, create, incur or suffer to exist any postpetition liens or security interests other than: (i) those granted pursuant to this Final Order; (ii) carriers’, mechanics’, operator’s, warehousemen’s, repairmen’s, or other similar liens arising in the ordinary

course of business for amounts outstanding as of the Petition Date, even if recorded after the Petition Date; (iii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation; (iv) deposits to secure the payment of any postpetition statutory obligations, performance bonds and other obligations of a like nature incurred in the ordinary course of business; and (v) any Prepetition Permitted Liens;

(f) An order shall be entered reversing, adversely amending, adversely supplementing, staying, vacating, or otherwise adversely modifying any material provision of this Final Order without the written consent of the Prepetition Administrative Agent;

(g) There shall be a breach by any Debtor of any material provisions of this Final Order, or this Final Order shall cease to be in full force and effect or shall have been reversed, modified, amended, stayed, vacated or subject to stay pending appeal, in the case of any modification or amendment;

(h) The Debtors file a motion seeking approval to create, incur, or suffer to exist any claim that is senior to the Adequate Protection Superpriority Claims;

(i) The Debtors shall create, incur, or suffer any other claim which is *pari passu* with or senior to the Adequate Protection Superpriority Claim, except as expressly provided for in this Final Order or in the Cash Collateral Resolution Term Sheet after the closing of the Sale;

(j) The Court shall have entered an order dismissing any of the Chapter 11 Cases;

(k) The entry of an order confirming a plan of reorganization or liquidation that adversely impacts or impairs the Prepetition Secured Parties and/or their liens and/or claims except as permitted by this Final Order or the Cash Collateral Resolution Term Sheet.

(l) The Court shall have entered an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(m) The Court shall have entered an order authorizing the appointment or election of a trustee or examiner with expanded powers or any other representative with expanded powers relating to the operation of the businesses in the Chapter 11 Cases;

(n) The Court shall have entered an order granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code to any entity other than the Prepetition Administrative Agent or any of the Prepetition Secured Parties with respect to any portion of the Prepetition Collateral or Cash Collateral without the written consent of the Prepetition Administrative Agent, which consent may not be unreasonably withheld;

(o) A filing by any Debtor of any motion, pleading, application or adversary proceeding challenging the validity, enforceability, perfection or priority of the liens securing the Prepetition Secured Obligations or asserting any other cause of action against and/or with respect to the Prepetition Secured Obligations, the Prepetition Collateral and Cash Collateral, or the Prepetition Administrative Agent, any of the other Prepetition Secured Parties (or if the Debtors support any such motion, pleading, application or adversary proceeding commenced by any third party);

(p) A filing of a motion for bidding procedures or a motion for the sale of any or all of a Debtor's assets (other than the pending Sale motion), which motion and order approving such motion are not in form and substance acceptable to Prepetition Administrative Agent in its sole discretion;

(q) The Debtors shall use Cash Collateral in any manner inconsistent with the Approved Budget, subject to Paragraph 7 of this Final Order, or the other terms of this Final Order, including, without limitation, Paragraph 3 hereof;

(r) The sale or transfer of any assets of any Debtor (other than the Sale), or the filing of a motion by any of the Debtors seeking approval of the sale or transfer (other than the pending Sale motion), of any Prepetition Collateral or Cash Collateral outside of the ordinary course of business without the prior consent and approval of the Prepetition Administrative Agent;

(s) A termination of the APA; *provided* that the termination of the APA to allow the Debtors to enter into transaction documents (the “Higher Bidder Documentation”) with a prospective buyer that submits a higher or otherwise better bid in accordance with the Sale motion and which is acceptable to the Prepetition Secured Parties shall not be a Termination Event;

(t) Impairment or failure to preserve the Prepetition Secured Parties’ rights to credit bid the Prepetition Secured Obligations as provided in this Final Order;

(u) The Purchaser advises in writing that it does not intend to close on the Sale;

(v) Cessation of the Debtors’ business(es);

(w) Failure of the Prepetition Secured Parties to receive the Required Paydown Amount (as defined herein) on or before November 22, 2024, or such other date of the closing of the Sale in accordance with this Final Order;

