United States Bankruptcy Court
Southern District of Texas
ENTERED
November 17, 2026
Nathan Ochsner, Clerk

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

In re:	§	Chapter 11
TASTY CHICK'N, LLC, *et al.*,[1]	§	Case No. 26-90831 (CML)
Debtors.	§	(Jointly Administered)
	§	**Re: Docket No. 16**

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY, AND (VI) SCHEDULING A FINAL HEARING

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") and a final order (the "Final Order" and, together with this Interim Order, the "DIP Orders") under sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1, 4001-1(b), 4002-1, and 9013-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules"):

(i) authorizing Tasty Chick'n Midwest, LLC ("Midwest"), Tasty Chick'n Southeast, LLC ("Southeast"), and Tasty Chick'n, LLC, as borrowers (collectively, the "Borrowers"), and any other related subsidiary of Borrowers with the exception of

[1] A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their tax identification numbers may be obtained on the website of the Debtors' proposed claims and noticing agent at https://dm.epiq11.com/TastyChickn. The Debtors' address for service in these chapter 11 cases is Tasty Restaurant Group, 6201 Plano Parkway, Plano, TX 75093.

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

VRE Tasty 7 Pack LLC ("7 Pack") as guarantor (together with the Borrowers (but excluding 7 Pack), the "Loan Parties"), to obtain a secured, superpriority priming debtor in possession multi-draw term loan facility in an aggregate principal amount of up to $20,000,000.00 (the "DIP Facility") from MidCap Financial Trust and/or one or more of its affiliates (the "DIP Lender"), consisting of (a) new money term loans in the aggregate principal amount of $5,000,000.00 (the "New Money DIP Loans"), of which up to $2,500,000.00 plus any Permitted Variance (as defined below) is available upon entry of this Interim Order (the "Interim Draw"), with the balance of $2,500,000.00 to be funded based upon draw requests consistent with the Approved Budget (as defined below) and subject to compliance with the DIP Term Sheet and the DIP Orders (the "Final Draw"), and (b) effective upon entry of the Final Order and funding of the Final Draw, the substitution and exchange of up to three times the amount of New Money DIP Loans borrowed under the DIP Facility (up to $15,000,000.00) of the Borrowers' prepetition principal obligations under the Existing Credit Facility (as defined below) for term loans under the DIP Facility (the "Roll-Up DIP Loans" and, together with the New Money DIP Loans, the "DIP Loans"), on the terms of this Interim Order and the DIP Term Sheet attached hereto as **Exhibit 1** (the "DIP Term Sheet");

(ii) granting the DIP Liens and DIP Superpriority Claims (each as defined below);

(iii) authorizing the use of Cash Collateral (as defined below);

(iv) granting adequate protection to the Prepetition Lenders (as defined below);

(v) modifying the automatic stay; and

(vi) scheduling a final hearing (the "Final Hearing").

The Court having considered the Motion, the exhibits attached hereto, the DIP Declaration, the First Day Declaration and the evidence and argument presented at the interim hearing held on November 17, 2026 (the "Interim Hearing"); and all objections to the interim relief having been withdrawn, resolved, or overruled; and after due deliberation and good cause appearing therefor,

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that

A. Petition Date. On November 16, 2026 (the "Petition Date"), each Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Court").

B. Jurisdiction and Venue. This Court has jurisdiction over these chapter 11 cases, the Motion and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334. The Court's consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for these chapter 11 cases and proceedings on the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Court may enter a final order on the Motion consistent with Article III of the United States Constitution.

C. Debtors in Possession. The Debtors continue to operate their businesses as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed, and no official committee of unsecured creditors (a "Committee") has been appointed.

D. Notice. Notice of the Motion and the Interim Hearing was appropriate under the circumstances and complied with Bankruptcy Rules 2002 and 4001(b), (c), and (d) and the Bankruptcy Local Rules. No further notice is required.

E. Debtors' Stipulations. Without prejudice to the rights of parties in interest set forth in paragraph 25, the Debtors stipulate and agree (the "Debtors' Stipulations") that:

(i) *Existing Credit Facility*. The Borrowers are party to that certain Credit and Guaranty Agreement dated May 16, 2024, among the Borrowers, MidCap Financial Trust ("MidCap"), as administrative agent and lender, and the other lenders party thereto (as amended

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.

from time to time, the "Existing Credit Facility" and, together with all related Financing Documents (as defined therein), including the Security and Pledge Agreement dated May 16, 2024, the "Prepetition Loan Documents"). MidCap and each lender under the Existing Credit Facility are, collectively, the "Prepetition Lenders."

