IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
ALACHUA GOVERNMENT SERVICES, INC.,	Case No. 25-11289 (JKS)
Debtor.[1]	**Re: Docket Nos. 12 & 40**

FINAL ORDER (I) AUTHORIZING (A) PAYMENT OF CERTAIN PREPETITION WORKFORCE OBLIGATIONS, (B) CONTINUANCE OF WORKFORCE PROGRAMS, AND (C) PAYMENT OF WITHHOLDING AND PAYROLL-RELATED TAXES, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**")[2] of the Debtor for entry of an Interim Order and a Final Order (i) authorizing (a) payment of certain prepetition workforce obligations, (b) continuance of workforce programs, and (c) payment of withholding and payroll-related taxes, and (ii) granting related relief; and this Court having reviewed the Motion, and the First Day Declaration, and the Interim Order entered on July 11, 2025; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 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 proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that

[1] The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor's mailing address is 13200 NW Nano Court Alachua, Florida 32615.

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

proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and this Court having determined that there is good and sufficient cause for the relief granted in this Final Order, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED on a final basis, as set forth herein.

2. All objections to entry of this Final Order, to the extent not withdrawn or settled, are overruled.

3. The Debtor is authorized but not directed, in its sole discretion, to pay or otherwise honor all prepetition Workforce Obligations, on a final basis.

4. The Debtor is authorized to (i) continue each of the Workforce Programs, in the ordinary course of business during the pendency of the Chapter 11 Case, in the manner and to the extent that such Workforce Programs were in effect, as described in the Motion, immediately before the filing of the Chapter 11 Case, and (ii) continue to fund and to make payments in connection with the costs of and the expenses incurred in the administration of any Workforce Program in the ordinary course of business.

5. The Debtor is authorized to pay any and all local, state, and federal withholding and payroll-related or similar taxes related to the Workforce Obligations and to withhold and pay amounts that are attributable to the Deductions, including, but not limited to, all withholding taxes, social security taxes, and Medicare taxes, whether such taxes relate to the period before or after the Petition Date.

6. The Debtor is authorized but not directed, pursuant to sections 363 and 503(c) of the Bankruptcy Code to continue the Severance Benefits, including any amounts that may exceed

the priority cap set forth in section 507(a)(4) and 507(a)(5) of the Bankruptcy Code, solely with respect to the eleven (11) Employees currently employed by the Debtor (the "**Current Employees**"); *provided*, that (i) a Current Employee's entitlement to the Severance Benefits will be subject to such Current Employee remaining employed with the Debtor through the earlier of (a) October 15, 2025, (b) consummation of the sale transaction of the Debtor's Alachua, Florida property, or (c) such earlier date as the Debtor determines, with the reasonable consent of the Committee, that such Current Employee's services are no longer required by the Debtor, and (ii) payment of the Severance Benefits to a Current Employee is subject to the Current Employee signing an appropriate form of release with regards to any claims against the Debtor and its estate. The hearing with respect to payment of the Severance Obligations to Employees terminated prior to the Petition Date (the "**Former Employees**") is continued to a date to be determined provided that the Debtor shall be obligated to provide appropriate notice (and the opportunity to object) to the Committee of its intent to go forward with the Motion as it relates to any request to honor the Severance Benefits with respect to Former Employees.

7. Nothing in this Final Order shall be deemed to authorize the payment of any amounts in satisfaction of retention bonus or severance obligations that are prohibited by section 503(c) of the Bankruptcy Code.

8. Any authorization under this Final Order to pay, and the payment of, any amounts on account of the Workforce Obligations shall not affect the Debtor's right to contest the amount or validity of any Workforce Obligation, including without limitation, any amounts that may be due to any taxing authority.

9. Notwithstanding anything to the contrary in this Final Order, the Debtor retains its right to modify or terminate any Workforce Program to the extent that such right exists under the

terms of the Workforce Program or as may be required by applicable law; *provided*, that (other than with respect to termination of an Employee as addressed in paragraph 6 above) the Debtor shall provide one business day advanced notice to the Committee of any material modification, including any modifications that increase budgeted expenditures for any Workforce Programs by 10% or more on a four week rolling basis, and an opportunity to object; *provided*, *further*, that the Debtor shall seek court approval, upon a motion on notice, of any modification that would implicate any portion of section 503(c) of the Bankruptcy Code.

10. The Debtor's banks and financial institutions shall be, and hereby are, authorized, when requested by the Debtor in its sole discretion, to receive, process, honor, pay, and, if necessary, reissue any and all checks, including prepetition checks that the Debtor reissues postpetition, and electronic fund transfers drawn on the Debtor's bank accounts relating to the Workforce Obligations whose payment is approved by this Final Order, whether such checks were presented or fund transfer requests were submitted prior to or subsequent to the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

11. The Debtor's banks and financial institutions may rely on the representations of the Debtor with respect to whether any check or other transfer drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to this Final Order, and any such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtor as provided for in this Final Order.

12. The Debtor is hereby authorized, but not directed, to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests with respect to the Workforce Obligations authorized to be paid pursuant to this Final Order that have been dishonored or denied as a consequence of the commencement of the Chapter 11 Case,

and to reimburse any expenses that holders of claims in connection with the Workforce Obligations the Debtor may incur as a result of any bank's failure to honor a prepetition check.

13. Nothing contained in the Motion, the Interim Order, or this Final Order shall be construed to (i) create, alter, or perfect, in favor of any person or entity, any interest in cash of the Debtor that did not exist as of the Petition Date, or (ii) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

14. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

15. The Debtor is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Final Order.

16. Nothing in the Motion, the Interim Order, or this Final Order, or the Debtor's payment of any claims pursuant to this Final Order, shall be deemed or construed as: (i) an admission as to the validity of any claim against the Debtor or the existence of any lien against the Debtor's properties; (ii) a waiver of the Debtor's rights to dispute any claim or lien on any grounds; (iii) a promise to pay any claim; (iv) an implication or admission that any particular claim would constitute an allowed claim; (v) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; or (vi) a limitation on the Debtor's rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Final Order. Nothing contained in this Final Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

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

Dated: August 15th, 2025
Wilmington, Delaware

J. KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE