

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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In re:	§	
	§	Chapter 11
	§	
BUDDY MAC HOLDINGS, LLC, <i>et al.</i> , <sup>1</sup>	§	Case No. 25-34839-mvl11
	§	
Debtors.	§	(Initial Debtor Cases Jointly Administered)
	§	
	§	(Joint Administration Requested for Subsequent Debtor Cases)
	§	
	§	

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**SUPPLEMENTAL DECLARATION OF MARK SHAPIRO IN SUPPORT OF  
THE DEBTORS’ SALE AND DIP FINANCING MOTIONS AND  
MOTIONS FOR EMERGENCY HEARING**

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I, Mark Shapiro, pursuant to 28 U.S.C. §1746, hereby declare that the following is true to the best of my knowledge, information and belief:

1. My name is Mark Shapiro. I am over twenty-one years of age, and I am fully competent to make this Declaration. I have never been convicted of a felony or a crime of dishonesty or moral turpitude.
2. I am the Chief Restructuring Officer (“**CRO**”) of Buddy Mac Holdings, LLC and its affiliates (collectively, the “**Company**”), including the Initial Debtors and the Subsequent Debtors (as each is defined herein) and their non-debtor affiliates. I have served as the Company’s CRO since November 25, 2025.
3. I am a Senior Managing Director of GlassRatner Advisory & Capital Group LLC (“**GlassRatner**”). I have over twenty-eight years of professional experience in guiding

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<sup>1</sup> A complete list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax ID numbers, is set forth on the attached **Schedule I** (Initial Debtors) and **Schedule II** (Subsequent Debtors). The Debtors’ service address is 400 E. Centre Park Blvd., Suite 101, DeSoto, Texas 75115.

restructuring alternatives, executing turnarounds, and otherwise providing financial guidance to companies in distress or need. My experience crosses various industries, including healthcare, retail, distribution, commercial and financial services, metals and manufacturing, consumer products and telecommunications. As a turnaround consultant, I have experience in a number of disciplines needed to help improve a company's performance including assessing a company's financial performance, comparing operating results to industry norms, providing financial forecasts, providing cash management assistance, developing and executing business strategy and plans, analyzing markets, recreating a company's prior year financial statements, assessing business valuations, determining cost reduction opportunities, among others.

4. My prior engagements in bankruptcy cases filed in the Northern District of Texas include:

- Financial Advisor to the Debtors for Eye Care Leaders Portfolio Holdings LLC, *et al.* (Case No. 24-80001);
- Chief Restructuring Officer to Bela Flor Nurseries Inc., *et al.* (Case No. 23-42469);
- Chief Restructuring Officer and Plan Administrator to Christian Care Centers, Inc., *et al.* (Case No. 22-80000);
- Chief Restructuring Officer of Fresh Acquisitions LLC, *et al.* (Case No. 21-30721);
- Financial Advisor to the Debtors and Liquidating Trustee for GGI Holdings LLC, *et al.* (Gold's Gym) (Case No. 20-31318); and
- Chief Restructuring Officer of Pine Creek Medical Center LLC (19-33079).

## I. INTRODUCTION

5. On or about December 4, 2025 (the "**Initial Petition Date**"), Buddy Mac Holdings, LLC and its debtor affiliates identified on the attached **Schedule I** (the "**Initial Debtors**") each filed a voluntary petition for relief in this Court under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). Four (4) Initial Debtors—(i) Buddy Mac One, LLC, (ii) BMH

One RE, LLC, (iii) BMH 95 RE Caruthersville, LLC, and (iv) BMH 96 RE Marion, LLC—filed their chapter 11 petitions on December 1, 2025. The other forty-five (45) Initial Debtors filed their chapter 11 petitions on December 4, 2025.

6. On January 25, 2026 (the “**Subsequent Petition Date**”),<sup>2</sup> the additional affiliates of Buddy Mac Holdings, LLC identified on **Schedule II** (the “**Subsequent Debtors**”) each filed a voluntary petition in this Court under chapter 11 of the Bankruptcy Code. The Initial Debtors and the Subsequent Debtors are collectively referenced as the “**Debtors**,” and each as a “**Debtor**.”

7. The Debtors filed the following first-day motions (collectively, the “**First Day Motions**”) contemporaneously with the Subsequent Debtors’ chapter 11 petitions:

- a. Emergency Motion for Entry of an Order (I) Directing Joint Administration of Subsequent Debtors’ Chapter 11 Cases with Initial Debtors’ Chapter 11 Cases and (II) Granting Related Relief (the “**Joint Administration Motion**”);
- b. Emergency Motion for Authority to Pay Subsequent Debtors’ Prepetition Wages, Compensation, and Employee Benefits (the “**Wages Motion**”);
- c. Emergency Motion for Entry of an Amended Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts and Business Forms and Honor Certain Prepetition Obligations Related to the Use Thereof, and (B) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief (the “**Cash Management Motion**”);
- d. Emergency Motion for Entry of an Amended Order (I) Approving the Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors’ Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief (the “**Utilities Motion**”); and
- e. Emergency Motion for Entry of an Order (I) Applying Certain Orders in the Initial Debtors’ Chapter 11 Cases to the Subsequent Debtors and (II) Granting Related Relief (the “**Motion to Apply Certain Orders**”).

