United States Bankruptcy Court
Southern District of Texas
ENTERED
August 04, 2026
Nathan Ochsner, Clerk

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
	)	
Hughes Satellite Systems Corporation, *et al.*,[1]	)	Case No. 26-90739 (ARP)
	)	
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 15**

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

Upon the motion (the "**Motion**")[2] of the debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**" or "**Cases**"), for entry of an interim order (this "**Interim Order**") pursuant to sections 105, 361, 362, 363, 503, 506, and 507 of Bankruptcy Code, and in accordance with Rules 2002, 4001, 6003, 6004, and 9014 of the Bankruptcy Rules, rules 4001-1, 4002-1, and 9013-1 of the Local Bankruptcy Rules, and the Complex Case Procedures, (i) authorizing the interim limited use of cash collateral, (ii) granting adequate protection, (iii) modifying the automatic stay, and (iv) scheduling a final hearing; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and entry of this Interim Order being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors having consented to the entry of a final order by this Court under Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant

[1] The last four digits of Hughes Satellite Systems Corporation's tax identification number are 7865. A complete list of each of the Debtors in these Chapter 11 Cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' proposed claims and noticing agent at https://dm.epiq11.com/HughesSatellite. The location of the Debtors' corporate headquarters and the Debtors' service address is 9601 S. Meridian Blvd., Englewood, Colorado 80112.

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

to 28 U.S.C. §§ 1408 and 1409; and this Court having found that due, sufficient, and proper notice of the Motion was provided under the circumstances and in accordance with the Bankruptcy Rules and the Bankruptcy Local Rules, and it appearing that no other or further notice need be provided; and upon consideration of the Motion and the First Day Declaration, and a hearing having been held to consider the relief requested in the Motion (the "**Hearing**"); the Ad Hoc Noteholder Group (the "**Ad Hoc Group**") having objected to the Motion, and all other objections to the Motion, if any, having been withdrawn, resolved, or overruled; and the relief requested in the Motion being in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion and the First Day Declaration establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

a. The final hearing (the "**Final Hearing**") on the Motion shall be held on August 26, 2026 at 1:00 p.m., prevailing Central Time. Any objections or responses to entry of an order (the "**Final Order**")[3] on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on August 21, 2026. In the event no objections to entry of the final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

b. Without prejudice to the Debtors' right to object to such discovery, the Debtors shall complete document production in response to the Ad Hoc Group's first request for production by August 15, 2026 related to the Motion and depositions of any witnesses expected to testify no later than August 20, 2026.

c. The Debtors are authorized, but not directed, to use "cash collateral" as that term is defined in section 363 of the Bankruptcy Code, which shall include, but not be limited to, all prepetition or postpetition cash or cash equivalents of any kind held by the Debtors, whether in reserved accounts, blocked accounts, or otherwise, in which the Prepetition Secured Parties (as defined herein) may hold or may assert a security interest by virtue of the Security Agreement (as defined herein), the indenture governing the Senior Secured Notes (as defined herein), and/or the Intercompany Financing Agreement (as defined herein), as applicable (the "**Cash**

[3] For the avoidance of doubt, the Debtors will seek approval of the "Carve Out (as described in the proposed Interim Order (I) Authorizing Use of the Debtors' Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Say, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief [Docket No. 15-3] attached to the Motion [Docket No. 15]) in the Final Order.

Collateral"), for the purposes of funding general operating and working capital expenses and for other lawful corporate purposes of the Debtors in accordance with the Budget (as defined herein) and subject to and on the terms set forth in this Interim Order to the extent as set forth in the budget attached hereto as **Exhibit 1**.

d. The Debtors are authorized to provide the adequate protection set forth herein to the Prepetition Secured Parties for their interests in the Prepetition Collateral (as defined herein), including Cash Collateral.

e. The automatic stay imposed by section 362 of the Bankruptcy Code is modified or vacated to the extent necessary to implement and effectuate the terms and provisions of this Interim Order, waiving any applicable stay (including Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order.

The Court having considered the relief requested in the Motion, the First Day Declaration, the evidence submitted and arguments presented at the interim hearing held before this Court (the "**Interim Hearing**"); and adequate notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 4001(b) and 9014 and all applicable Local Rules and Complex Case Procedures; and it appearing to the Court that granting the interim relief requested in the Motion as modified by this Interim Order is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates, creditors, and equity holders, represents a sound exercise of the Debtors' business judgment, and is necessary for the continued operation of the Debtors' assets; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[4]

A. The Petition Date.

1. On August 2, 2026 (the "**Petition Date**"), each of the Debtors filed a voluntary petition with this Court for relief under Chapter 11 of the Bankruptcy Code. These Chapter 11 Cases are being jointly administered.