(ii) *Prepetition Obligations*. As of the Petition Date, the Borrowers were indebted to the Prepetition Lenders in the amount of not less than $67,217,658.46 (the "Prepetition Obligations"). The Prepetition Obligations are legal, valid, binding, and enforceable, and are not subject to offset, defense, counterclaim, avoidance, recharacterization, or subordination.

(iii) *Prepetition Liens*. The Prepetition Obligations are secured by valid, binding, enforceable, perfected, and unavoidable liens on substantially all assets of the Borrowers, including all general intangibles (the "Prepetition Collateral" and such liens, the "Prepetition Liens"). The Prepetition Liens are senior in priority over any and all other liens on the Prepetition Collateral, other than any lien on the assets of the Debtors senior by operation of law or otherwise permitted to be senior by the Prepetition Loan Documents and solely to the extent such liens were valid, enforceable, non-avoidable and perfected liens in existence on the Petition Date, including valid liens in existence on the Petition Date that are perfected after the Petition Date as permitted by Bankruptcy Code section 546(b) (such liens, the "Permitted Liens").

(iv) *No Claims; Release*. No claims or causes of action exist in favor of the Borrowers or their estates against the Prepetition Lenders with respect to any matter. Effective upon entry of this Interim Order, and subject to the Challenge Period set forth in paragraph 25, each Borrower absolutely releases and forever discharges the Prepetition Lenders and their respective affiliates, officers, directors, employees, attorneys, participants, and other representatives (the "Released Parties") from all claims and causes of action of every kind that any

Borrower holds against them as of the Petition Date, including affirmative causes of action and objections to claims, other than claims and causes of action arising from the gross negligence, fraud, bad faith or willful misconduct of the Released Parties.

F. Cash Collateral. All cash of the Borrowers, including cash in deposit accounts, that constitutes proceeds of Prepetition Collateral is cash collateral of the Prepetition Lenders within the meaning of section 363(a) of the Bankruptcy Code ("Cash Collateral"). For the avoidance of doubt, cash in Debtor 7 Pack's deposit account ending 6877 at American National Bank of Texas does not constitute Cash Collateral of the Prepetition Lenders or the DIP Lender.

G. Need for Financing. The Borrowers need immediate access to the DIP Facility and Cash Collateral to operate their restaurants, pay employees and vendors, and administer these chapter 11 cases. Without that access, the Borrowers and their estates would suffer immediate and irreparable harm.

H. No Better Terms Available. The Borrowers are unable to obtain unsecured credit under section 503(b)(1) of the Bankruptcy Code, credit under sections 364(c)(1), (c)(2), or (c)(3) of the Bankruptcy Code alone, or financing on more favorable terms than the DIP Facility. The DIP Lender is unwilling to provide the DIP Facility unless it receives the DIP Liens, the DIP Superpriority Claims, and the other protections afforded by the DIP Orders.

I. Consent. The Prepetition Lenders have consented or are deemed to have consented to the Borrowers' use of Cash Collateral and other Prepetition Collateral (solely in accordance with the terms of this Interim Order, the Approved Budget (as defined below) and the DIP Term Sheet).

J. Roll-Up. Subject to entry of the Final Order, funding of the Final Draw, and paragraph 25 herein, Prepetition Obligations in an amount equal to up to three times the amount

of New Money DIP Loans borrowed under the DIP Facility (up to $15,000,000.00) shall be deemed reborrowed under the DIP Facility as Roll-Up DIP Loans. The DIP Lender would not provide the New Money DIP Loans or consent to use of its Cash Collateral without such substitution and exchange of Prepetition Obligations for Roll-Up DIP Loans upon entry of the Final Order and funding of the Final Draw.

K. Adequate Protection. The Prepetition Lenders are entitled to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, solely to the extent of any diminution in value of those interests from and after the Petition Date ("Diminution in Value").

L. Good Faith. The DIP Facility was negotiated in good faith and at arm's length. Credit extended under the DIP Facility is extended in good faith within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Lender is entitled to the protections of section 364(e).

M. Business Judgment. The terms of the DIP Facility and the use of Cash Collateral are fair and reasonable, reflect the Debtors' sound business judgment, and are supported by reasonably equivalent value and fair consideration.

N. Immediate Entry. Sufficient cause exists for immediate entry of this Interim Order under the applicable Bankruptcy Rules and Bankruptcy Local Rules.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Interim Approval. The Motion is granted on an interim basis as set forth herein. The DIP Facility and the use of Cash Collateral are approved on an interim basis, subject to this Interim Order and the DIP Term Sheet. All objections not withdrawn or resolved are overruled. This Interim Order is effective immediately upon entry.

