

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

In re:

Glenwood Caverns Holdings LLC¹,

Debtor.

Chapter 11

Case No. 26-10166-LSS

**DECLARATION OF PAUL MANISCALCO IN SUPPORT OF
CHAPTER 11 PETITION AND FIRST DAY MOTIONS**

I, Paul Maniscalco, pursuant to 28 U.S.C. § 1746, and under penalty of perjury, declare the following to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer (“CRO”) of Glenwood Caverns Holdings, LLC, the debtor and debtor in possession (the “Debtor”) in the above-captioned chapter 11 case (the “Chapter 11 Case”). I have served as CRO to the Debtor since December 8, 2025.

2. I have over 26 years of experience in corporate finance, capital market transactions, business restructuring and Chapter 11 bankruptcy. I am currently a Senior Managing Director with Macco Restructuring Group, LLC. I have extensive experience in financial reporting and compliance required for securities law compliance, interim management and complex restructuring initiatives. I have led complex debt/equity transactions. I am an accountant by training, starting my career at BDO Seidman, LLP and subsequently PricewaterhouseCoopers as well as other regional accounting firms. I have advised corporations from inception through maturity in various industries including cryptocurrency, cannabis, oil & gas, and mining and, through a prior consulting firm, service as chief financial officer for several publicly traded oil &

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Glenwood Caverns Holdings LLC (6861). The location of the Debtor’s headquarters is 51000 Two Rivers Plaza Road, Glenwood Springs, CO 81601.

gas companies. I have also advised public and private companies, represented buyers and sellers in due diligence reviews and assessments of financial operations. I hold dual Bachelors degrees in accounting and health administration from Florida Atlantic University.

3. In my various roles, I am familiar with the Debtor's day-to-day operations, business and financial affairs, and books and records. Except as otherwise indicated, all facts set forth in this declaration (the "Declaration") are based upon my personal knowledge, information supplied to me by members of the Debtor's management team and other professionals and advisors, my review of relevant documents, or my opinion, which is, in turn, based upon my experience and knowledge of the industry within which the Debtor operates and the Debtor's operations and financial conditions. I am over the age of 18 and am authorized to submit this Declaration on behalf of the Debtor. If called as a witness, I could and would testify competently to the matters set forth herein.

I. Introduction

4. The Debtor owns and operates the Glenwood Caverns Adventure Park (the "Park"), which is one of the most unique amusement parks in the nation. It is located on the top of Iron Mountain above Glenwood Springs, Colorado, situated 7,100 feet above sea level, and accessible only by a gondola. It is the only mountaintop theme park in the United States.

5. Iron Mountain is a peak that is home to an extensive network of natural caves. In 1999, the Park opened and initially operated cave tours. In 2005, the cave tour operation expanded by installing amusement park rides, including the Alpine Coaster, which is in operation today. Since then, the Park has expanded its ride and attraction offerings and currently hosts approximately 200,000 visitors per year.

6. In September 2021, a six-year-old child tragically lost her life in a ride accident at

the Park. As a result of the accident, a Colorado jury recently returned a verdict against the Debtor, awarding non-economic damages in the amount of \$40,959,000 and punitive damages in the amount of \$123,000,000, which the Colorado state court subsequently reduced to \$40,959,000. On November 21, 2025, the Colorado state court issued a judgment against the Debtor and its co-defendants, apportioning more than \$116 million of liability to the Debtor in compensatory damages, punitive damages, and prejudgment interest. The judgment far exceeds any amount that the Debtor can pay. The judgment has also triggered a default by the senior secured lender, which holds a lien on substantially all of the assets of the Debtor. The Debtor intends to prosecute an appeal, as discussed below.

7. A primary focus of my efforts to date as CRO has been settlement with the plaintiffs. The Debtor and the plaintiffs entered into a series of standstill agreements whereby plaintiffs agreed not to execute on their judgment. During that time, the Debtor has made available to plaintiffs comprehensive financial and operational information that reflected the reality of its financial condition, including responses to a list of information requested by the plaintiff. These settlement attempts have been unsuccessful. The most recent standstill agreement expires February 9, 2026.

8. Efforts to execute on the judgment (even though subordinate to the lender's lien) would force the Debtor to cease operations, destroying its going-concern value to the detriment of all creditors, including the plaintiffs themselves, and threatening more than 100 jobs in the Debtor's small community. The Debtor initiated this Chapter 11 Case to stabilize its business for the benefit of all creditors with the intent of confirming a chapter 11 plan that will maximize a return to creditors above and beyond what they may receive in the event that parties enforced rights and the Park was unable to operate.

9. To that end, the Debtor filed a petition (the “Petition”) under chapter 11 of title 11 of the United States Code on February 9, 2026 (the “Petition Date”). The Debtor intends to continue in possession of its assets and the management of its business as a debtor in possession during the pendency of this Chapter 11 Case. To minimize the adverse effects on its businesses, the Debtor is filing motions and pleadings seeking various forms of relief (collectively, the “First Day Pleadings”). I submit this Declaration to assist the Court and parties-in-interest in understanding the circumstances that compelled the commencement of the Chapter 11 Case and in support of the Petition and the First Day Pleadings.