B. Debtors in Possession.

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

C. Committee Formation.

3. As of the date hereof, the United States Trustee for the Southern District of Texas (the "**U.S. Trustee**") has not appointed an official committee of unsecured creditors in the Cases pursuant to section 1102 of the Bankruptcy Code (the "**Committee**").

D. Jurisdiction and Venue.

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

E. Preliminary Findings Regarding the Prepetition Secured Obligations.

5. Based on the Motion, the First Day Declaration, and the evidence submitted at the Interim Hearing, and without prejudice to the rights of the Debtors or any other party in interest to

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

challenge any of the following (collectively, paragraphs (i) through (v) hereof shall be referred to herein as the "**Preliminary Findings**"), the Court makes the following preliminary findings subject to the Reservation of Rights below:

(i) **Senior Secured Notes**. Prior to the Petition Date, Hughes Satellite Systems Corporation ("**HSSC**") issued 5.250% Senior Secured Notes due August 1, 2026 in an aggregate principal amount of approximately $750 million (the "**Senior Secured Notes**" and the noteholders thereof, the "**Secured Noteholders**"),[5] issued pursuant to that certain indenture dated July 27, 2016, as supplemented (the "**Indenture**"), by and among HSSC, the Guarantors, [6] Wilmington Savings Fund Society, FSB ("**WSFS**"), as successor indenture trustee (in such capacity, the "**Prepetition Trustee**"), and successor collateral agent (in such capacity, the "**Collateral Agent**")[7]. The Senior Secured Notes are secured by valid and perfected first-priority liens on substantially all of the assets of HSSC and the Guarantors, and guaranteed on a joint and several basis by each of the Guarantors.

(ii) **Secured Intercompany Financing Agreement**. Prior to the Petition Date, HSSC entered into that certain Financing Agreement, dated as of February 13, 2026 (the "**Intercompany Financing Agreement**"), by and among HSSC, the Guarantors, and EchoStar XXIV L.L.C. ("**EchoStar XXIV**" and, together with the Secured Noteholders, the Prepetition Trustee, and the Collateral Agent, the "**Prepetition Secured Parties**"), pursuant to which EchoStar XXIV extended financing to HSSC in an aggregate principal amount of $50,000,000 (the "**Intercompany Secured Obligations**"), bearing interest at the rate of 13.75% per annum, and maturing on August 1, 2026. The Intercompany Secured Obligations are purportedly designated

[5] The holders of a majority in aggregate principal amount of the Senior Secured Notes outstanding at such time, together with EchoStar XXIV (as defined herein), are the "**Required Prepetition Secured Parties**"; *provided* that, for the avoidance of doubt, EchoStar XXIV's inclusion as a Required Prepetition Secured Party (a) does not entitle EchoStar XXIV to any vote or consent right in determining whether the holders of a majority in aggregate principal amount of the Senior Secured Notes have taken or authorized any action, delivered any notice, or granted any waiver under this Interim Order, each of which shall be determined solely by reference to the holders of a majority in aggregate principal amount of the Senior Secured Notes outstanding at such time, and (b) shall not permit EchoStar XXIV, acting alone, to block, veto, or withhold any action, notice, waiver, or consent that the Required Prepetition Secured Parties are authorized or required to give hereunder.

The Ad Hoc Group reserves all rights regarding the interpretation of the Required Prepetition Secured Parties.

[6] The following entities are Debtors in these Chapter 11 Cases, are direct and indirect wholly-owned subsidiaries of HSSC, and are guarantors of HSSC's outstanding funded debt: Hughes Network Systems, LLC; HNS License Sub, LLC; EchoStar Orbital L.L.C.; EchoStar Satellite Services L.L.C.; HNS Real Estate, LLC; Hughes Network Systems International Service Company; HNS Americas, L.L.C.; HNS Americas II, L.L.C.; HNS-India VSAT, Inc.; Hughes Communications, Inc.; EchoStar Government Services L.L.C. (collectively with HSSC, the "**Guarantors**").

[7] U.S. Bank Trust Company, National Association previously served as indenture trustee and collateral agent with respect to the senior secured notes and was succeeded in those roles by WSFS on July 31, 2026.

as "Additional Secured Obligations" under the Security Agreement, and EchoStar XXIV joined as an "Additional Secured Party" under the Security Agreement pursuant to that certain Additional Secured Party Joinder, dated as of February 13, 2026 (the "**Secured Party Joinder**"), among EchoStar XXIV, HSSC, and the Collateral Agent. The Intercompany Secured Obligations are purportedly guaranteed on a joint and several basis by each of the Guarantors and are purportedly secured by the Prepetition Liens on the Prepetition Collateral.