2. DIP Documents. The Borrowers are authorized to execute and perform under the DIP Term Sheet and, upon request of the DIP Lender, a credit agreement and such other documents as the DIP Lender reasonably requires (collectively with the DIP Term Sheet, the "DIP Documents"). Provisions of the Prepetition Loan Documents governing borrowing conditions (including borrowing certificates), calculation of interest, allocation of payments, and other administrative matters, as determined by the DIP Lender, are incorporated into the DIP Documents. The DIP Loans constitute "Obligations" under the Prepetition Loan Documents. In the event of any conflict among the DIP Term Sheet, the DIP Orders, and the Prepetition Loan Documents, the DIP Orders control.

3. Authorization to Borrow. Subject to paragraph 10 herein, the Borrowers are authorized pursuant to this Interim Order to borrow the Interim Draw. Subject to paragraph 11 herein, the Final Draw shall be funded on draw requests consistent with the Approved Budget, the DIP Term Sheet, and the DIP Orders. The Roll-Up DIP Loans shall be deemed made upon entry of the Final Order and funding of the Final Draw. The Loan Parties are jointly and severally liable for all obligations under the DIP Documents and this Interim Order (the "DIP Obligations").

4. DIP Superpriority Claims. Subject and subordinate in all respects to the Carve-Out (defined below), the DIP Lender is hereby granted allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code for all DIP Obligations against each Loan Party (the "DIP Superpriority Claims"), with priority over all other administrative expense and unsecured claims, including those under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, and 1114 of the Bankruptcy Code.

5. DIP Liens.

(a) Subject and subordinate in all respects to the Carve-Out and in accordance with the priorities and exclusions set forth in subparagraphs (b) and (c) below, as security for the DIP Obligations, the DIP Lender is hereby granted continuing, valid, binding, enforceable, non-avoidable, and automatically perfected security interests in and liens (the "DIP Liens") on all property of the Loan Parties, whether acquired or created before or after the Petition Date, including cash, cash in the Debtors' bank accounts, insurance proceeds, deposits, all tangible, intangible, real, and personal property, all equity interests owned by the Loan Parties, equipment and machinery, intellectual property, general intangibles, and all proceeds of the foregoing, including proceeds of the disposition of real property and non-residential leaseholds (collectively, the "DIP Collateral"). Notwithstanding the inclusion of general intangibles as part of the DIP Collateral and the creation, attachment and perfection of DIP Lender's security interest in general intangibles in accordance with the provision of Section 9-408(a) of the UCC, such creation, attachment and perfection, as it relates to the Franchise Agreements, is subject to the limitations imposed by Section 9-408(d) of the UCC which provide, among other things, that such creation, attachment, and perfection (a) is not enforceable against the franchisor; (b) does not impose a duty or obligation on franchisor; (c) does not require franchisor to recognize the security interest, pay or render performance to Lender, or accept payment or performance from Lender; (d) does not entitle Lender to use or assign Debtor's rights under the Franchise Agreement; and (e) does not entitle Lender to use, assign, possess, or have access to any trade secrets or confidential information of franchisor; and (f) does not entitle the Lender to enforce the security interest in the Franchise Agreement. Other than as set forth herein (including with respect to the Carve-Out), the DIP Liens shall not be made subject to or *pari passu* with any lien or security interest and shall be

valid and enforceable against any trustee appointed in these chapter 11 cases, upon conversion or dismissal. The DIP Liens shall not be subject to any of sections 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the DIP Liens.

(b) DIP Lien Priority. Subject to and subordinate in all respects to the Carve-Out, the DIP Liens shall have the priority set forth as follows:

(i) pursuant to section 364(d)(1) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully perfected priming senior security interests in and liens upon the Prepetition Collateral, which security interests and liens shall prime the Prepetition Liens;

(ii) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected first priority senior security interests in and liens upon all DIP Collateral, to the extent such DIP Collateral is not subject to Permitted Liens; and

(iii) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected junior security interests in and liens on the DIP Collateral, to the extent such DIP Collateral is subject to the Permitted Liens.