10. To familiarize the Court with the Debtor, its business, the circumstances leading up to this Chapter 11 Case, and the First Day Pleadings, this Declaration is organized as follows:

Part II provides an overview of the Debtor’s history and business operations;

Part III describes the Debtor’s prepetition corporate, management, and capital structure;

Part IV discusses the events leading up to the filing of this Chapter 11 Case; and

Part V provides evidentiary support for the First Day Pleadings.

II. The Debtor’s History and Business Operations

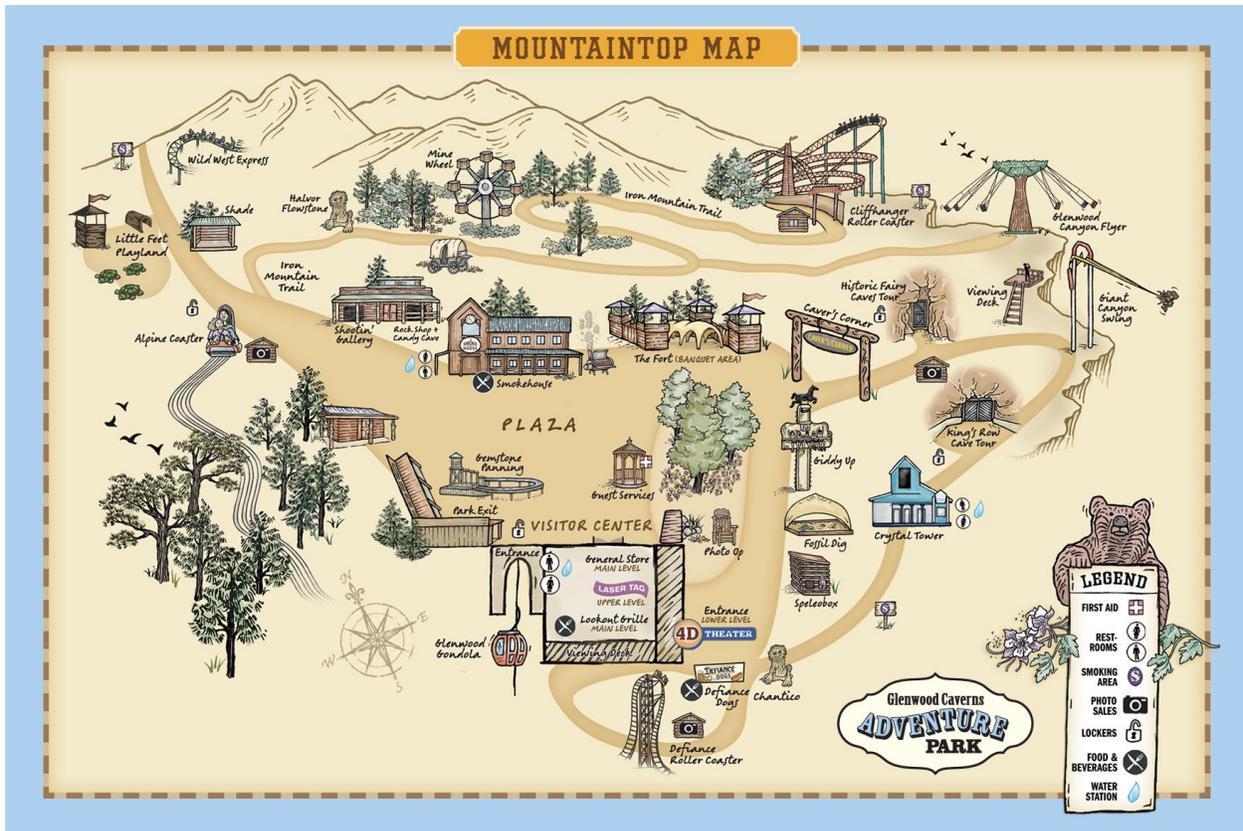
11. Glenwood Springs, Colorado is a town of approximately 10,000 people, located along the I-70 corridor, approximately 150 miles west of Denver, Colorado, 60 miles west of Vail, Colorado, and 40 miles north of Aspen, Colorado. Glenwood Springs is known for its natural hot springs, Rocky Mountain vistas, and Western charm.

12. To the north of town sits Iron Mountain, which is home to an extensive network of natural caves. The caves originally opened to the public in 1895 but closed during World War I.

13. In 1999, a company began operating tours of Iron Mountain’s caves, which were renamed the “Glenwood Caverns.” By 2003, the cave tour operation served 100,000 visitors a

year. To transport visitors to the mountaintop cave entrance, the facility installed a tramway and, later, a gondola running from the base to the top of Iron Mountain. The gondola is the only way for guests to access the Park.

14. With the cave tours increasing in popularity, the tour operation installed amusement park rides at the top of the mountain. The first rides were installed in 2005, including the Alpine Coaster, which remains in operation today. The Park later added the Cliffhanger Roller Coaster, which is the highest-elevation, full-sized roller coaster in the United States at 7,160 feet above sea level. The installation of amusement park rides made the Park the only mountaintop amusement park in the United States and the Park has been designated as a National Natural Landmark.



15. Currently, the Park runs three cave tours, operates six amusement park rides, numerous family-friendly attractions, such as a 4D theater and gemstone panning, and offers several dining and shopping options for guests.

16. The Park attracts visitors from across the country, from neighboring mountain resort towns, as well as from the Denver, Colorado Springs, and Grand Junction metropolitan areas. The Park is open year-round. May through September is peak season. The Park hosts various events to draw visitors to the Park during the fall and winter months, including the holiday-themed Winter on the Mountain event.