(iii) **Prepetition Collateral**. The Senior Secured Notes and the Intercompany Secured Obligations are secured by valid and perfected liens (the "**Prepetition Liens**") on the Collateral pursuant to and as defined in that certain Security Agreement, dated as of June 8, 2011 (as amended and supplemented from time to time, the "**Security Agreement**") and related collateral agreements described in the Security Agreement and executed in connection therewith, which constitutes substantially all of the assets of HSSC and the Guarantors (collectively, the "**Prepetition Collateral**") and are guaranteed on a joint and several basis by each of the Guarantors. The Prepetition Collateral includes, among other things, substantially all of the Debtors' real and personal property, accounts receivable, subscriber receivables, equipment, inventory, intellectual property, orbital slot licenses and regulatory authorizations, investment property, deposit accounts, and the proceeds thereof, but excludes any Excluded Property (as defined in the Security Agreement). Cash generated from the Debtors' operations constitutes Cash Collateral in which the Prepetition Secured Parties hold a valid and perfected security interest by virtue of the Security Agreement, the Indenture, and/or the Intercompany Financing Agreement, as applicable.

(iv) **Prepetition Secured Obligations**. As of the Petition Date, the Debtors were indebted under the Senior Secured Notes in an aggregate principal amount of approximately $750 million, plus accrued and unpaid interest, fees, expenses, and all other amounts payable under or in connection with the Senior Secured Notes, the Indenture, and the Security Agreement. The Debtors were also purportedly indebted under the Intercompany Financing Agreement in an aggregate principal amount of approximately $50 million, plus accrued and unpaid interest, fees, expenses, and all other amounts payable under or in connection with the Intercompany Financing Agreement (such obligations under the Senior Secured Notes, the Indenture, the Intercompany Financing Agreement, and the Security Agreement, collectively, the "**Prepetition Secured Obligations**"). The Debtors and all parties in interest reserve all rights, claims, defenses, counterclaims, and offsets with respect to the Prepetition Secured Obligations.

(v) **Prepetition Secured Financing Documents**. The Indenture, the Intercompany Financing Agreement, the Security Agreement, and all other agreements, documents, and instruments executed or delivered in connection therewith or related thereto, as amended, restated, supplemented, or otherwise modified prior to the Petition Date, including any guarantee agreements, pledge agreements, collateral documents, control agreements, security documents, UCC financing statements, and fee letters (collectively, the "**Prepetition Secured Financing Documents**"), are valid agreements among the parties thereto. The Debtors and parties in interest reserve the right to challenge the validity and perfection of the Prepetition Secured Financing Documents at the final hearing on Cash Collateral.

F. Findings Regarding the Use of Cash Collateral.

6. *Good Cause*. Good and sufficient cause has been shown for the entry of this Interim Order and for authorization of the Debtors to use Cash Collateral as set forth herein.

7. *Need for Use of Cash Collateral*. The Debtors seek authority on an interim basis to continue to use Cash Collateral on the terms described herein in order to, among other things: (a) permit the orderly continuation of the operation of their businesses; (b) pay the costs, fees, and expenses of administration of the Cases and claims in the amounts approved by this Court in the "first" and "second" day orders; and (c) for general corporate and working capital purposes, in each case, subject to the terms and conditions set forth herein (including the Budget (subject to Permitted Variances (as defined herein)). The Debtors' immediate access to sufficient working capital and liquidity through the use of Cash Collateral and other Prepetition Collateral is necessary and vital to prevent irreparable harm, to finance their operations, to preserve and maintain the going concern values of the Debtors, and to maximize the return for all stakeholders. The terms of this Interim Order are fair and reasonable, reflect the Debtors' exercise of their prudent business judgment, and are supported by reasonably equivalent value and fair consideration. Absent the ability to continue to use Cash Collateral upon the terms set forth herein, the Debtors, their estates, their creditors and other parties in interest will be seriously and irreparably harmed.

8. *Use of Cash Collateral*. All Cash Collateral and all proceeds of the Prepetition Collateral may be used by the Debtors (a) to pay the costs of administration of the Cases and claims

or amounts approved by this Court in the "first" and "second" day orders, and (b) for general corporate and working capital purposes, in each case subject to the terms and conditions of this Interim Order, including the Budget (subject to Permitted Variances).