(x) Any modification of the APA that would adversely impact or impair the Prepetition Secured Parties without their consent;

(y) Subject to the rights preserved under Paragraph 7, the Court shall have entered an order avoiding, disallowing, subordinating or recharacterizing any claim, lien, or interest held by any Prepetition Secured Party arising under the Prepetition Credit Agreement; or

(z) The Debtors shall have failed to meet any of the following milestones by the applicable deadline, which deadlines may be extended by mutual written agreement between the Debtors and Prepetition Administrative Agent (on behalf of the Prepetition Secured Lenders):

(i) Entry of the Bid Protections Order approving the bid protections for the Sale or approval thereof on the record by the Court on November 4, 2024; and

(ii) The hearing to consider the Sale shall occur on November 12, 2024.

13. ***Remedies upon the Termination Date.*** Upon the occurrence and during the continuance of a Termination Event (unless such occurrence and continuance is waived by the Prepetition Administrative Agent in its sole discretion), and upon three (3) days' written notice of such Termination Event (the "Default Notice Period") to the Debtors, their restructuring counsel, the U.S. Trustee, and counsel to the Committee, (a) the Debtors shall immediately cease using Cash Collateral except to pay current payroll obligations or other critical operating expenses as may be agreed to by the Prepetition Administrative Agent; (b) the Adequate Protection Obligations, if any, shall become due and payable; (c) the Prepetition Administrative Agent and each of the Prepetition Secured Parties may exercise the rights and remedies available to them under the Prepetition Loan Documents, this Final Order, or applicable law, as applicable, including, without limitation, foreclosing upon and selling all or a portion of the Collateral in order to collect and satisfy the Prepetition Secured Obligations and Adequate Protection Obligations, in accordance with this Final Order; and (d) after funding any unfunded portion of the Carve-Out, and as provided in (a) of this paragraph above, all remaining cash on hand should be immediately paid to Prepetition Administrative Agent. The automatic stay under section 362 of the Bankruptcy Code is hereby deemed modified and vacated to the extent necessary to permit such actions; *provided that* during the Default Notice Period, unless the Court orders otherwise, the automatic stay under section 362 of the Bankruptcy Code (to the extent applicable) shall remain in effect; *provided further*, that during the Default Notice Period the Debtors and the Committee shall be entitled to an emergency hearing before this Court. Any delay or failure of the Prepetition

Administrative Agent or the Prepetition Secured Parties to exercise rights under the Prepetition Loan Documents or this Final Order shall not constitute a waiver of their respective rights hereunder, thereunder, or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable document. Subject and subordinate only to the Carve-Out and as otherwise set forth herein, the Prepetition Administrative Agent shall be entitled to apply the payments or proceeds of the Collateral in accordance with the provisions of the Prepetition Loan Documents, as applicable. Notwithstanding the occurrence of the Termination Date or anything herein, all of the rights, remedies, benefits, and protections provided to the Prepetition Administrative Agent and the Prepetition Secured Parties under this Final Order shall survive the Termination Date.

14. ***Preservation of Rights Granted Under this Final Order.***

(a) Upon the entry of any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, and notwithstanding any such order, (x) the Adequate Protection Superpriority Claims, the other administrative claims granted pursuant to this Final Order, and the Adequate Protection Liens shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until all Adequate Protection Obligations shall have been paid and satisfied in full in cash (and such Adequate Protection Superpriority Claims, the other administrative claims granted pursuant to this Final Order and the Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest); and (y) the Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (x) above.

(b) If any or all of the provisions of this Final Order are hereafter reversed, modified or stayed, such reversal, stay, or modification shall not affect: (i) the validity, priority or

enforceability of any Adequate Protection Obligations incurred prior to the actual receipt of written notice by the Prepetition Secured Parties, of the effective date of such reversal, stay or modification; or (ii) the validity, priority or enforceability of the Adequate Protection Liens. Notwithstanding any such reversal, stay or modification, any use of the Cash Collateral or any Adequate Protection Obligations incurred by the Debtors hereunder, as the case may be, prior to the actual receipt of written notice by the Prepetition Secured Parties of the effective date of such reversal, stay or modification shall be governed in all respects by the original provisions of this Final Order, and the Prepetition Secured Parties shall be entitled to all of the rights, remedies, privileges and benefits granted herein and to the protections afforded in section 363(m) of the Bankruptcy Code with respect to all uses of the Cash Collateral and all Adequate Protection Obligations.