17. The Debtor has approximately 50 full-time, year-round employees and an additional 50 part-time, year-round employees. During the summer months, the Debtor employs at its peak an additional 150 seasonal full-time and part-time employees, for a total of approximately 250 employees, and is one of the larger employers in Glenwood Springs.

18. The Park's primary revenue source is daily admission fees paid by guests, which account for approximately one-third of gross revenue. Most admission fees are purchased online. The Park also sells season passes and gift cards. Attraction sales and cave tour sales account for an additional one-third of gross revenue. The remainder of gross revenue comes from food and beverage, retail, parking, and other income. Historically, gross revenue since 2021 has ranged from \$14 to \$16 million.

19. Like many other businesses in its region, the Park has in recent years had to deal with increases in the cost of labor, insurance, and other services. Labor costs account for nearly half of the Park's yearly expenses and are expected to increase. Food and beverage, merchandise, and insurance costs are also substantial yearly expenses and are also expected to increase going forward.

20. In order to maintain attendance, the Park has historically opened a new attraction every few years. The last such new attraction was the Defiance Coaster and opened for guests in 2022. Since the accident, however, the Park has had difficulty attracting new capital that would

enable it to open new attractions to continue driving attendance and increasing revenue.

21. Although the Park operates year-round, the Debtor is typically only cash-flow positive from April through October. The remaining months, the Debtor uses cash reserves built up over the summer to maintain operations.

III. The Debtor's Prepetition Corporate and Capital Structure

22. In the fall of 2020, the Debtor was formed and acquired the Park and associated assets (the "Acquisition"). The Debtor is 100% owned by GCAP HoldCo LLC ("GCAP Holdco"). GCAP Holdco is not a debtor in the Chapter 11 Case.

23. GCAP Holdco also serves as the manager of the Debtor. GCAP is governed by a five-member board of managers, consisting of Rob Kramer, Denis Reshetnev, Gideon King, Jeff Klocke, and Steve Beckley. Day-to-day operations of the Park are overseen by a general manager that reports to GCAP Holdco. Reporting to the general manager is an assistant general manager and managers of various departments, including accounting, food and beverage, attractions, retail, maintenance, and human resources.

24. The Debtor has one prepetition secured lender, Community Banks of Colorado, a division of NBH Bank (the "Lender"). Some of the loans extended by the Lender originated before the Acquisition, but, as part of the Acquisition, the Debtor became a borrower and assumed all obligations under all of the applicable loan documents (collectively with any other agreements, instruments, and documents governing or otherwise pertaining to the Loans (defined below), as amended from time to time, the "Loan Documents"). The Loan Documents include:

- a. Third Amended and Restated Master Business Loan Agreement, dated March 23, 2022, between the Lender and the Debtor, pursuant to which the Lender made certain loans to the Debtor (the "Loans")
- b. (i) Promissory Note, dated March 23, 2018, by Debtor to Lender, in the principal amount of \$7,215,000.00; (ii) Amended and Restated Promissory Note, dated October 28, 2019, in the principal amount of \$6,500,913.43; (iii) Promissory Note,

dated April 4, 2016, in the principal amount of up to \$400,000.00; and (iv) Promissory Note, dated March 23, 2022, in the principal amount of \$3,000,000.00.

- c. (i) Deed of Trust, dated October 20, 2006, by Glenwood Tramway, LLC, Glenwood Caverns, Inc., and POW, Inc., predecessors in interest to the Debtor, to the Public Trustee of Garfield County, Colorado (the “Public Trustee”) for the benefit of Lender; (ii) Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing, dated October 24, 2025, by the Debtor to the Public Trustee for the benefit of Lender; (iii) Commercial Security Agreement, dated March 7, 2014, between Glenwood Tramway, LLC, Glenwood Caverns, Inc., and POW, Inc., predecessors in interest to the Debtor, and Lender; (iv) Assignment of Rents, dated October 20, 2006, between Glenwood Tramway, LLC, Glenwood Caverns, Inc., and POW, Inc., predecessors in interest to the Debtor, and Lender; (v) Assignment of Reserve Account, dated December 8, 2020, between the Debtor and Lender; and (vi) Assignment of Services Agreement, dated December 8, 2020, between the Debtor and Lender.

25. As of February 9, 2026, the aggregate balance of the Loans was \$12,712,184.37.

The Loans mature on various dates starting on March 1, 2029.

26. The Loans are secured by a first-priority lien on and security interest in substantially all of the Debtor’s assets. GCAP Holdco is a guarantor of the Loans.

27. Prepetition, the Debtor was current on its debt service payments to the Lender. As explained below, the Lender declared an Event of Default (as defined in the Loan Documents) and reserved all rights and remedies by notice delivered to the Debtor on November 20, 2025.

28. The Debtor has no other funded debt and, prepetition, has generally kept current with its trade creditors.

IV. Events Leading to Filing of Chapter 11 Case and Business Challenges Facing Debtor

29. As noted above, a tragic accident occurred at the Park in 2021. On September 5, 2021, a 6-year-old girl and her aunt and uncle boarded the Haunted Mine Drop at the Park. The Haunted Mine Drop (the “HMD Ride”) was a ride on which passengers drop 110 feet into a mine shaft.