9. *Adequate Protection*. The Prepetition Secured Parties are entitled to adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code against any diminution in value of such interests from and after the Petition Date resulting from, among other things, (a) the use, sale, or lease by the Debtors of such Prepetition Collateral; (b) the amount of Cash Collateral used by each of the Debtors; (c) the imposition of the automatic stay; and (d) any other act or omission which causes postpetition diminution in the Prepetition Secured Parties' value of their interests in the Prepetition Collateral (collectively, and to the fullest extent permitted under the Bankruptcy Code, "**Diminution in Value**"). The adequate protection provided herein and other benefits and privileges contained herein are necessary to protect the Prepetition Secured Parties from any Diminution in Value of their interests in the Prepetition Collateral. Nothing in this Interim Order shall constitute a finding or ruling that EchoStar XXIV holds valid, perfected, and enforceable liens on or security interests in any Prepetition Collateral (including Cash Collateral), and the Debtors and all parties in interest, including the Noteholders, expressly reserve all rights in respect of the same.

10. *Proper Exercise of Business Judgment*. Based on the Motion, the First Day Declaration, the other evidence filed in support of the Motion, and the record presented to the Court at the Interim Hearing, (a) the terms of adequate protection granted to the Prepetition Secured Parties, (b) the terms on which the Debtors may continue to use the Prepetition Collateral (including Cash Collateral), and (c) the Cash Collateral arrangements described herein pursuant to this Interim Order are (i) fair, reasonable, and the best available to the Debtors under the

circumstances; (ii) reflective of the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; and (iii) supported by reasonably equivalent value and fair consideration.

11. *Delivery of Budget.* The Debtors have prepared and delivered to the Prepetition Secured Parties on the Petition Date the initial itemized 4-week cash flow forecast set forth on **Exhibit 1** attached hereto (the "**Initial Budget**"), setting forth certain line-item and cumulative cash receipts and operating disbursements on a weekly basis for the period beginning as of August 3, 2026. Capitalized terms relating to the Budget (including "Budget," "Updated Budget," and "Approved Budget") shall have the meanings ascribed to them in Section L of this Interim Order.

12. *Notice*. Proper, timely, adequate, and sufficient notice of the Motion and the Interim Hearing has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion with respect to the relief requested at the Interim Hearing or the entry of this Interim Order shall be required.

G. Relief Essential.

13. The Court concludes that entry of this Interim Order is (a) necessary, essential, and appropriate to avoid immediate and irreparable harm and for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties, and (b) is in the best interests of the Debtors' estates.

NOW, THEREFORE, based upon the foregoing findings and conclusions, the Motion, the First Day Declaration, and the record before the Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

H. Motion Approved.

14. The Motion is hereby granted on an interim basis in accordance with and subject to the terms and conditions of this Interim Order. Any objections or other statements to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservation of rights inconsistent with this Interim Order, are hereby overruled.

I. Use of Cash Collateral.

15. The Debtors' use of the Prepetition Collateral (including Cash Collateral) and the proceeds thereof is authorized and approved, in each case, solely in the manner and for the purposes expressly permitted under this Interim Order, including the Budget (subject to Permitted Variances), for the period beginning on the Petition Date until the occurrence of the Termination Date (as defined herein), for the following purposes: (a) to pay the costs of administration of the Cases and claims or amounts approved by this Court in the "first" and "second" day orders or as required under the Bankruptcy Code; (b) for general corporate and working capital purposes, in each case, subject to the terms and conditions of this Interim Order, including the Budget (subject to Permitted Variances); and (c) to fund the Interest Escrow Account in accordance with paragraph 19(iv) below.

16. This Interim Order, the Adequate Protection Liens, and the Adequate Protection Claims shall constitute valid, binding, enforceable, and non-avoidable obligations of each of the Debtors and shall be fully enforceable and maintain their respective priorities as provided in this Interim Order against each of the Debtors, their estates, and any successors thereto, including, without limitation, any estate representative or trustee elected or appointed in any of the Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Cases, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of

any of the Cases or any such successor cases (collectively, the "**Successor Cases**"), and their creditors and other parties in interest; *provided*, that the Adequate Protection Claims shall be determined in light of priority, validity, enforceability and perfection of the Prepetition Liens and the Adequate Protection Liens. Subject to the terms of this Interim Order, no obligation, payment, transfer, or grant of security under this Interim Order to the Prepetition Secured Parties shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 362, 502(d), 544, 548, or 549 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state statute or common law), or subject to any defense, avoidance, reduction, recoupment, recharacterization, subordination, disallowance, impairment, cross-claim, claim, counterclaim, offset, or any other challenge under the Bankruptcy Code or any applicable law (foreign or domestic).