(c) Subject to Paragraph 5 of this Final Order, the adequate protection payments made pursuant to this Final Order shall not be subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance in the Chapter 11 Cases or any subsequent chapter 7 cases (other than a defense that the payment has actually been made).

(d) Except as expressly provided in this Final Order, the Adequate Protection Obligations, the Adequate Protection Superiority Claims and the Adequate Protection Liens and all other rights and remedies of the Prepetition Secured Parties granted by the provisions of this Final Order shall survive, and shall not be modified, impaired or discharged by the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases, or by any other act or omission. The terms and provisions of this Final Order shall continue in the Chapter 11 Cases, in any Successor Cases if the Chapter 11 Cases cease to be jointly administered, or in any superseding chapter 7 cases under the

Bankruptcy Code, and the Adequate Protection Liens, the Adequate Protection Superiority Claims, the other administrative claims granted pursuant to this Final Order, and all other rights and remedies of the Prepetition Secured Parties granted by the provisions of this Final Order shall continue in full force and effect until all Adequate Protection Obligations are indefeasibly paid in full in cash.

15. ***Right to Credit Bid.***⁵ The Prepetition Administrative Agent, including its successors or assigns, preserves its right to make a credit bid (a “Credit Bid”) in accordance with section 363(k) of the Bankruptcy Code, at any Auction for assets comprising such Prepetition Secured Parties’ Collateral. In the event of any such Auction, the Prepetition Administrative Agent is a Qualified Bidder and any Credit Bid it submits at such Auction in compliance with the Bidding Procedures is a Qualified Bid, so long as any such Credit Bid is accompanied by a Good Faith Deposit equal to ten percent (10%) solely with respect to any cash consideration component of the Purchase Price.

16. ***Modification of Automatic Stay.*** The Debtors are authorized and directed to perform all acts and to make, execute and deliver any and all instruments as may be reasonably necessary to implement the terms and conditions of this Final Order and the transactions contemplated hereby. The stay of section 362 of the Bankruptcy Code is hereby modified to permit the parties to accomplish the transactions contemplated by this Final Order.

17. ***No Third-Party Rights.*** Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary; *provided, however*, that if the Chapter 11 Cases convert to cases

⁵ Capitalized terms used but not otherwise defined in this paragraph shall have the meanings ascribed to such terms in the Bid Protections Order.

under chapter 7 of the Bankruptcy Code, the chapter 7 trustee shall be deemed to be a party-in-interest other than the Debtors and shall not be bound by the findings in Paragraph G or any of the Debtors' stipulations contained herein.

18. ***Binding Effect.*** The terms of this Final Order shall be valid and binding upon all parties in interest in the Chapter 11 Cases, including, without limitation, the Prepetition Secured Parties, the Debtors, and their respective successors and assigns (including any trustee hereinafter appointed or elected for the estate of any Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of the Debtors or with respect to the property of the estate of any of the Debtors) from and after the entry of this Final Order by this Court.

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

20. ***Bankruptcy Rules.*** The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion, and the relief requested is necessary to avoid immediate and irreparable harm.

21. ***Necessary Action.*** The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Final Order.

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

23. ***Notice of Entry of Final Order.*** The Debtors shall promptly serve copies of this Final Order to the parties that have been given notice of the Final Hearing, to any party that has filed a request for notices with this Court and to the Committee.

24. ***Proofs of Claim.*** Notwithstanding the entry of an order establishing a bar date in any of these Chapter 11 Cases, or the conversion of these Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, the Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any Successor Cases with respect to any of the Prepetition Secured Obligations, Adequate Protection Obligations, Adequate Protection Liens, Adequate Protection Superpriority Claim, or any other claims or liens granted hereunder or created hereby. The Prepetition Secured Parties are hereby authorized and entitled, in their sole and absolute discretion, but in no event is required, to file (and amend and/or supplement, as it sees fit) proofs of claim in each of the Chapter 11 Cases on behalf of all of itself in respect of the Prepetition Secured Obligations. Any proof of claim so filed shall be deemed to be in addition and not in lieu of any other proof of claim that may be filed by the Prepetition Secured Parties. Any order entered by the Bankruptcy Court in relation to the establishment of a bar date in any of the Chapter 11 Cases will so provide.