30. The HMD Ride was manufactured by Soaring Eagle, Inc. (“Soaring Eagle”) and

sold to the Park in 2017. On information and belief, in 2020, Soaring Eagle sold its assets, including the product line associated with the HMD Ride, to Altitude Rides and Attractions, LLC (“Altitude”) and ceased operations. On information and belief, Soaring Eagle has little to no assets and no insurance coverage.

31. After boarding the HMD Ride, Wongel Estifanos sat on top of the two lap belts the HMD Ride used to secure riders. The two ride operators did not recognize this fact before starting the ride. Wongel Estifanos was not properly secured and, when the ride began to operate, fell to the bottom of the mine shaft and died.

32. The Garfield County Sheriff’s Office investigated the accident, but the District Attorney for Garfield County declined to bring criminal charges.

33. On October 20, 2021, Wongel Estifanos’ parents, Rahel Estifanos and Dagne Estifanos (“Plaintiffs”), filed a lawsuit against the Debtor in the District Court in and for Denver County, Colorado, asserting a claim for wrongful death. The lawsuit was later transferred to the District Court in and for Garfield County, Colorado (the “Colorado Court”) and Plaintiffs added Soaring Eagle, Altitude, and both ride operators, Toby Williams and Steve Ochoa, as defendants.

34. Plaintiffs’ claims proceeded to trial in September 2025. After a three-week jury trial, the jury returned a verdict in favor of Plaintiffs and against all defendants and after post-trial adjustments by the Court,² finding the Debtor 49.95% at fault, Soaring Eagle 49.95% at fault, and Mr. Williams and Mr. Ochoa .09% and .01% at fault, respectively, and awarding a total of \$82 million in compensatory damages against all defendants and \$123 million in punitive damages against the Debtor.

35. The jury’s award of damages exceeded the statutory caps under Colorado law.

² Defendant Altitude was dismissed from the case.

Statutory caps may be exceeded if the court determines that the wrongful act, neglect, or default causing the death constitutes a felonious killing, which requires a finding that a defendant's conduct meets the elements of, as relevant here, manslaughter. The court need only find that the elements are satisfied by a preponderance of the evidence.

36. Before trial, the Debtor sought summary judgment on the basis that Plaintiffs did not comply with the procedural requirements to raise the felonious killing exception. The Colorado Court denied the motion. Post-trial, the Colorado Court ordered the parties to brief the applicability of the felonious killing exception simultaneously, giving the parties only seven days to file their briefs and denying the Debtor's request for due process in the form of a reply brief and a hearing to introduce additional evidence.

37. Less than 24 hours after receiving the parties' briefs, the Colorado Court issued an order finding that the acts of all four defendants constituted a felonious killing. As a result, the Colorado Court found that the jury's \$82 million compensatory damages award was not subject to statutory caps. The Colorado Court reduced the punitive damages award against the Debtor and Mr. Williams to an amount equal to the compensatory damages imposed on those defendants.

38. The Colorado Court expressly instructed that all other post-trial issues, including prejudgment interest, would be addressed in subsequent briefing. The Colorado Court also expressly ruled that its order on the felonious killing exception did not constitute a final judgment. Notwithstanding the Colorado Court's express directives, on October 21, 2025, Plaintiffs filed writs of garnishment directed at the Debtor's insurer. Plaintiffs refused to withdraw the writs even though no final judgment had been entered and the writs were premature under Colorado law. The Debtor was therefore forced to file an immediate motion to quash the writs. The Colorado Court granted the Debtor's motion and quashed the writs.

39. Shortly after Plaintiffs filed their premature writs of garnishment, on November 20, 2025, the Lender issued a notice of default to the Debtor, declaring the occurrence of an Event of Default based on the jury verdict and the Plaintiffs' attempted garnishment and reserving all rights and remedies.

40. On November 21, 2025, the Colorado Court entered final judgment against the defendants. It did so over the Debtor's objection based on multiple unresolved post-trial issues, including the applicability of a liability waiver, that would reduce or even eliminate the award of damages against the Debtor and that therefore made entry of judgment premature. The Colorado Court's judgment against the Debtor totals \$116,091,795.22, consisting of compensatory damages and prejudgment interest in the amount of \$58,045,897.61 and punitive damages in the amount of \$58,045,897.61. The Colorado Court entered judgment against Soaring Eagle in the amount of \$58,045,897.61, Mr. Ochoa in the amount of \$11,621.82, and Mr. Williams in the total amount of \$110,796.34.

41. The Debtor lacks the financial wherewithal to pay the judgment. The Debtor, Mr. Ochoa, and Mr. Williams are all insured under a general commercial liability policy, but that policy has a limit of \$5 million. Prior to trial, during trial, and prior to the Colorado Court's order on the felonious killing exception, the Debtor, in conjunction with the carrier, extended offers of settlement pursuant to Colorado Rule of Evidence 408, but Plaintiffs did not accept those offers. The Debtor also engaged in extensive negotiation with Plaintiffs after entry of judgment but was unable to reach a resolution.