J. Adequate Protection Collateral.

17. The term "**Adequate Protection Collateral**" means, collectively, all of the Debtors' assets and property, excluding causes of action or claims (a) arising under sections 502(d), 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code (collectively, the "**Avoidance Actions**") and (b) any commercial tort claims of any kind or nature whatsoever, *provided* that, subject to entry of a Final Order, the proceeds of such Avoidance Actions and commercial tort claims shall constitute Adequate Protection Collateral. Notwithstanding the foregoing, the Adequate Protection Collateral shall not include assets or property upon which, and solely to the extent that, the grant of an Adequate Protection Lien would not be enforceable pursuant to applicable law, but shall include the proceeds thereof.

K. Adequate Protection Claims and Liens.

18. Adequate Protection for Prepetition Secured Parties. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, the Prepetition Secured Parties are hereby granted the following adequate protection of their interests, including liens and security interests, in the Prepetition Collateral (including Cash Collateral):

19. As adequate protection for the respective interests of the Prepetition Secured Parties in the Prepetition Collateral (including the Cash Collateral), pursuant to sections 361 and 363(e) of the Bankruptcy Code, and as a condition for the use of their respective Prepetition Collateral, including any Cash Collateral, each of the Prepetition Secured Parties, as applicable, are hereby granted the following, effective as of the Petition Date:

(i) *Adequate Protection Claims*. To the extent that the Adequate Protection Liens granted below are valid, perfected and fully enforceable and fail to adequately protect the Prepetition Secured Parties from any Diminution in Value of the Prepetition Liens (to the extent the Prepetition Liens are valid, perfected and fully enforceable) in the Prepetition Collateral, pursuant to sections 503(b), 507(a), and 507(b) of the Bankruptcy Code, the Prepetition Trustee, for itself and for the benefit of the Prepetition Secured Parties, is hereby granted, to the extent of any such Diminution in Value, allowed superpriority administrative expense claims against each of the Debtors on a joint and several basis, which claims shall be payable from and have recourse to all Adequate Protection Collateral and the Interest Escrow Account, and shall have the priority in payment specified in section 507(b) of the Bankruptcy Code (the "**Adequate Protection Claims**").

(ii) *Adequate Protection Liens*. As security for and solely to the extent of any Diminution in Value of the Prepetition Liens in the Prepetition Collateral from and after the Petition Date, the Prepetition Trustee, for itself and for the benefit of the other Prepetition Secured Parties, is hereby granted, effective as of the Petition Date (and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the Prepetition Trustee), replacement liens upon all Adequate Protection Collateral (such liens and security interests, the "**Adequate Protection Liens**"), which Adequate Protection Liens (1) shall be subject and subordinate only to valid, enforceable and non-avoidable liens in existence on the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code and that, after giving effect to any valid and enforceable subordination agreement (if any), are senior in priority to the Prepetition Liens by operation of applicable non-bankruptcy law (collectively, the "**Permitted Prior Liens**"); and (2) shall be junior in, priority, perfection and enforceability as to any Prepetition Liens on the Prepetition Collateral.

(iii) *Budget Compliance and Reporting*. As additional adequate protection of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral), the Debtors shall comply with the Budget (subject to Permitted Variances), budget delivery, variance reporting, and other reporting obligations set forth in Section L of this Interim Order.

(iv) *Interest Escrow*. As additional adequate protection of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral), within five (5) Business Days of the entry of this Interim Order, the Debtors shall deposit, in cash, into a segregated, interest-bearing escrow account (the "**Interest Escrow Account**") established with Epiq Corporate Restructuring, LLC, an amount equal to one (1) month's interest accrued on the Senior Secured Notes, calculated at the non-default contract rate applicable thereto. The funds on deposit in the Interest Escrow Account shall not be withdrawn, disbursed, encumbered or otherwise used by the Debtors, and shall be held solely as adequate protection for the benefit of the Secured Noteholders, subject to further order of the Court, pending the Final Hearing.

(v) *Right to Seek Additional Adequate Protection*. This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the respective Prepetition Secured Parties to request additional forms of adequate protection at any time.