25. Any Bankruptcy Rule or Local Bankruptcy Rule that might otherwise delay the effectiveness of this Final Order is hereby waived, and the terms and conditions of this Final Order shall be effective and enforceable immediately upon its entry.

26. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

Dated: November 4th, 2024
Wilmington, Delaware

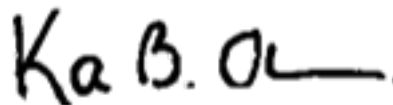

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

(CASH COLLATERAL RESOLUTION TERM SHEET)

**TRUE VALUE COMPANY, L.L.C.
CASH COLLATERAL RESOLUTION TERM SHEET**

This Cash Collateral Resolution Term Sheet (this “Term Sheet”), dated as of November 4, 2024, by and among (i) True Value Company, L.L.C. and its debtor affiliates (collectively, the “Debtors”), (ii) the lenders and financial institutions party from time to time to that certain Credit Agreement, dated as of April 20, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), and PNC Bank, National Association, as administrative agent (together with all other “Secured Parties” (as defined therein) collectively, the “Prepetition Secured Parties”), and (iii) the Official Committee of Unsecured Creditors (the “Creditors’ Committee” and, together with the Debtors and the Prepetition Secured Parties, the “Parties”), sets forth the Parties’ agreement on various matters, including (a) the *Motion of Debtors for Entry of Interim and Final Orders (I) (A) Authorizing Debtors to Use Cash Collateral; (B) Granting Adequate Protection to Prepetition Lenders; (C) Modifying the Automatic Stay; and (D) Scheduling a Final Hearing and (II) Granting Related Relief* [Docket No. 19] (the “Cash Collateral Motion”) and (b) the *Motion of Debtors for Entry of an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving the Sale of Substantially All of the Debtors’ Assets, and (III) Granting Related Relief* [Docket No. 12] (the “Bidding Procedures Motion”). This Term Sheet does not include all of the terms, conditions and other provisions to be contained in the definitive documentation governing the transactions described herein but it does contain material terms.

Capitalized terms used but not defined in this Term Sheet shall have the respective meanings ascribed to such terms in the Cash Collateral Motion or Bidding Procedures Motion, as applicable.

Cash Collateral	
<i>Budget</i>	The Prepetition Secured Parties consent to the Debtors’ use of “cash collateral” as that term is defined in section 363(a) of the Bankruptcy Code (“ <u>Cash Collateral</u> ”), which shall be subject to the terms of this Term Sheet, the Cash Collateral Order (as defined below) and the budget attached to the Cash Collateral Order as <u>Exhibit 2</u> (the “ <u>Budget</u> ”), which budgeted items shall be funded with the Prepetition Secured Parties’ cash collateral and which will facilitate a net paydown of at least \$163 million in respect of the “ <u>Obligations</u> ” (as defined under the Credit Agreement) (the “ <u>Indebtedness</u> ”) owing to the Prepetition Secured Parties in connection with the Sale.
<i>Cash Collateral Order</i>	The proposed form of final order authorizing the Debtors’ use of Cash Collateral to which this Term Sheet is attached (the “ <u>Cash Collateral Order</u> ”) shall be in form and substance reasonably