42. The Debtor acknowledges that the accident that caused the death of Wongel Estifanos was a tragedy of a degree that cannot be put into words. In response to the tragedy, the Debtor has made fundamental improvements to the safety of the Park and its attractions. These

include physical changes. The HMD ride was closed. A modified ride was reopened after two years, with completely new physical safety features, including new belt restraints and a protective cage, precluding the possibility of a repeat accident. Another ride at the park that had been manufactured by the same manufacturer was closed permanently. Important process and training improvements have been made, with assistance from International Ride Training, the industry leader in amusement park safety consulting. The Park has instituted a program for auditing its new processes, employing outside auditors to blind test to ensure compliance with safety processes and protocols. In addition to these changes, the Park has been vocal in outreach to other amusement parks in order that other parks may also learn from the tragedy, and improve safety industry wide.

43. Separate from that fact, the judgment must be addressed. The Debtor believes that the Colorado Court committed reversible error prior to, during, and after the trial. The Debtor intends to prosecute an appeal of the jury's verdict and associated orders. The Debtor's insurance policy covers the cost of trial and appellate counsel; thus, those efforts will not deplete estate resources.

44. Although the Lender has a senior lien on and security interest in substantially all of the Debtor's assets, Plaintiffs' aggressive collection efforts would likely result in the immediate cessation of the Debtor's business operations. For example, if the Plaintiffs were to serve a writ of garnishment on the Lender, with whom the Debtor has all of its bank accounts, the Lender may sweep the accounts, leaving no funds for the Park to operate or to maintain the Debtor's assets. That outcome would work dramatically to the detriment of all stakeholders, including the Plaintiffs.

45. Meanwhile, the Debtor faces challenges independent of the tragic accident and its

impacts. The overall performance of the Park has remained relatively stable and flat. The Park is not a “destination park” meaning that patrons do not generally travel to the Glenwood area specifically for the Park. Instead, the Park draws from residents and visitors to the general area. But the town of Glenwood Springs has only 10,000 residents and the Park is a several-hour drive over the Rocky Mountains to the Denver metropolitan area.

46. Moreover, as noted above, the Park requires new investments to continue to attract visitors, failing which attendance may be expected to decline year over year. For instance, attendance for year 2025 was approximately 7% lower than 2019, the last year before COVID impacts. Attendance may decline each year going forward unless the park adds a new significant ride or attraction from time to time. New rides or attractions will be inevitably capital-intensive, requiring a stable debt and capital structure. The Park will be unable to attract the capital necessary to success in the long-term absent resolution of the judgment.

47. The Debtor filed this Chapter 11 Case to stabilize its business and address these challenges to preserve operations for all of its stakeholders. The Debtor anticipates filing a plan of reorganization aimed at stabilizing its business, addressing its obligations to the Lender, the Plaintiffs, and its other unsecured creditors, controlling costs, and preserving the Debtor’s going concern value for the benefit of all creditors.

V. Support for First Day Pleadings³

48. In my capacity as CRO, and given my knowledge of the Debtor’s operations, I believe that the relief requested in the First Day Pleadings is necessary and essential to ensuring that the Debtor’s immediate needs are met and that the Debtor and its stakeholders will not suffer any immediate and irreparable harm as a result of the commencement of this Chapter 11 Case. My

³ Capitalized terms not defined in this section are defined in the First Day Pleadings.

opinion as to the necessity of the First Day Pleadings is based upon my firsthand experience with the Debtor and the Park operations and my review of various materials and information provided to me by the Debtor's senior management team and the Debtor's advisors, as well as discussions had in connection therewith. In considering the necessary first-day relief, the Debtor's senior management team, its advisors, and I were cognizant of the level of cash on hand and the limitations imposed by the Budget (defined below). The Debtor has only requested the relief necessary to preserve the value of the Debtor's estate during the pendency of this Chapter 11 Case.

a. Cash Collateral Motion

49. On or about the Petition Date, the Debtor filed its *Motion of the Debtor for Entry of Interim and Final Orders Under 11 U.S.C. §§ 105, 361, and 363; Bankruptcy Rules 2002, 4001, and 9014; and Del. Bankr. L.R. 4001-2 (I) Authorizing the Debtor to Use Cash Collateral, and (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b)* (the "Cash Collateral Motion").

50. The Debtor intends to continue its business operations during this Chapter 11 Case and propose a plan of reorganization that enables the continuation of the Debtor's business. To do so, the Debtor requests authority to use cash which may be subject to liens held by creditors, particularly the Lender.

51. The Park's primary revenue source is daily admission fees paid by guests, which accounts for about one third of gross revenue. Attraction sales and cave tour sales account for an additional one third of revenue, and the remaining one third comes from other income such as food, beverage, retail, and parking sales. Without the use of Cash Collateral, the Debtor will not be able to fund its business operations, and will be unable to service its secured debts, pay utilities, pay insurance, pay employees, pay administrative expenses of this Chapter 11 Case, or other costs

associated with the Debtor's business operations. The continued use of cash Collateral is critical to preserve the value of the estate during the Chapter 11 Case and will avoid immediate and irreparable harm to the Debtor, the bankruptcy estate, and creditors.