L. **Budget and Variance Reporting**.The Debtors prepared and delivered the Initial Budget to the Prepetition Secured Parties and filed it with the Court. For purposes hereof: (i) "**Budget**" means a rolling 4-week cash flow forecast of the Debtors, which reflects the Debtors' projected cash receipts, projected disbursements, and projected liquidity, beginning on the Monday immediately following the Petition Date, to be delivered in accordance with the procedures set forth in this Interim Order; (ii) "**Updated Budget**" means an updated Budget delivered by the Debtors to the Prepetition Secured Parties, the U.S. Trustee, and any Committee (if appointed) absent further order of the Court, on or before the last Business Day of the first full week after the

Petition Date and every week thereafter, which Updated Budget shall: (a) be prepared in good faith by the Debtors' management, with the assistance of their advisors; (b) be in substantially the same format as the Initial Budget or in such other format as the Debtors may determine is appropriate given the circumstances of the Chapter 11 Cases; and (c) cover the forward-looking thirteen (13)-week period commencing on the first day of the calendar week immediately following the date of delivery of such Updated Budget; and (iii) "**Approved Budget**" means (1) the Initial Budget, as the same may be updated, modified, supplemented, or replaced from time to time in accordance with the procedures set forth in this Interim Order, and (2) thereafter, each successive Updated Budget, which Updated Budget shall become the Approved Budget upon delivery to the Prepetition Trustee, counsel to the Ad Hoc Group, U.S. Trustee, and counsel to any Committee (if appointed).

21. The Debtors shall deliver to the Prepetition Trustee, counsel to the Ad Hoc Group, the U.S. Trustee, and counsel to any Committee (if appointed), absent further order of the Court, a variance report setting forth variances from the Approved Budget for the applicable Variance Testing Period and certifying compliance or non-compliance with the Permitted Variances (each such report, a "**Variance Report**"). "**Variance Testing Period**" shall mean (i) initially, the four-calendar week period ending on the Friday of the first full calendar week occurring after the Petition Date, and (ii) thereafter, each successive court-calendar week period ending on Friday of the fourth calendar week thereof. "**Permitted Variances**" means, for any Variance Testing Period, (a) actual cumulative disbursements for Payroll & Benefits and Occupancy & Leases in the applicable four-week period, which shall not exceed one hundred five percent (105%) of projected cumulative total disbursements in these line items set forth in the Approved Budget for such period; (b) actual cumulative disbursements for First Day Motion Payments in the period

prior to entry of a Final Order, which shall not exceed one hundred percent (100%) of the amounts permitted for such First Day Motions Payments by the interim orders entered by the Court on August 3, 2026, authorizing, but not directing, the Debtors to make such payments; and (c) actual cumulative disbursements for Operating Expenses, Inventory Purchases, and All Other Operating Disbursements in the applicable four-week period, which shall not exceed one hundred twenty-five percent (125%) of projected cumulative total disbursements in these line items set forth in the Approved Budget for such period.

22. In addition, the Debtors shall deliver to the Prepetition Secured Parties a detailed 13 week budget no later than Monday, August 10, 2026, and such reporting and other documentation and reports as are currently required to be delivered pursuant to the Indenture, as and when due or requested thereunder.

M. Modification of Automatic Stay.

23. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Debtors to take all appropriate actions (to the extent any further action is necessary) to grant the Adequate Protection Liens and incur the Adequate Protection Claims set forth herein, and to take all appropriate actions to ensure that the Adequate Protection Liens granted hereunder are perfected and maintain the priority set forth herein; and (b) the implementation of all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order, without further notice, motion or application to, or order of this Court.

N. Perfection of Adequate Protection Liens.

24. This Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of all liens and security interests granted herein, including, without limitation, the Adequate Protection Liens, without any further act and without the necessity of the

execution, filing, or recording any financing statement, mortgage, security agreement, pledge agreement, notice, or other instrument or document, or the registration of liens on any certificates of title, that may otherwise be required under the law or regulation of any jurisdiction, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any Prepetition Collateral) to attach, validate, perfect or prioritize such liens and security interests, or to entitle the Prepetition Secured Parties to the priorities granted herein. For avoidance of doubt, the Adequate Protection Liens shall have the same validity, priority, perfection and enforceability of the Prepetition Liens and nothing herein shall constitute a determination thereof. The Debtors and all parties in interest reserve all of their rights with respect to the validity, priority, perfection and enforceability of any such Prepetition Liens.

25. Notwithstanding the foregoing, a certified copy of this Interim Order may, in the discretion of the Prepetition Trustee, be filed with or recorded in filing or recording offices in addition to or in lieu of any security documents, and all filing offices are hereby authorized and directed to accept such certified copy of this Interim Order for filing and/or recording, as applicable, and all such security documents shall be deemed to have been filed or recorded on the Petition Date. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the Prepetition Trustee to take all actions, as applicable, referenced in this Section N.