	acceptable to the Parties and approved by the Bankruptcy Court, and include all customary terms, including, without limitation: waivers of marshalling and the applicability of sections 506(c) and 552(b)(1) of the Bankruptcy Code; stipulations from the Debtors acknowledging the validity, priority and/or perfection of the Prepetition Secured Parties' liens, Indebtedness and loan documents; a professional fee carve out to the extent set forth in the Cash Collateral Order; and budget compliance requirements, with a permitted 7.5% adverse variance on operating disbursements (subject to the terms of the Cash Collateral Order, and, for the avoidance of doubt, the "Total Professional Fees" set forth in the Budget shall not be subject to the permitted adverse variance), tested weekly, and a minimum, on hand, cash balance threshold of not less than the budgeted "EOP Bank Cash Balance", tested weekly at the end of each such week during the Budget period. The Parties will support entry of the Cash Collateral Order, which will be subject to the Budget.
<i>Stipulations</i>	The Cash Collateral Order will contain customary stipulations and provisions in favor of the Prepetition Secured Parties (which for the avoidance of doubt shall be subject to the terms of the Cash Collateral Order), including, without limitation, replacement liens and 507(b) priority claims on all assets and properties of the Debtors' estates; provided, however, that the Prepetition Secured Parties' replacement liens and 507(b) priority claims on avoidance actions with respect to insiders of the Debtors and commercial tort claims shall be limited to 50% of the value of such actions or claims, with the remaining 50% allocated to the Creditors' Committee (or the reorganized debtors or post-confirmation trust, as applicable); provided, further, that upon the closing of the Sale, the Prepetition Secured Parties will release their replacement liens and 507(b) priority claims on any avoidance actions with respect to insiders of the Debtors. Notwithstanding the release of liens and claims at the closing of the Sale in accordance with the terms and conditions set forth in this Term Sheet, but subject in all respects to the agreements set forth under the heading "Releases" below, the Prepetition Secured Parties shall be entitled to share in any recovery with respect to any claims, including, without limitation, claims released in accordance with this Term Sheet, on account of the Prepetition Secured Lenders' deficiency claim.
Sale Transaction	

<i>Sale Transaction</i>	Each of the Parties agrees to support, to the extent consistent with this Term Sheet: 1. The Sale and any related orders, including the Bidding Procedures Order and Sale Order (proposed forms of which are attached to the Bidding Procedures Motion as Exhibit 1 and Exhibit 3, respectively), in each case, as amended to reflect the terms of this Term Sheet and on terms and conditions reasonably acceptable to the Parties). 2. The following changes to the proposed Bidding Procedures Order, proposed Sale timeline and related orders: (a) Approval of the Bid Protections will take place at the scheduled hearing on November 4, 2024; (b) The marketing process and auction for the sale of substantially all of the Debtors' assets as described in the Bidding Procedures will be canceled; provided that any party may submit a higher or otherwise better bid on or prior to November 8, 2024, the proposed sale objection deadline, and in the event such bid is timely received, then an auction will be held on November 11, 2024; (c) The Sale Hearing will take place on November 12, 2024 (subject to the Court's availability); and (d) The Parties shall use reasonable best efforts to consummate the Sale by November 22, 2024, subject to the satisfaction or waiver of the conditions set forth in the APA, as modified by the form of APA filed together with this Term Sheet (it being understood that the Outside Date set forth in the APA shall not change). In the event that a higher or better offer than the APA is accepted at the Auction, the terms contained herein related to the APA shall not be effective and the Parties' rights are fully reserved.
<i>Required Paydown; Failure to Close</i>	The Sale must deliver to the Prepetition Secured Parties a net paydown of the Indebtedness of at least \$163 million (the "<u>Required Paydown Amount</u>"). In the event that the (i) Prepetition Secured Parties do not receive the Required Paydown Amount in connection with the Sale or (ii) the Sale does not close in accordance with the terms outlined herein, the Prepetition Secured Parties will have the right to cause the Debtors to terminate the APA and the Sale process and commence a liquidation (a "<u>Liquidation</u>"). In the event of a