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<sup>2</sup> “**Petition Date**” means (i) as to the Initial Debtors, the Initial Petition Date, and (ii) as to the Subsequent Debtors, the Subsequent Petition Date.

8. On January 26, 2026, the Debtors also filed the following Motions in addition to their First Day Motions:

- a. Emergency Motion for Entry of an Order (I) Authorizing (A) the Sale of Substantially All Assets Free and Clear of Liens, Claims, and Encumbrances, and (B) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith; and (II) Granting Related Relief (the “**Sale Motion**”);
- b. Emergency Motion for Entry of Interim and Final Orders Authorizing the Debtors to Obtain Post-Petition Financing and Granting Related Relief (the “**DIP Motion**”); and
- c. Emergency Motion for Entry of an Order (I) Authorizing (A) the Sale of Missouri Stores Free and Clear of Liens, Claims, and Encumbrances, and (B) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith; and (II) Granting Related Relief (the “**Missouri Sale Motion**”).

9. In my capacity as CRO, I am familiar with the Debtors’ daily operations, their books and records, and their business and financial affairs. I am authorized to, and do hereby, make this Declaration in support of the Debtors’ Sale Motion and DIP Motion. This Declaration supplements my prior Declarations, which are incorporated herein by reference for all purposes.

10. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents and information, my discussions with the Debtors’ management team, employees and professional advisors, or my opinions based upon experience, knowledge and information concerning the Debtors’ operations and financial affairs. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

## **II. BACKGROUND**

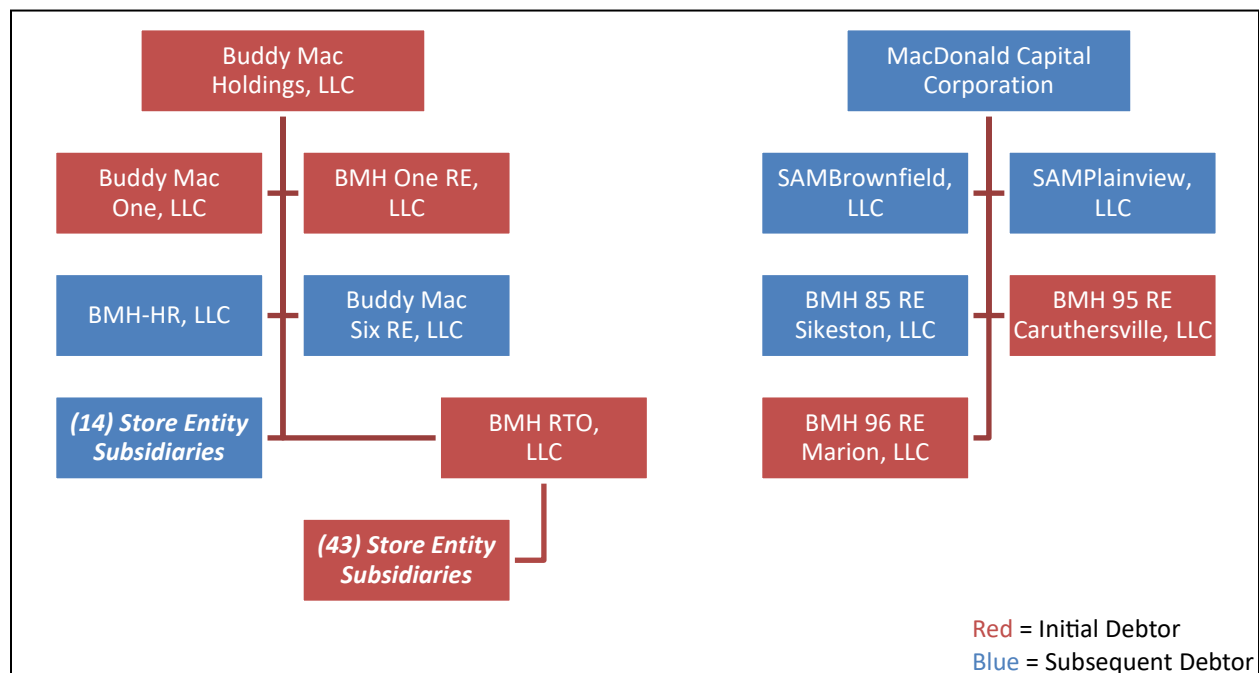
### **A. Debtors’ Business Operations**

11. The Company operates rent-to-own furniture and appliance retail stores that rent and sell home furnishings, electronics, and appliances to customers on a rent-to-own basis. The Company currently operates 46 store locations, 32 of which are operated by Initial Debtors and 14

of which are operated by Subsequent Debtors. The Company’s current and former store locations are set forth in the Exhibits attached to the *Supplemental Declaration of Wm. Ian MacDonald in Support of Subsequent Debtors’ Chapter 11 Petitions* (the “**MacDonald Declaration**”) filed contemporaneously herewith. The Debtors’ business history and operations are further described in paragraphs 9-11 of my prior Declaration.