52. With assistance of my staff, I have prepared an operating budget for the next 13 weeks (the "Budget"). A copy of the Budget is attached hereto as **Exhibit A**. The Budget reflects my best estimate as to expected revenues for the relevant time period. Of course, actual revenues will vary based upon multiple factors, in particular weather conditions in the winter months and tourism traffic in the Glenwood Springs area. The estimates of expenses contained in the Budget are based upon the Debtor's books and records and historical expenses, along with estimates of costs associated with this Chapter 11 Case. I believe that the expenditures shown in the Budget are ordinary course expenditures, necessary to maintain operations and the viability of the Park as a going concern, and therefore necessary to maintain the value of the Lender's collateral. As of the filing of the Cash Collateral Motion, the Debtor received consent from the Lender for the use of Cash Collateral subject to the terms and conditions contained in the Interim Order submitted with the Cash Collateral Motion. I believe that the replacement liens and other protections for the Lender contained in the Interim Order, for instance, the replacement liens, are reasonable and in the best interest of the estate. Absent ability to use Cash Collateral, I believe that the Debtor and its estate will suffer immediate and irreparable harm.

53. Certain of the expenditures set forth in the Budget are made through nondebtor entities with that have some common equity holders with the Debtor. In particular, the insurance expense includes premium for a Commercial Property Policy that insures property at the Park. The policy also insures Zion Canyon Hot Springs, WorldSprings Holdings, LLC, and the neighboring Iron Mountain Hot Springs. Purchase of the policy across all entities and properties

results in cost savings to the Debtor. The Debtor pays only its proportionate share of the actual premium. Similarly, pursuant to a Shared Services Agreement, the Debtor shares information technology and marketing expense with Iron Mountain Hot Springs, along with human resources employees – each also with the purpose and effect of reducing overall expense. Expenses in the Budget are consistent with practice in the ordinary course.

b. Cash Management Motion

54. On or about the Petition Date, the Debtor filed its *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing Continued Use of Existing Cash Management System, Bank Accounts and Business Forms and Payment of Related Prepetition Obligations; and (II) Granting Related Relief* (the “Cash Management Motion”).

55. In the ordinary course of business, the Debtor utilizes an integrated cash management system to collect, invest, concentrate, and disburse funds generated by the operation of its business (the “Cash Management System”). The Cash Management System allows the Debtor to efficiently collect and disburse funds generated by its operations, control and monitor the availability and transfer of funds, and facilitate timely and accurate financial reporting and account balance information. The Debtor’s accounting department oversees the Cash Management System and maintains accounting controls over each of its bank accounts that ensure all transactions are properly documented, processed, and accounted for.

56. The Cash Management System is comprised of four bank accounts (the “Bank Accounts”), all with the Lender: a main operating checking account (the “Operating Account”), a payroll checking account (the “Payroll Account”), an operating money market account (the “Operating Money Market Account”), and a reserve money market account (the “Reserve Money Market Account”). The funds in the Bank Accounts are the Bank’s cash collateral.

57. The Operating Account is the debtor's primary disbursement and collection account utilized in the ordinary course of business. Revenues generated by the operation of the Debtor's business accumulate in the Operating Account and are then disbursed to fund the Payroll Account, Operating Money Market Account, or Reserve Money Market Account, or flow externally to pay vendors and other ordinary course accounts payable by check, ACH, online portal payments, or wire transfer. In the Debtor's peak summer season, revenues generated by the operation of its business are sufficient to meet ordinary operating expenses. In the Debtor's off-season and in months where the Debtor is not cash flow positive, the Operating Account is funded by transfers from the Operating Money Market Account as needed.

58. The Debtor's Payroll Account is used to pay employee wages and benefits and is maintained separately from the Operating Account to separate payroll obligations from regular operating expenses and to protect the Debtor from fraud. In the Debtor's busy summer season, the Payroll Account is funded directly from the Operating Account. In the Debtor's off-season and in months where the Debtor is not cash flow positive, the Payroll Account is funded by transfers from the Debtor's Operating Money Market Account as necessary.

59. The Debtor's Operating Money Market Account is funded from the Debtor's Operating Account and holds excess funds generated from peak summer months for winter operations. The Money Market Account then funds the Operating Account and Payroll Account throughout the Debtor's off-season as needed to meet operating expenses. The Money Market Account is also utilized to earmark funds for budgeted capital expenditures and make interest payments on the Debtor's loan obligations.

60. The Debtor's Reserve Money Market Account is funded from the Debtor's Operating Account in months where revenue exceeds expenses. Prepetition, the Reserve Money

Market Account was used to hold funds for debt service payments and distributions to the Debtor's equity owner. Post-petition, the Reserve Money Market Account may not be utilized at all, but, to the extent it is, will only be used to hold funds for debt service payments to the Bank account of its secured loan.

61. The continuation of the Cash Management System is critical to the Debtor's success in this Chapter 11 Case. Allowing the Debtor to maintain its Cash Management System will ensure that the Debtor has uninterrupted collection of and access to revenues and seamlessly continue operations as it transitions into bankruptcy.

62. Further, the Debtor uses various pre-printed documents (the "Business Forms") in the ordinary course of operations. The Business Forms include checks, invoices, purchase orders, envelopes, and letterhead. Because the Business Forms were used prepetition, they do not reference the Debtor's current status as a debtor in possession. Nonetheless, most parties doing business with the Debtor will be aware of the Debtor's status as a debtor in possession as a result of the publicity surrounding this Chapter 11 Case and the notices served on parties in interest.

63. Lastly, the Debtor incurs periodic service charges and other fees to the Bank in connection with utilizing and maintaining the Cash Management System (the "Bank Fees"). The Bank Fees are current as of the Petition Date and they are required for the Debtor to continue its Cash Management System.