	Liquidation in the Debtors' Chapter 11 cases, the Parties will agree to liquidate the Debtors' assets on mutually agreeable terms, including an agreed-upon budget.
<i>Excess Funds</i>	To the extent funds available immediately following closing of the Sale exceed (i) amounts used to fund the following Budget items, to the extent not previously funded in accordance with the Budget and the Cash Collateral Order, upon the closing of the Sale: (1) "Total Professional Fees", (2) "UST Fees", (3) "Employee Benefit Claims Reserve", (4) "Wind Down Budget Reserve" ((1)-(4) collectively, the "<u>90+ Day Buckets</u>"), (5) "Employee Benefit Reserve", (6) "Vendor Payments", (7) "Tax Payments", and (8) "Critical Foreign Vendors" ((5)-(8) collectively, the "<u>90 Day Buckets</u>"), as and to the extent such amounts are set forth in the Budget (collectively, (1)-(8), the "<u>Budget Reserve Buckets</u>"), plus (ii) estimated incurred but unpaid administrative claims contemplated by, and up to the amounts set forth in, the Budget arising prior to the closing of the Sale, but excluding (a) any such claims required to be assumed by Do it Best under the APA, and (b) any administrative claims contemplated to be paid from the Budget Reserve Buckets, and (c) any professional fees (the "<u>Accrued Budget Reserve Amount</u>"), plus (iii) Required Paydown Amount (such funds, the "<u>Excess Funds</u>"), the Excess Funds shall be allocated as follows: (a) 75% of the Excess Funds will be paid to the Prepetition Secured Parties at closing of the Sale up to the full amount of the Indebtedness; and (b) 25% of the Excess Funds (the "<u>Retained Funds</u>") will be retained by the Debtors' estates in a segregated account for a period of 90 days immediately following the closing of the Sale (as may be extended for any portion of the Excess Funds by agreement of the Parties or an order of the Court, including in the event of a bona fide dispute with respect to any applicable claim, the "<u>Administrative Claims Reconciliation Period</u>"). During the Administrative Claims Reconciliation Period, the Debtors' estates will conduct a claims reconciliation process with respect to administrative claims. In connection with the reconciliation process, the Debtors may use the Retained Funds to pay any allowed administrative claims, including, without limitation, any allowed professional fees in excess of the "Total Professional Fees" line item in the Budget. Upon the conclusion of the Administrative Claims Reconciliation Period, any

	Retained Funds that were not used, or identified for use on account of incurred or accrued administrative claims that have been reconciled, by the Debtors' estates to pay allowed administrative claims will be paid to the Prepetition Secured Parties up to the full amount of the Indebtedness; provided that to the extent that the Debtors or their successor concludes that any portion of such Retained Funds is not necessary to be further reserved, the Parties shall use reasonable best efforts to pay such amounts to the Prepetition Secured Parties. At the closing of the Sale, the Debtors will reconcile and pay the accrued administrative claims incurred prior to the closing of the Sale covered by the Accrued Budget Reserve Amount and will promptly remit to the Prepetition Secured Parties any excess funds for application against the Indebtedness. Within two business days immediately following the closing of the Sale and the Prepetition Secured Parties' receipt of the Required Paydown Amount, the Debtors shall fund the Budget Reserve Buckets and distribute any Excess Funds in accordance with the terms contained in this Term Sheet. For the avoidance of doubt, the Debtors shall not pay any pre-petition unsecured critical vendor claims on or after the closing date of the Sale. During the Administrative Claims Reconciliation Period, the Debtors or such other party that administers the claims reconciliation process, will permit the financial advisor of the Prepetition Secured Parties to, upon request, have reasonable access to information regarding the nature of any administrative claims subject to reconciliation and the subject of any disputes with respect thereto, in each case, no less than once during any 30-day period following the closing of the Sale.
<i>Liens</i>	Upon the closing of the Sale and the Prepetition Secured Parties' receipt of the Required Paydown Amount for permanent application against the Indebtedness, the Prepetition Secured Parties will release all Liens (as defined in the Credit Agreement) on the Debtors' assets and any other Collateral (as defined in the Credit Agreement) that is transferred in the Sale to Do it Best. The Prepetition Secured Parties' liens on the cash collateral used to fund the Retained Funds, the Budget Reserve Buckets and the Accrued Budget Reserve Amount will be subordinated to the payment of the allowed administrative and/or Bankruptcy Code priority claims for which the Retained Funds, the Budget Reserve Buckets and the Accrued Budget Reserve