O. Reservation of Rights.

26. Notwithstanding anything to the contrary in this Interim Order, nothing in this Interim Order shall be construed as a finding or ruling on, or as prejudicing, limiting, or otherwise affecting, the rights of the Debtors, the Prepetition Secured Parties, any Committee (if appointed),

or any other party in interest (including, without limitation, any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) with respect to the validity, enforceability, perfection, priority, extent, or avoidability of the Prepetition Liens, the Prepetition Secured Obligations, or the Prepetition Secured Financing Documents, and all such rights, claims, defenses, counterclaims, offsets, causes of action, and challenges (including, without limitation, Avoidance Actions, claims for recharacterization, equitable subordination, and any so-called "lender liability" claims and causes of action) are hereby expressly preserved and reserved for all parties. For the avoidance of doubt, the Debtors' agreement to provide the adequate protection set forth in this Interim Order shall be without prejudice to, and shall not constitute a waiver of, the Debtors' or any other party in interest's rights to (a) object to or challenge the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Liens, the Prepetition Secured Obligations, or the Prepetition Secured Financing Documents, as to the Debtors, prior to or at the Final Hearing, and as to any other party in interest with standing to do so, prior to the 90th day following entry of this Interim Order, (b) assert any offsets, defenses, counterclaims, recoupment, or other claims with respect to the Prepetition Secured Obligations, (c) assert or prosecute any Avoidance Actions or other causes of action against any of the Prepetition Secured Parties or any of their Related Parties[8], (d) object to the allowance of any claim on account of the Prepetition Secured Obligations, or (e) seek to surcharge

[8] "**Related Party**" means, with respect to (w) any Entity (as defined in section 101(15) of the Bankruptcy Code); (x) such Entity's predecessors, successors and assigns, parents, subsidiaries, affiliates, affiliated investment funds or investment vehicles, managed or advised accounts, funds, or other entities, and investment advisors, subadvisors, or managers; (y) with respect to each of the foregoing in clauses (w) and (x), such Entity's respective current and former officers, directors, principals, equity holders (regardless of whether such interests are held directly or indirectly and any fund managers, fiduciaries, or other agents with any involvement related to the Debtors), members, partners, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, actuaries, investment bankers, consultants, representatives, management companies, fund advisors and other professionals; and (z) with respect to each of the foregoing in clauses (w)–(y), such Entity's respective heirs, executors, estates, and nominees.

any Prepetition Collateral or Adequate Protection Collateral pursuant to section 506(c) of the Bankruptcy Code or otherwise. The Prepetition Secured Parties likewise reserve all rights with respect to the Debtors' obligations under this Interim Order, the Prepetition Secured Financing Documents, and applicable law.

P. Termination Event.

27. A "**Termination Event**" shall occur if the Debtors' actual cumulative disbursements for any Variance Testing Period exceed the Permitted Variances upon delivery of a written notice thereof to counsel to the Debtors by the Required Prepetition Secured Parties, unless waived in writing by the Required Prepetition Secured Parties (the date on which a Termination Event occurs, the "**Termination Date**").

Q. Remedies Upon a Termination Event.

28. Upon the occurrence or during the continuation of a Termination Event, the Required Prepetition Secured Parties may send written notice (the "**Remedies Notice**"), email being sufficient, to counsel to the Debtors, counsel to any Committee (if appointed), and the U.S. Trustee (the "**Remedies Notice Parties**") that a Termination Event has occurred, and, prior to taking any enforcement action, the Required Prepetition Secured Parties shall file with the Court and seek a hearing (the "**Stay Relief Hearing**") upon no less than three (3) Business Days' notice (unless the Debtors and the Required Prepetition Secured Parties agree to request that the Court conduct the Stay Relief Hearing on shorter notice) to the Remedies Notice Parties (the "**Remedies Notice Period**") to lift the automatic stay. Following the Stay Relief Hearing, and if the Court determines that the automatic stay should be lifted, the Court may fashion an appropriate remedy. Prior to entry of the relevant order granting relief from the automatic stay (if any), the Prepetition Secured Parties shall not (i) terminate, restrict, and/or revoke the Debtors' right under this Interim

Order to use any Cash Collateral, (ii) freeze monies or balances in the Debtors' accounts, (iii) otherwise enforce any and all rights against the Prepetition Collateral, or (iv) take any other actions or exercise any other rights or remedies permitted under this Interim Order or applicable law. In any hearing related to such non-consensual use of Cash Collateral, the Debtors, the Prepetition Trustee, and the Prepetition Secured Parties may raise, assert, prosecute, or otherwise advance any and all rights and arguments that could be asserted at such hearing.