64. The Debtor's Cash Management System, Business Forms, and Bank Fees all contribute to its operations and are necessary for a smooth transition into bankruptcy. Therefore, it is imperative that the Debtor be able to continue its Cash Management System, use its existing Business Forms, and pay Bank Fees as they become due, as detailed further in the Cash Management Motion.

c. Insurance Motion

65. On or about the Petition Date, the Debtor filed its *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Maintain Insurance Policies and Pay All Insurance Obligations Arising Thereunder, and (B) Renew, Supplement, Modify, or Purchase Insurance Coverage; and (II) Granting Related Relief* (the “Insurance Motion”).

66. In the ordinary course of its business, the Debtor maintains approximately fourteen (14) insurance policies (the “Insurance Policies”) administered by various third-party administrators (collectively, the “Insurance Carriers”) to provide coverage for, among other things, general liability, automobile liability, excess liability, cyber liability, workers’ compensation, director and officer liability, pollution liability, and property liability. A detailed schedule of the Insurance Policies is attached as Exhibit C to the Insurance Motion within the First Day Pleadings.

67. The Insurance Policies generally require the Debtor to pay annual premiums (the “Premiums”) at rates established by the Insurance Carriers. Most of the Premiums are paid in full in advance on an annual basis to the Insurance Carriers. To the best of my knowledge, all Premiums have been paid for in full as of the Petition Date, other than Debtor’s commercial property policy (the “Commercial Property Policy”), that is financed over a 10-month period ending April 1, 2026, through IPFS Corporation (the “PFA Lender”).

68. The Commercial Property Policy provides combined commercial property insurance among the Debtor and non-debtor entities Iron Mountain Hot Springs, LLC, Zion Canyon Hot Springs, and WorldSprings Holdings LLC (the “Non-Debtor Insureds”). The Non-Debtor Affiliates are not subsidiaries of, controlled by, or equity interest holders of the Debtor, however, the Non-Debtor Insureds and the Debtor have equity holders in common.

69. The Premium for the Commercial Property Policy is fairly allocated among the

Debtor and each of the Non-Debtor Insureds based on their respective coverage needs. WorldSprings Holdings LLC is the counterparty to the PFA Lender under the Premium Financing Agreement and thus made the down payment for the Premium and remits the monthly Premium installments to the PFA Lender on behalf of the Debtor and the Non-Debtor Insureds. Although there is no written agreement, the Debtor then reimburses WorldSprings Holdings LLC for its proportionate monthly share on or around the 20th of the month, which is approximately \$25,115.59. The Debtor's proportionate share of the premium is determined under the policy and is a fair allocation. Obtaining commercial property insurance through a standalone policy would be more expensive than the monthly proportionate share it pays under the existing Commercial Property Policy.

70. The Debtor utilizes the services of NFP Property & Casualty Services Inc. as the broker (the "Broker") for certain of its Insurance Policies. The Broker helps the Debtor obtain comprehensive insurance coverage for its operations by evaluating the risks associated with the business and assisting the Debtor obtain coverage at competitive rates. In connection with its brokerage services, the Broker charges certain standard fees and commissions (the "Brokerage Fees"). The Debtor is current on Brokerage Fees as of the Petition Date.

71. Continuing to maintain the Debtor's Insurance Policies and pay related obligations, including Premiums, Deductibles, and Brokerage Fees (collectively, the "Insurance Obligations") in accordance with past practices is essential to the Debtor's reorganization in this Chapter 11 Case. If the Debtor's insurance coverage lapses, the risks associated with operating its business will escalate and may cause the Debtor to violate applicable laws and regulations requiring them to maintain certain levels of insurance coverage.

d. Utilities Motion

72. On or about the Petition Date, the Debtor filed its *Motion of the Debtor for Entry of Interim and Final Orders (I)(A) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (B) Approving the Debtor's Proposed Form of Adequate Assurance of Payments for Future Utility Services, (C) Establishing Procedures for Resolving Objections by Utility Companies, and (II) Granting Related Relief* (the "Utilities Motion").

73. In the ordinary course of the operation of its business, the Debtor receives electricity, natural gas, water, waste management, telecommunications, internet, and other similar utility services (collectively, the "Utility Services") from a number of utility service providers (the "Utility Companies") to support business operations. A list of the Utility Companies and their respective Utility Services is attached to the Utilities Motion within the First Day Pleadings as Exhibit C.

74. The Debtor needs Utility Services to properly operate and host visitors at its amusement park. Not only do the Utility Services enable attraction operations and back-office management operations, the Park itself is only accessible by a gondola powered by the Utility Services.

75. On average, prior to the Petition Date, the Debtor spent approximately \$31,380.00 per month on account of the Utility Services. To the best of my knowledge, the Debtor is current with respect to undisputed invoices for Utility Services.

76. Under the Utilities Motion, the Debtor proposes to pay in advance to each Utility Company a deposit (the "Utility Deposit") equal to an average of two weeks charge for services provided by that Utility Company. The Utility Deposits would serve as cash security deposits to provide adequate assurance of payment for Utility Services provided to the Park after the Petition

Date. I believe that the Utility Deposits constitute sufficient adequate “assurance of payment” as required under Section 366(c) of the Bankruptcy Code, and that the procedures for making additional adequate assurance requests as enumerated in the Utilities Motion are fair, orderly, and reasonable.

e. Employees Motion

77. On or about the Petition Date, the Debtor filed its *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Pay Prepetition Wages, Salaries, Other compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the “Employees Motion”).