**B. Corporate Structure**

12. The Debtors’ corporate organizational structure is set forth in the MacDonald Declaration and the Corporate Organizational Chart attached thereto as Exhibit C. The Debtors’ corporate structure is summarized as follows:



13. Approximately fifty-eight (58) of the Debtors are entities that operate, or formerly operated, or were intended to operate, one of the Company’s rent-to-own store locations (the “**Store Entities**”). Eight (8) of the Debtors are entities that own the real property at which one of the Debtors’ rent-to-own stores is located (the “**Real Estate Entities**”). The Store Entities include

all Debtors other than (i) Buddy Mac Holdings, (ii) BMH RTO, LLC, (iii) BMH-HR, LLC, and (iv) the Real Estate Entities.

**C. Prepetition Capital Structure**

*i. INTRUST Loan*

14. In or around December 2019, BMH RTO, LLC obtained a loan from INTRUST Bank, N.A. in the original principal amount of approximately \$7 million (the “**INTRUST Loan**”). The Prepetition Loan is evidenced by, *inter alia*, (i) that certain Amended and Restated Loan, Security, and Guaranty Agreement dated February 28, 2025 (as further amended and restated or otherwise modified, the “**INTRUST Loan Agreement**”), by and among BMH RTO, LLC, as borrower, INTRUST Bank, as lender, and the subsidiaries of BMH RTO, LLC, as guarantors, and (ii) that certain Amended and Restated Promissory Note dated February 28, 2025, payable to INTRUST Bank (as further amended and restated or otherwise modified, the “**INTRUST Note**,” and together with the INTRUST Loan Agreement and all other documents, agreements, or instruments executed in connection with the Loan, each as amended and restated or otherwise modified, the “**INTRUST Loan Documents**”).

15. The INTRUST Loan Agreement and Note were amended on or about August 8, 2025, pursuant to (i) that certain First Amendment to Loan, Security, and Guaranty Agreement and Limited Waiver dated as of August 8, 2025, effective as of June 30, 2025, and (ii) that certain Second Amended and Restated Promissory Note dated effective as of June 30, 2025, payable to INTRUST Bank in the principal amount of \$11,974,354.93.

16. Three real properties owned by the Real Estate Entities—Store #488 in Tyler, TX, Store #646 in Caruthersville, MO, and Store #644 in Marion, IL—were pledged as additional collateral for the INTRUST Loan as part of the August 2025 amendment. Those properties are

owned by, BMH One RE, LLC, BMH 95 RE Caruthersville, LLC, and BMH 96 RE Marion, LLC, respectively.

17. The INTRUST Loan matured on August 31, 2025.

18. Phonix RBS, LLC (“**Phonix**”) acquired the INTRUST Loan and took assignment of the INTRUST Loan Documents from INTRUST Bank pursuant to a Loan Sale Agreement dated as of September 2, 2025. Phonix asserts liens on substantially all assets of BMH RTO, LLC and its Debtor subsidiaries, and the three real properties referenced above, pursuant to the INTRUST Loan Documents.

**ii. SouthState Bank Loans**

19. It is my understanding that the store properties owned by the Real Estate Entities in Gallup, NM (Store #496), Seminole, OK (Store #435), Plainview, TX (Store #378), Brownfield, TX (Store #592), Sikeston, MO (Store #636), and Caruthersville, MO (Store #646) are encumbered by Deeds of Trust and Mortgages securing prepetition loan obligations of the respective Real Estate Entities to SouthState Bank, successor to Independent Bank. The current balance of those loans is approximately \$1.76 million in the aggregate.

**iii. TIC Interests**

20. It is also my understanding that certain real property owned by certain of the Debtors is subject to *Agreements Among Tenants In Common* (“**TIC Agreements**”), which were used to raise money either to acquire properties or to finance business operations at specific property locations. Pursuant to the TIC Agreements, “Incoming Property Owners” paid to acquire an interest in real property and, importantly, cash flow from business operations at that property, accrual of PIK interest on their investment, and preferred payment on sale or exit. As illustrated in Section 6 of the TIC Agreements, purchasers sought to receive distributions of net profits from

operations of the business at the property in which investors acquired their interest (as “**TIC Interest**”).