	Amount were established to address upon the closing of the Sale in accordance with the terms contained herein. Such lien subordination shall remain in effect notwithstanding a post-Sale conversion of the Debtors' Chapter 11 Cases to cases under chapter 7. The Debtors or their successors (i) may use excess amounts within any of the 90 Day Buckets solely to fund any shortfall in any other 90 Day Bucket; and (ii) may use excess amounts within any 90+ Bucket solely to fund any shortfall in any other 90+ Day Bucket; provided, however, no funds in any Budget Reserve Bucket may be moved to, or used to fund, any shortfalls in the 90+ Day Buckets established for Total Professional Fees and Wind Down Budget Reserve. Subject to the preceding sentence, any remaining funds in the Budget Reserve Buckets that are not required to address or pay the allowed administrative or priority claims for which the Budget Reserve Buckets were established to address, will be remitted to the Prepetition Secured Parties for application against the full amount of the Indebtedness. The Debtors or their successor shall reconcile and pay the allowed administrative priority and/or Bankruptcy Code priority claims for each of the Budget Reserve Buckets, and remit any excess funds to the Prepetition Secured Parties up to the full amount of the Indebtedness by the following date: (a) In the case of the 90 Day Buckets, no later than 90 days following the closing of the Sale. (b) In the case of the 90+ Day Buckets other than the Wind Down Budget Reserve, no later than the earlier of (i) the effective date of a chapter 11 plan and (ii) 90 days following the termination of the Transition Services Agreement (as defined in the APA). (c) In the case of the Wind Down Budget Reserve, no later than 90 days following the termination of the Transition Services Agreement.
<i>Releases</i>	Effective upon the closing of the Sale, or such earlier time as set forth in the Cash Collateral Order:¹ (a) The Debtors, on behalf of themselves and their

¹ The Committee's release of Prepetition Secured Parties will go effective upon the closing of the Sale, but in the event the Sale fails to close, the Creditors' Committee shall have an investigation period of 30 days from the date of the Cash Collateral Order to bring any claims or actions against the Prepetition Secured Parties.

	estates, and the Creditors' Committee shall grant releases of any and all Released Claims² against the Prepetition Secured Parties and their respective Representatives;³ and (b) The Prepetition Secured Parties shall grant releases of any and all Released Claims (other than with respect to the Debtors only (and not with respect to any of the Debtors' Representatives), any claims relating to the Debtors' obligations to repay the Indebtedness owing to the Prepetition Secured Parties, including deficiency claims held by the Prepetition Secured Parties) against the Debtors and their Representatives; The Prepetition Secured Parties agree not to affirmatively and actively aid the pursuit of claims or causes of action (such as through any written agreement with any party with respect to such claims or causes of action), if any, brought by any party against any of the Debtors' Representatives; provided, however, this provision shall not limit the right of the Creditors' Committee to fully investigate claims, including estate claims (if any) against the Debtors and/or the Debtors' Representatives; provided further, however, to the extent the Creditors' Committee interviews or deposes the Prepetition Secured Parties regarding such potential claims, the Debtors and the Debtors' Representatives shall be given reasonable notice and an opportunity to be heard with respect to assertions (if any) adverse to the Debtors' Representatives, and the Debtors' rights to seek a protective order shall be preserved. The Committee agrees that it will not serve additional discovery requests on the Prepetition Secured Parties in connection with the investigation of the liens and claims of the Prepetition Secured Parties, in light of Committee's receipt of the discovery and document production generated in connection with Cash Collateral Motion and the Prepetition Secured Parties' objection thereto.
<i>APA Amendments</i>	The APA will be amended to reflect such amendments as are reasonably necessary to implement the settlement terms between the Parties and the revised Budget, which amendments shall be

² "Released Claims" means any claims or causes of action (but not, for the avoidance of doubt, any defenses or counterclaims), including any claims or causes of action (including claims arising under Chapter 5 of the Bankruptcy Code) related to, in connection with, or arising out of the Indebtedness, the Chapter 11 Cases or the Sale.