78. As a seasonal business, the Debtor’s staffing levels fluctuate materially throughout the year, reaching peaks during the busy summer season and declining throughout its fall-to-spring off-season. Year round, the Debtor employs Full-Time Year Round employees, who generally work 30-40 hours per week, and Part-Time Year Round employees, who typically work 16-32 hours per week. In the summer busy season, the Debtor also employs Seasonal Full-Time employees, who work 30-40 per hours per week, and Seasonal Part-Time employees, who work 10-29 hours per week. The Debtor also maintains a “Labor Pool” for employees who work on an as-needed basis.⁴

79. As of the Petition Date, the Debtor employs 122 individuals (collectively, the “Employees”). Of these Employees, 51 are employed Full-Time Year Round, and 71 are employed Part-Time Year Round.

80. The Employees perform a variety of functions, including among other things,

⁴ The Debtor is party to a Shared Services Agreement for IT, Marketing, and HR Employees that provide services to the Debtor and Iron Mountain Hot Springs, LLC (“IMHS”). These employees are paid by the Debtor, and IMHS reimburses the Debtor for its share of the employees’ compensation.

attraction operations, admissions and ticketing, guest services, retail sales, merchandising, maintenance, custodial operations, photography services, security and loss prevention, logistics, entertainment, groundskeeping, and food and beverage services, as well as administrative, accounting, marketing, and management-related tasks. Their specialized skills, institutional knowledge, and familiarity with the Debtor's unique operations and infrastructure are indispensable to the Debtor's ability to operate.

81. As part of their employment, the Debtor provides its employees with certain compensation and benefits ("Compensation and Benefits"). Employee compensation consists of wages, salaries, and similar obligations (the "Employee Compensation") in the ordinary course of its business. Generally, most Full-Time Year Round Employees are salaried, while all Part-Time Year Round Employees and some Full-Time Year Round Employees are employed on an hourly basis. The pay period for Employees is two weeks and ends on a Sunday. The Debtor then pays its Employees later that week on the following Friday.

82. The Debtor utilizes Paycom Software, Inc. ("Paycom") as its payroll processor. Generally, the Debtor initiates the payroll process with Paycom on the Tuesday preceding payday, and payroll funds are withdrawn from the Debtor's bank accounts on the following Thursday. Paycom then transfers the funds to Employees' bank accounts via direct deposit on Friday or by check sent directly to the relevant Employee. The most recent bi-weekly pay period ended on February 8, 2026. Prepetition, the Debtor funded payroll from its bank accounts to ensure employees receive their earned compensation for the previous period without disruption, and Paycom subsequently issues payments to the Employees.

83. As a result of this payroll processing time, certain Employees will be owed accrued but unpaid Employee Compensation on the Petition Date. As of the Petition Date, the Debtor

estimates that it owes approximately \$119,013 on account of accrued but unpaid Employee Compensation.

84. Also in the ordinary course of its business, the Debtor directs Paycom to withhold amounts and make deductions from Employees' paychecks for payments to third parties on behalf of Employees for various federal, state, and local income taxes, Social Security, Medicare, and similar taxes for remittance to the appropriate federal, state, or local taxing authorities, legally ordered deductions and garnishments, child support and similar deductions, as well as for benefit plans discussed in the First Day Pleadings, insurance premiums, 401(k) contributions, and miscellaneous deductions for remittance to various third-party recipients (all of the foregoing collectively described as the "Withholding Obligations").

85. The Debtor also reimburses certain Employees for approved expenses incurred on behalf of the Debtor in connection with their employment. As of the Petition Date, there is only one Employee entitled to a reimbursement of approximately \$500 per month.

86. Further, the Debtor maintains certain bonus programs to incentivize or reward Employee performance in the ordinary course of business (the "Bonus Programs"). The Bonus Program is based on the Debtor's financial performance and individual Employee performance. The Debtor also offers its Employees the ability to participate in certain insurance and benefits programs, including, among other programs, medical insurance plans, life insurance, disability benefits, worker's compensation, 401(k) plan, health reserve account benefits, subsidized housing, and other employee benefit plans (collectively, the "Employee Benefits Programs"). Specific details regarding the Bonus Programs and Employee Benefits Programs are accurately enumerated in the Employees Motion.

87. The Employees are vital to the Debtor's business operations and its ability to operate as a debtor-in-possession during the pendency of the Chapter 11 Case. Employees rely on Employee Compensation to pay for housing, food, energy, and other living costs. Under the best of circumstances, the filing a chapter 11 petition is a stressful and uncertain event for a debtor's employees. Such stress and uncertainty may adversely effect Employee morale at a time when the Debtor is particularly vulnerable. It is well known that the labor pool in Glenwood Springs, CO is limited and the cost of living is high, therefore, it is imperative that the Debtor exercise its best efforts to retain its current Employees. Accordingly, honoring the Employee Compensation and Benefits in the ordinary course of business without interruption will avoid any hardship to the Employees and encourage the Employees to continue their employment with the Debtor.

Pursuant to 28 U.S.C. § 1746, I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: February 9, 2026.

/s/ Paul Maniscalco

Proposed Chief Restructuring Officer for the
Debtor