21. The TIC Agreements provide the “Current Property Owner” under the TIC Agreements, in each instance a Debtor entity, exclusive control over the real property, exclusive right to enter and operate in the real property, and the exclusive authority to subject the property, and all TIC Interests to liens, and to sell the property as a whole, including all TIC Interests.

22. Debtors that own real property subject to TIC Agreements and TIC Interests (the “**TIC Real Property**”) include: (i) Sam Brownfield, LLC; (ii) Buddy Mac One, LLC; (iii) Buddy Mac Six RE, LLC; (iv) Sam Planview, LLC; and (v) MacDonald Capital Corporation. In each instance the Debtor owns between 56.06% and 76.51% of the TIC Interests and retains control over and exclusive authority to enter and operate the applicable property. In each case, the TIC Real Property is subject senior secured debt, either in favor of Phonix or SouthState Bank. .

*iv. Debtors’ Need for Financing*

23. As illustrated by the evidence presented and arguments made before this Court on January 5, 2026 at a hearing on the Debtors’ Emergency Motion for Entry of Interim and Final Orders: (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief (the “**Cash Collateral Motion**”), the Debtors were and continue to struggle to generate sufficient capital from cash flow to (i) fund the Debtors’ operations; (ii) pay restructuring costs and expenses; and (iii) provide adequate protection to Phonix, as prepetition lender.

24. The Debtors face an exceptionally difficult choice. Evidence presented by the Debtors suggests that the Debtors must purchase approximately \$350,000 per month in inventory to *maintain* inventory levels at store locations. If the Debtors make those purchases, the Debtors’

budget lacks sufficient funds to pay restructuring costs. If the Debtors pay restructuring costs, the Debtors cannot continue to acquire inventory at a level necessary to replenish stores.

25. Further evidence indicated that the Debtors' inventory levels are around \$15,000 per location, well below the preferred \$75,000 per location. Testimony before this court suggested that continued operations with such low levels of inventory may have deleterious effect on consumer confidence and demand at stores on a go-forward basis, which could further depress income from operations.

26. The Initial Debtors were operating approximately 32 stores, and so the cash needs to not only replenish but increase inventory at store locations to preserve value or improve operations are greater than the Debtors can afford post-petition.

27. As noted by the Debtors at the January 5, 2026 hearing, without DIP financing, the Debtors would not be in a position to continue operations, and faced conversion to a Chapter 7 liquidation.

28. The Debtors, including through my efforts, have been seeking a source of DIP financing since even before the commencement of these Cases. One major hurdle to located DIP financing was Phonix's prepetition lien on substantially all of the Initial Debtors' assets, and pending litigation in multiple forums. Parties interested in providing a DIP loan to the Initial Debtors noted, on multiple occasions, that the Initial Debtors' lack of available collateral, and the potential lenders' inability to prime Phonix's position under section 364(d) of the Bankruptcy Code precluded lending.

29. I have personally contacted not less than 57 parties, of which 15 have signed NDAs, regarding DIP financing and/or the sale of some of all of the Debtors' assets, and none were willing to provide financing secured by the Initial Debtors' collateral. Similarly, non were willing to

provide loans secured by junior liens or administrative or unsecured claims as set forth in section 364(c) of the Bankruptcy Code, chiefly because Phonix appeared undersecured by the Initial Debtors' collateral.

30. Despite our efforts, we never reached the point of any other party offering to provide an alternative DIP loan to the Debtors, due in large part to concerns over illiquid collateral (other than the ERC Funds, as defined below), uncertainty surrounding timing of the Debtors' receipt of the ERC Funds, potential litigation with Phonix over the ERC Funds, the depressed inventory position of the Debtors' stores, and the cash burn occurring the Debtors' cases. Even had we received an alternative proposal, the Debtors had meaningful concerns about protracted, costly, and damaging litigation with Phonix. As stated by Phonix's counsel on the record before this Court, Phonix asserted a claim to and lien against employee retention credit proceeds (the "**ERC Funds**") in the possession of one of the Initial Debtors' non-filing affiliates, BMH HR, LLC ("**BMH HR**"). Using the ERC Funds to secured a DIP loan from a third-party source would almost guaranty litigation between BMH HR, the Initial Debtors, Phonix, and likely also the potential DIP Lender over right, title, and interest in the ERC Funds, and whether the ERC Funds could be subject to a lien under section 364 of the Bankruptcy Code.

31. After exhaustive negotiations, Phonix has agreed to provide DIP financing to the Initial Debtors and Subsequent Debtors, secured by substantially all of their assets and, in addition, assets contributed directly or indirectly by Ian MacDonald, the Debtors' CEO and control person. I understand that Phonix would not provide its proposed financing without the contribution of collateral by Mr. MacDonald.