³ "Representatives" will be defined to include current directors, officers, employees, advisors, counsel, and other customary parties.

	reasonably acceptable to the Parties as a condition to the settlement terms outlined herein. Any other amendments to the APA shall be subject to the consent of the Parties, which consent shall not be unreasonably withheld, conditioned, or delayed.
Post-Sale Transactions	
<i>Post-Sale Disposition of Estates</i>	Each of the Parties will use reasonable efforts to: (a) to oppose any party seeking entry of an order converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code and (b) support a post-Sale disposition of the Debtors' estates as reasonably proposed by the Debtors and the Creditors' Committee, which support may include, without limitation, (x) filing statements, objections, or other pleadings, (y) supporting a chapter 11 plan process that is reasonably acceptable to the Parties, and (z) providing consents, in each case, in furtherance of such post-Sale disposition and the Transition Services Agreement. For the avoidance of doubt, the foregoing support obligations shall not require making financial commitments to the Debtors or their estates, and shall not limit or prejudice the rights of the Parties to take actions consistent with their rights and remedies under the Term Sheet, the Cash Collateral Order and the Sale Order. Other terms governing the post-Sale disposition of the Debtors' estates will be mutually agreed upon among the Parties and implemented on customary terms.
<i>Wind-Down Budget</i>	As set forth in the Budget, the Budget Reserve Bucket for wind down expenses will be funded in the amount of \$3 million upon the closing of the Sale to Do it Best, such \$3 million to be funded from the following line items: (i) \$1.0 million in the wind down budget reserve line item, (ii) \$1.1 million of Debtor-side professional fees, (iii) \$0.8 million of Committee-side professional fees, and (iv) \$0.1 million of other disbursements.

EXHIBIT 2

(APPROVED BUDGET)

True Value

6-Week Cash Collateral Budget

(\$ in 000s)		Filing						Sale Date						
Week #		1		2		3		4		5		6		
FCST:		ACT		ACT		FCST		FCST		FCST		FCST		Total
Week Ending:		10/19/2024		10/26/2024		11/2/2024		11/9/2024		11/16/2024		11/23/2024		Forecast
Cash Operating Receipts														
10	Operating Receipts			\$36,371		\$20,045		\$28,092		\$18,016		\$29,523		\$34,048
11	Other Receipts			-		-		-		-		-		200,702
9	Total Operating Cash Receipts			\$36,371		\$20,045		\$28,092		\$18,016		\$29,523		\$234,750
Operating Disbursements														
10	Payroll & Benefits			(267)		(1,407)		(4,531)		(1,408)		(4,531)		(4,793)
11	Rent			-		(3,293)		(1,767)		-		-		2,839
12	Other Operating Disbursements			(8)		(433)		(11,943)		(29,311)		(16,149)		(30,549)
9	Total Operating Disbursements			(\$275)		(\$5,132)		(\$18,240)		(\$30,718)		(\$20,680)		(\$32,504)
11	Operating Cash Flow			\$36,096		\$14,913		\$9,851		(\$12,703)		\$8,843		\$202,246
Restructuring / Chapter 11 Items														
12	UST Fees			-		-		-		-		-		(\$792)
1	Prepetition Taxes			(0)		(479)		(101)		(204)		(204)		(1,028)
1-9	FDM & Restructuring Items			-		(676)		(11,752)		(11,386)		(4,173)		(31,421)
26	Employee Benefits			-		-		(2,568)		(1,209)		(4,812)		(5,504)
2	Other Restructuring Items			-		-		-		-		-		(1,020)
9	Total Restructuring / Chapter 11 Items			(\$0)		(\$1,155)		(\$14,421)		(\$12,799)		(\$9,190)		(\$39,765)
Total Professional Fees														
9				-		-		(\$9,018)		(\$2,074)		(\$2,024)		(\$6,297)
9	Cash Flow Before Financing			\$36,096		\$13,758		(\$13,588)		(\$27,576)		(\$2,371)		\$156,184
2	Total Financing Obligations													
9				(\$15)		-		(\$20)		(\$306)		(\$10)		(\$602)
2	Net Cash Flow			\$36,081		\$13,758		(\$13,608)		(\$27,882)		(\$2,381)		\$155,582
Bank Cash														
9	BOP Bank Cash Balance			\$4,074		\$40,155		\$53,913		\$40,305		\$12,423		\$10,041
9	Net Cash Flow			36,081		13,758		(13,608)		(27,882)		(2,381)		155,582
3	Revolver Draw / (Paydown) ⁽¹⁾			-		-		-		-		-		(165,623)
9	EOP Bank Cash Balance			\$40,155		\$53,913		\$40,305		\$12,423		\$10,041		-

Notes:

(1) Amounts in excess of \$163 million subject to agreed upon settlement terms.