R. Binding Effect of this Interim Order.

29. Subject to the terms and conditions of this Interim Order, immediately upon entry of this Interim Order by the Court, effective as of the Petition Date, the provisions of this Interim Order, including all findings and conclusions of law herein, shall be binding upon all parties in interest in the Chapter 11 Cases and any Successor Cases, including without limitation, the Prepetition Secured Parties, any Committee (if appointed), or any other committee appointed in the Chapter 11 Cases and any Successor Cases, and their respective successors and assigns, including any chapter 11 trustee or chapter 7 trustee hereinafter appointed or elected for the estate of any Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors, and shall inure to the benefit of each of the Debtors and their respective successors and assigns.

S. Survival.

30. The terms and provisions of this Interim Order and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties in interest, and shall maintain their priorities, and shall not be modified, impaired, or discharged by, entry of any order that may be entered (a) confirming a plan of reorganization, (b)

converting any or all of the Cases to cases under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of the Cases, or (d) pursuant to which the Court abstains from hearing any of the Cases. This Court shall retain jurisdiction, notwithstanding any such confirmation, conversion, or dismissal, for the purposes of enforcing this Interim Order, and all of the protections, rights, remedies, liens, claims, priorities, privileges, and benefits granted to the Prepetition Secured Parties hereunder or thereunder.

T. Effectiveness.

31. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules or any Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

U. Bankruptcy Rules.

32. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

V. Headings.

33. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

W. Computing Time Periods.

34. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

X. Necessary Action.

35. The Debtors are authorized to take any and all such necessary actions as are reasonable and appropriate to implement the terms of this Interim Order.

Y. Final Hearing.

36. The Final Hearing on the Motion shall be held on August 26, 2026, at 1:00 p.m., prevailing Central Time, or such other date and time as the Court may designate. Any objections or responses to entry of a final order on the Motion shall be filed and served on or before August 21, 2026, at 4:00 p.m., prevailing Central Time. In the event no objections to entry of the final order on the Motion are timely filed and served, this Court may enter such final order without need for the Final Hearing.

Z. Retention of Jurisdiction.

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

AA. Non-Waiver.

38. No failure or delay on the part of any party in exercising any right, power, or remedy under this Interim Order, the Prepetition Secured Financing Documents, or applicable law shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. No course of dealing or course of performance between the parties shall constitute a waiver of any rights or obligations under this Interim Order. All rights and remedies provided hereunder and under the Prepetition Secured Financing Documents are cumulative and are not exclusive of any other rights or remedies that may be available at law, in equity, or otherwise. No waiver of any provision of this Interim Order shall be effective unless set forth in a written instrument duly executed by the party or parties to be bound thereby.

Signed: August 04, 2026

Alfredo R Pérez
United States Bankruptcy Judge

<u>Exhibit 1</u>

Initial Budget

Initial Cash Collateral Budget
($ in Mns)

	Week 1 Aug-26 8/7/26	Week 2 Aug-26 8/14/26	Week 3 Aug-26 8/21/26	Week 4 Aug-26 8/28/26	4 Week Total
Operating Receipts					
Receipts	$ 17.1	$ 18.4	$ 17.5	$ 18.1	$ 71.1
Operating Disbursements					
Payroll & Benefits	$ (8.7)	$ (0.5)	$ (8.9)	$ (0.5)	$ (18.4)
Operating Expenses	-	-	(3.2)	(3.6)	(6.7)
Inventory Purchases	-	-	(2.3)	(3.2)	(5.5)
Occupancy and Leases	(3.8)	(1.8)	(3.0)	(1.9)	(10.4)
All Other	(0.7)	(2.1)	(2.4)	(1.6)	(6.9)
Total Operating Disbursements	$ (13.2)	$ (4.4)	$ (19.6)	$ (10.7)	$ (47.9)
Operating Cash Flow	**$ 3.9**	**$ 14.1**	**$ (2.2)**	**$ 7.4**	**$ 23.2**
Non-Operating Disbursements					
Debt Service	$ -	$ -	$ -	$ -	$ -
Professional Fees	-	-	-	-	-
First Day Motion Payments	(2.6)	(3.6)	(2.6)	(2.6)	(11.6)
Total Non-Operating Disbursements	$ (2.6)	$ (3.6)	$ (2.6)	$ (2.6)	$ (11.6)
Net Cash Flow	**$ 1.3**	**$ 10.4**	**$ (4.8)**	**$ 4.7**	**$ 11.7**
Beginning Domestic Book Cash	$ 60.4	$ 61.7	$ 72.1	$ 67.3	$ 60.4
(+/-) Net Change in Cash	1.3	10.4	(4.8)	4.7	11.7
Ending Domestic Book Cash	**$ 61.7**	**$ 72.1**	**$ 67.3**	**$ 72.0**	**$ 72.0**