32. The proposed DIP financing set forth in the DIP Motion and the Credit Agreement and Settlement Agreement attached thereto is favorable to the Debtors' estates. It is a component

of a larger agreement between the Debtors, MacDonald, and Phonix, that will resolve all litigation, allow a timely sale of the Debtors' assets in a competitive, appropriately marketed process concluding with an auction. The DIP Loan proceeds will fund case operations, ongoing salaries, and inventory purchases necessary to replenish and support operating stores.

33. The DIP Loan provides \$750,000 of lending on an interim basis, secured by the ERC Funds and first-priority post-petition liens in substantially all of the Debtors' assets, with the exception of real property encumbered by SouthState Bank, in which Phonix will take a junior lien. Once approved on a final basis, Phonix will provide an additional \$750,000 of financing, for a total of \$1,500,000. If sales of collateral generate proceeds used to pay down Phonix's debt, the Debtors may request additional lending through an accordion feature built into the Credit Agreement. This provides the Debtors with additional financial flexibility.

34. The DIP Loan is sufficient to fund the Debtors' operations through the end of the DIP Budget<sup>3</sup> period, which expires February 21, 2026. That end date falls after the final milestone required in the DIP Motion. The milestones, which are required conditions to lending (the "**Milestones**") require the Debtors to pursue a prompt sale process, supported by Phonix's stalking horse bid. The Milestones contemplate marketing the Debtors' assets through a three week sale process concluding with a bid deadline on February 13, and auction on February 17, and a final sale hearing on February 19.

35. I believe, based on my experience and my knowledge of the Debtors' operations and financial projections, that the Milestones are reasonable under the circumstances and will allow the Debtors to maximize the value of its assets in an adequately marketed sale process. The Milestones balance the "melting ice cube" nature of this case, while also ensuring the Debtors have

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<sup>3</sup> The DIP Budget is attached hereto as **Exhibit A**.

the opportunity to continue soliciting bids. Moreover, Phonix is serving as a stalking horse bidder, ensuring that the Debtors have a going-concern buyer for substantially all of its assets at the conclusion of the process.

36. While three weeks of marketing may appear to be a tight timetable, the Debtors have been marketing their assets for sale since at least October, 2025, and I have been marketing to and speaking with potential purchaser since not later than December 9, 2025. Accordingly, a February 19, 2026 final sale hearing reflects a total marketing period of more than 70 days post-petition, and more than four months in total. A longer marketing period is not likely to provide any additional benefit to the Debtors' estates. The Debtors will need to obtain additional financing to continue their marketing process, which will further encumber the Debtors' assets, decreasing the likelihood of greater distributions to estate creditors.

37. While Phonix is seeking a lien on Chapter 5 causes of action, and is intending to acquire those claims through its proposed credit bid, as set forth in the Sale Motion, it was necessary to provide Phonix that concession as an inducement into the Credit Agreement. Given its intent to credit bid for substantially all of the Debtors' operating assets, I suspect that Phonix wants control over potential suits against vendors with whom it may soon do business.

38. In summary, approval of the DIP Motion is necessary, on an emergency basis, to prevent irreparable harm to the Debtors. The Debtors cannot use cash collateral without Phonix's consent, and desperately need additional funds to remain operating in bankruptcy as a going concern. The proposed DIP Motion, if approved, will allow the Debtors to preserve hundreds of jobs, and to maximize value for creditors in a competitive sale process. As part of the DIP Motion, the Debtors, Phonix, and MacDonald are also entering into a settlement agreement (the "**Settlement Agreement**") that will drive new assets and value into the Debtors' estates.

Accordingly, the DIP Motion and Credit Agreement will not only allow the Debtors to avoid catastrophe, but to acquire *new assets* beneficial to estate stakeholder.

39. Accordingly, I believe that entry into the Credit Agreement is within the sound business judgment of the Debtors, and in the best interests of the Debtors, their estates, and their creditors. Approval of the DIP Motion on an emergency basis is critical and necessary to the avoidance of irreparable harm to the Debtors.

*v. Necessity of Sale*

40. In addition to the DIP Motion, the Debtors seek approval of the Sale Motion, entry into a Stalking Horse APA with Phonix (the “**Stalking Horse APA**”), and approval of certain Bid Procedures (the “**Bid Procedures**”) and entry of a Bid Procedures Order (the “**Bid Procedures Order**”) establishing rules for the Debtors’ sale process.

41. First the Sale Motion is a critical and mandatory component of the DIP Motion and Credit Agreement. Phonix’s obligation to lend is contingent on an expedited sale process, as established in the Milestones. As a result, the Debtors will be irreparably harmed and likely force to convert to a Chapter 7 liquidation if the Sale Motion is not approved and they are deprived of absolutely necessary DIP financing.