(c) Excluded Assets. Notwithstanding anything to the contrary in this Interim Order or the DIP Documents, the DIP Collateral shall not include (a) any claims and causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549 and 550, or under any applicable Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or any similar non-bankruptcy law (collectively, the "Avoidance Actions"); and (b) prior to entry of the Final Order granting such relief, the proceeds of Avoidance Actions (it being understood that subject only to and effective upon entry of the Final Order, the DIP Collateral shall include any proceeds or property recovered, unencumbered or otherwise from

successful Avoidance Actions, whether by judgment, settlement or otherwise ("Avoidance Proceeds")), *provided* that the DIP Lender shall avail itself of Avoidance Proceeds on a "last look" basis only if all other DIP Collateral is inadequate to indefeasibly repay the DIP Obligations in full. Notwithstanding anything to the contrary herein, for purposes of this Interim Order, in no event shall the DIP Collateral include any lease of real property to which any Debtor is a party or any of such relevant Debtor's rights or interests thereunder, if and for so long as the grant of such security interest would constitute or result in a breach or termination pursuant to the terms of, or a default under, any such lease or other real property right pursuant to any provision thereof (and then only to the extent such breach, termination or default would not be rendered ineffective by Section 9-408 of the Uniform Commercial Code or similar statutes); *provided that* the DIP Collateral shall include the proceeds of such leases of real property; *provided further, that*, (y) in no event shall the DIP Collateral include any security deposits (in possession of the landlord) or the Debtors' interests, if any, in pre-paid rent, unless liens on such security deposits or pre-paid rent are expressly permitted pursuant to the underlying lease documents, provided, however, that, the DIP Liens shall extend to any such security deposits or prepaid rent upon reversion thereof to the Debtors, if at all; and (z) any liens or rights granted herein relating to the Debtors' insurance policies and any proceeds thereunder shall not interfere with any rights held by a landlord under such policies to any such insurance proceeds for damage to landlord's property.

(d) Adequate Protection. As adequate protection for the priming of the Prepetition Liens and any Diminution in Value, the Prepetition Lenders are granted (a) an allowed claim under section 507(b) of the Bankruptcy Code with priority over all expenses of the kinds specified in sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, and 1114 of the Bankruptcy Code, to be paid from the DIP Collateral and subordinate only to the DIP Superpriority

Claims and the Carve-Out (the "507(b) Claims"); and (b) the Debtors' Stipulations. Receipt of the adequate protection contemplated by this paragraph is not an admission that the Prepetition Lenders are adequately protected. The Prepetition Lenders reserve their right to seek additional adequate protection, *provided* that all parties' rights (including the Debtors') to contest any such adequate protection request are fully preserved.

6. Perfection. This Interim Order is sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens without the filing or recording of any financing statement, mortgage, control agreement, or other document. The DIP Lender may, at its option, file or record such documents, and a copy of this Interim Order, which shall be deemed filed or recorded as of the Petition Date.

7. Interest. Interest shall accrue on the outstanding principal amount of the New Money DIP Loans and the Roll-Up DIP Loans at 14% per annum and shall be computed on the basis of a 360-day year over the actual days elapsed, unless such computation results in the effective interest rate of the DIP Loans exceeding the maximum rate of interest allowable under applicable state and federal law. Accrued interest is payable in arrears on the first day of each month by capitalizing it and adding it to outstanding principal of the DIP Loans (after which such capitalized interest shall accrue interest from its capitalization date), with the first such monthly capitalization date being December 1, 2026. Effective immediately upon the occurrence of a Termination Event (as defined below), unless waived in writing by the DIP Lender in its sole discretion, interest on the New Money DIP Loans and the Roll-Up DIP Loans shall accrue at the lesser of (i) 16% per annum, or (ii) the maximum rate allowable under applicable non-bankruptcy law. All capitalized and accrued and unpaid interest is payable in full in cash upon a Termination Event. The DIP Lender does not intend, under any circumstances, to charge, collect, assess or

receive interest, at an effective rate, in excess of the maximum rate allowable under applicable state and federal law.

8. DIP Facility Fees. The Debtors shall pay the DIP Lender (a) a commitment fee equal to 1% of the New Money DIP Loans, fully earned upon entry of this Interim Order and payable upon a Termination Event, and (b) subject to approval in the Final Order, an exit fee equal to 1% of the New Money DIP Loans, payable upon the earliest of a Termination Event or the repayment, satisfaction, or refinancing of the DIP Loans in whole or in part. Calculation of the commitment fee and the exit fee shall not include the Roll-Up DIP Loans.