42. Second, and as outlined above, the Sale Motion provides a fair process for the sale of substantially all of the Debtors’ assets in a competitive process. The sale process set forth in the Sale Motion and Bid Procedures contemplates a well-marketed three week sale process, at the end of which the Debtors will host a competitive auction for the Debtors’ assets, which may be sold in whole or in tranches for the highest and best bid. The competitive process will, in my opinion, ensure that the Debtors’ achieve the highest available price for its assets. Further, because the Debtors will have funds to replenish inventory on account of the DIP Motion and Credit

Agreement, if approved, the Debtors will be able to achieve more favorable bids than they otherwise would if the Sale Motion and DIP Motion were not approved.

43. Time is unequivocally of the essence in these Cases. The Debtors lack sufficient capital for a long stint in bankruptcy. In any event, the Debtors have been marketing their assets for sale since at least October of 2025, and so the marketing period contemplated in the Sale Motion is sufficient under the circumstances. Entry into the Stalking Horse APA establishes a favorable floor, and because the Sale Motion is linked to the Credit Agreement and Settlement Agreement, even if the sale results in a deficiency, Phonix's deficiency will be subordinated in a manner to allow distributions to estate creditors from proceeds of assets contributed to the Debtors' estates by Mr. MacDonald in exchange for certain releases. As a whole, even the Stalking Horse APA presents a more favorable recovery to the Debtors' estates than could have been contemplated just weeks ago. Losing such support would be disastrous for the Debtors' estates, its creditors, and other parties-in-interest.

44. I have personally contacted not less than 57 parties, of which 15 have signed NDAs, regarding DIP financing and/or the sale of some of all of the Debtors' assets, and have not received a superior stalking horse proposal. Based on the responses received to date, I support the Debtors' entry into the Stalking Horse APA and support the Sale Motion. They are critical to the success of these cases, reflect the sound business judgment of the Debtors, and are in the best interests of the Debtors, their estates, and their creditors.

*vi. Missouri Sale*

45. As detailed above, since the commencement of these cases I have worked with the Debtors to market its assets for sale. The Missouri Sale Motion is a product of that hard work. Pursuant to the Missouri Sale Motion, the Debtors intend to sell the applicable Missouri store locations and all of their operating assets (the "Missouri Assets") to the purchaser free and clear

of liens claims and encumbrances. It is critical to note that the cashflow restrictions that have challenged the Initial Debtors' operations are applicable to the Missouri stores. Declining inventory and aging contracts present adverse factors that could contribute to a reduction in the value of the Missouri Assets if the Missouri Sale Motion is not approved on an emergency basis.

46. While Phonix is willing to credit bid to acquire the Missouri Assets, Phonix supports the Missouri Sale Motion and the emergency sale of the Missouri Assets. The proposed purchase price set forth in the Missouri Sale Motion is the highest and best offer for the assets, and those assets have been marketed for months. Further marketing and an auction process is not likely to provide any benefit to the Debtors' estate and, to the contrary, is likely to result in waste and a decrease in total consideration received for the Missouri Assets.

47. Accordingly, entry into a closed sale of the Missouri Assets on an emergency basis, as set forth in the Missouri Sale Motion evidences the Debtors' sound business judgment, and is in the best interests of the Debtors, their estates, and their creditors.

48. Each of the DIP Motion, Credit Agreement, Sale Motion, Stalking Horse APA, Bid Procedures, and Missouri Sale Motion and related contracts were negotiated at arm's length and in good faith, and in some instances, after exhaustive back and forth and extraordinary efforts by each party involved. If any of these agreements are disallowed, the Debtors will suffer irreparable harm in the form of a loss of value, diminished returns to estate stakeholders, and potentially catastrophic declines in value, a cessation of operations, and the termination of hundreds of jobs.

#### Conclusion

49. Accordingly, I issue this declaration in support of the DIP Motion and Sale Motion, both of which are within the Debtors' sound business judgment and are in the best interests of the

Debtors, their estates, and their creditors. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: January 26, 2026  
Dallas County, Texas

*/s/ Mark Shapiro*

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Mark Shapiro  
Chief Restructuring Officer

**SCHEDULE I**  
**Initial Debtors**

	<b>Name</b>	<b>Petition Date</b>	<b>Case No.</b>	<b>Tax ID (last 4)</b>
1.	Buddy Mac One, LLC	12/1/2025	25-34788	0935
2.	BMH One RE, LLC	12/1/2025	25-34789	4305
3.	BMH 95 RE Caruthersville, LLC	12/1/2025	25-34790	1264
4.	BMH 96 RE Marion, LLC	12/1/2025	25-34791	0659
5.	Buddy Mac Holdings, LLC	12/4/2025	25-34839	1297
6.	BMH RTO, LLC	12/4/2025	25-34840	9489
7.	Buddy Mac Twenty-One, LLC	12/4/2025	25-34841	1269
8.	Buddy Mac Twenty-Two, LLC	12/4/2025	25-34842	6474
9.	Buddy Mac Twenty-Three, LLC	12/4/2025	25-34843	3668
10.	Buddy Mac Twenty-Four, LLC	12/4/2025	25-34844	3328
11.	Buddy Mac Twenty-Five, LLC	12/4/2025	25-34845	5604
12.	Buddy Mac Twenty-Six, LLC	12/4/2025	25-34846	5425
13.	Buddy Mac Twenty-Seven, LLC	12/4/2025	25-34847	1574
14.	BMH-TNM 28, LLC	12/4/2025	25-34848	5391
15.	BMH-TNM 29, LLC	12/4/2025	25-34849	0350
16.	BMH-TNM 30, LLC	12/4/2025	25-34850	5692
17.	BMH-TNM 31, LLC	12/4/2025	25-34851	5137
18.	BMH-TNM 32, LLC	12/4/2025	25-34852	3430
19.	BMH-TNM 33, LLC	12/4/2025	25-34853	8037
20.	BMH-RCL 34, LLC	12/4/2025	25-34854	7055
21.	BMH-RCL 35, LLC	12/4/2025	25-34855	7332
22.	BMH-RCL 36, LLC	12/4/2025	25-34856	4707
23.	BMH-RCL 37, LLC	12/4/2025	25-34857	4598
24.	BMH-RCL 38, LLC	12/4/2025	25-34858	7218
25.	BMH-RCL 39, LLC	12/4/2025	25-34859	5340
26.	BMH-RCL 40, LLC	12/4/2025	25-34860	8100
27.	BMH-RCL 41, LLC	12/4/2025	25-34861	5735
28.	BMH-RCL 42, LLC	12/4/2025	25-34862	3438
29.	BMH-FAN 43, LLC	12/4/2025	25-34863	8956
30.	BMH-FAN 44, LLC	12/4/2025	25-34864	9133
31.	BMH-FAN 45, LLC	12/4/2025	25-34865	1642
32.	BMH-FAN 46, LLC	12/4/2025	25-34866	1756
33.	BMH-FAN 47, LLC	12/4/2025	25-34867	7435
34.	BMH-FAN 48, LLC	12/4/2025	25-34868	7860
35.	BMH-FAN 49, LLC	12/4/2025	25-34869	8079
36.	BMH-FAN 50, LLC	12/4/2025	25-34870	8219
37.	BMH-FAN 51, LLC	12/4/2025	25-34871	5786
38.	BMH-FAN 52, LLC	12/4/2025	25-34872	6191
39.	BMH-FAN 53, LLC	12/4/2025	25-34873	6281
40.	BMH-FAN 54, LLC	12/4/2025	25-34874	6340
41.	BMH-SM 79, LLC	12/4/2025	25-34875	9545

	<b>Name</b>	<b>Petition Date</b>	<b>Case No.</b>	<b>Tax ID (last 4)</b>
42.	BMH-SM 80, LLC	12/4/2025	25-34876	9640
43.	BMH-SM 81, LLC	12/4/2025	25-34877	9709
44.	BMH-SM 82, LLC	12/4/2025	25-34879	0107
45.	BMH-SM 83, LLC	12/4/2025	25-34880	0236
46.	BMH-SM 84, LLC	12/4/2025	25-34881	0340
47.	BMH-SM 85, LLC	12/4/2025	25-34882	2526
48.	BMH-SM 86, LLC	12/4/2025	25-34883	2731
49.	BMH-SM 87, LLC	12/4/2025	25-34884	2817

**SCHEDULE II**  
**Subsequent Debtors**

	<b>Name</b>	<b>Petition Date</b>	<b>Case No.</b>	<b>Tax ID (last 4)</b>
50.	Buddy Mac Two, LLC	1/25/2026	26-30327	6357
51.	Buddy Mac Six, LLC	1/25/2026	26-30328	6848
52.	Buddy Mac Six RE, LLC	1/25/2026	26-30329	2150
53.	Buddy Mac Eight, LLC	1/25/2026	26-30330	2634
54.	Buddy Mac Eleven, LLC	1/25/2026	26-30331	5242
55.	Buddy Mac Twelve, LLC	1/25/2026	26-30332	1300
56.	Buddy Mac Eighteen, LLC	1/25/2026	26-30333	0397
57.	Buddy Mac Nineteen, LLC	1/25/2026	26-30334	0149
58.	BMH-NEW 58, LLC	1/25/2026	26-30335	4176
59.	BMH-NEW 62, LLC	1/25/2026	26-30336	7985
60.	BMH-WF TX 67, LLC	1/25/2026	26-30337	0887
61.	BMH-TB 75, LLC	1/25/2026	26-30338	3879
62.	BMH 85 RE Sikeston, LLC	1/25/2026	26-30339	2698
63.	BMH Prime 95, LLC	1/25/2026	26-30340	2635
64.	BMH Prime 96, LLC	1/25/2026	26-30341	8446
65.	BMH Prime 97, LLC	1/25/2026	26-30342	2430
66.	BMH-HR, LLC	1/25/2026	26-30343	0229
67.	MacDonald Capital Corporation	1/25/2026	26-30344	9459
68.	SAMBrownfield, LLC	1/25/2026	26-30345	8187
69.	SAMPlainview, LLC	1/25/2026	26-30346	4414

**EXHIBIT A**  
DIP Budget

**Buddy Mac Holdings, LLC et. al.**

**Cash Budget**  
\$ - Thousands

	Filing Date>> 4-Dec		Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Week #--->	1	2	3	4	5	6	7	8	9	10	11	12	Total	
	Week Ending--->	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb	12 Weeks	
<b>Cash Receipts</b>	\$	-	\$ 387.0	\$ 318.7	\$ 241.5	\$ 379.6	\$ 430.4	\$ 315.7	\$ 292.0	\$ 305.6	\$ 599.5	\$ 422.4	\$ 436.0	\$ 4,128.4	
<b>Operating Disbursements</b>															
Inventory Purchases	-	-	-	196.2	21.5	117.7	-	-	1,000.0	-	200.0	-	-	1,535.4	
Payroll and Benefits	-	0.8	207.0	-	-	252.1	-	217.0	-	310.0	85.0	310.0	-	1,381.9	
Property Taxes	-	0.1	-	-	-	3.5	9.5	1.2	20.9	-	-	-	-	35.2	
Store Rent Expense	-	-	-	-	-	-	173.4	-	3.6	-	272.3	-	155.0	604.4	
Repairs & Maintenance	-	4.3	(0.2)	-	-	-	3.8	0.3	5.0	5.0	5.0	5.0	5.0	33.2	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vehicle Leases	-	-	-	-	-	-	-	-	58.0	-	-	-	-	90.0	
General and Administrative	-	35.1	(0.2)	6.5	6.8	67.8	16.2	50.0	20.0	70.0	20.0	20.0	20.0	312.3	
Corporate Support	-	3.3	66.0	-	73.6	1.1	62.2	5.0	98.7	55.1	98.7	10.0	-	473.7	
Sales Taxes	-	-	25.9	106.8	-	-	-	-	100.0	-	-	-	-	385.6	
<b>Total Operating Disbursements</b>	\$	-	\$ 43.7	\$ 494.7	\$ 134.8	\$ 453.7	\$ 255.7	\$ 296.9	\$ 1,242.5	\$ 433.7	\$ 687.4	\$ 433.7	\$ 433.0	\$ 4,909.8	
<b>Operating Cash Flow</b>	\$	-	\$ 343.3	\$ (176.0)	\$ 106.7	\$ (74.1)	\$ 174.7	\$ 18.8	\$ (950.5)	\$ (128.1)	\$ (87.9)	\$ (11.4)	\$ 3.0	\$ (781.4)	
<b>Accumulated</b>	-	-	343.3	167.3	274.1	200.0	374.7	393.5	(557.0)	(685.1)	(773.1)	(784.4)	(781.4)	(781.4)	
<b>Other (Sources)/Uses</b>															
DIP Proceeds	-	-	-	-	-	-	-	-	(750.0)	-	(750.0)	-	-	(1,500.0)	
Funds from BMH-HR, LLC	-	-	-	-	-	-	(56.5)	-	(100.0)	-	-	-	-	(156.5)	
Adequate Protection - Phonix	-	-	-	-	-	-	-	56.5	100.0	-	-	-	-	156.5	
Restructuring Fees	-	-	-	-	-	-	-	-	-	21.2	-	-	775.0	796.2	
Critical Vendors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities Deposit	-	-	25.0	-	-	-	-	-	-	-	-	-	-	25.0	
<b>Total Other (Sources)/Uses</b>	-	-	25.0	-	-	(56.5)	56.5	(750.0)	21.2	(750.0)	-	-	775.0	(678.8)	
<b>Net Cash Flow</b>	\$	-	\$ 343.3	\$ (201.0)	\$ 106.7	\$ (74.1)	\$ 231.3	\$ (37.7)	\$ (200.5)	\$ (149.3)	\$ 662.1	\$ (11.4)	\$ (772.0)	\$ (102.6)	
<b>Accumulated</b>	-	-	343.3	142.3	249.1	175.0	406.2	368.5	168.0	18.7	680.8	669.4	(102.6)	(102.6)	
<b>Cash Balance</b>	\$	133.9	\$ 133.9	\$ 477.3	\$ 276.3	\$ 383.0	\$ 308.9	\$ 540.2	\$ 502.5	\$ 302.0	\$ 152.6	\$ 814.7	\$ 803.3	\$ 31.4	