9. Carve-Out.

(a) The DIP Liens, the DIP Superpriority Claims, the Prepetition Liens, and the 507(b) Claims are subject to a carve-out (the "Carve-Out") for: (i) all fees payable to the Clerk of the Court and the U.S. Trustee under 28 U.S.C. § 1930(a); (ii) all reasonable fees and expenses up to $75,000 incurred by a trustee under Bankruptcy Code section 726(b) (without regard to the notice set forth in clause (iii)); (iii) to the extent allowed at any time, all unpaid fees and expenses incurred at any time before or on the first Business Day following delivery by the DIP Lender of a Carve-Out Trigger Notice (as defined herein), by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code or section 156(c) of title 28 of the United States Code (the "Debtor Professionals") and the Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons" and the fees and expenses incurred thereby, the "Allowed Professional Fees"), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $500,000 incurred after the first Business Day following delivery by the DIP Lender of the

Carve-Out Trigger Notice, to the extent allowed at any time (the amounts set forth in this clause (iv) being the "Post-Carve-Out Trigger Notice Cap").[4]

(b) For purposes of the foregoing, "Carve-Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender to the Debtors, their counsel, the U.S. Trustee, and counsel to any Committee, which notice may be delivered following the occurrence and during the continuation of a Termination Event (as defined in the DIP Term Sheet) stating that the Post-Carve-Out Trigger Notice Cap has been invoked.

(c) The Debtors shall establish a segregated professional fee reserve account to pay Allowed Professional Fees, which shall be funded on a weekly basis in accordance with the Approved Budget (the "Carve-Out Reserves"). The DIP Lender shall have no lien or interest in the Carve-Out Reserves, but the DIP Lender shall have a first-priority lien and automatically perfected security interest in any residual interest in the Carve-Out Reserves, with any excess paid to the DIP Lender for application in accordance with the DIP Documents.

(d) In no way shall the Approved Budget, Carve-Out, Post-Carve-Out Trigger Notice Cap, or the Carve-Out Reserves be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors.

(e) Any funding of the Carve-Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Collateral and shall be otherwise entitled to the protections granted under this Interim Order, the DIP Documents, the Bankruptcy Code and applicable law.

10. Conditions to Interim Draw. The DIP Lender has no obligation to fund the Interim Draw absent the following conditions: (a) this Interim Order is entered on or before November 17,

[4] "Business Day" means any day other than a Saturday, Sunday, or day on which commercial banks in New York City are authorized or required to close.

2026, and is not stayed, vacated, reversed or modified; and (b) the Debtors have delivered an initial Approved Budget acceptable to the DIP Lender in its reasonable discretion.

11. Conditions to Subsequent Draws. The DIP Lender has no obligation to fund the Final Draw unless: (a) the Debtors have complied with all Milestones (as defined below), unless waived or extended in accordance with paragraph 14 below; (b) no Termination Event shall have occurred as of the date of such requested draw (without giving effect to any Cure Period); (c) the draw complies with the Approved Budget, subject to Permitted Variances (as defined below); (d) the Debtors have filed a motion to reject any leases and Franchise Agreements associated with the store locations on the list attached hereto as **Exhibit 2**, with such rejection being effective as of the Petition Date (or such other date as set forth in the rejection order) and such motion to be heard on an expedited basis; and (e) the Debtors have filed a motion to reject any leases and Franchise Agreements associated with the store locations on the list attached hereto as **Exhibit 3**, with such rejection being effective as of December 31, 2026, with the stores to be closed by the Debtors on or before December 24, 2026.

12. Use of Proceeds and Cash Collateral. The Borrowers may use proceeds of the DIP Loans and Cash Collateral only in accordance with the Approved Budget, subject to Permitted Variances, to pay: (a) transaction costs, fees, and expenses incurred in connection with the DIP Loans; (b) Allowed Professional Fees under the Carve-Out; (c) working capital and other postpetition operating expenses permitted by the DIP Orders; and (d) other costs and expenses of administration of these chapter 11 cases. Without the DIP Lender's consent, no DIP Loan proceeds or Cash Collateral may be used for any expense not described in the Approved Budget.

13. Budget and Reporting. The budget attached hereto as **Exhibit 4** is the initial approved budget (as modified with the DIP Lender's written consent, the "Approved Budget").

Disbursements may not exceed the Approved Budget by more than 15% on a cumulative aggregate basis (the "Permitted Variance"), *provided* that professional fees are not subject to variance testing. Beginning with the week in which this Interim Order is entered, the Debtors shall deliver to the DIP Lender and the Yum! Parties,[5] every two weeks, an extended budget and a variance report for the prior two-week period, each in form and substance satisfactory to the DIP Lender. The Debtors shall also deliver to the DIP Lender financial reporting and other customary reporting for similar debtor-in-possession financings, in form and substance satisfactory to the DIP Lender, with the same to be provided to the Yum! Parties upon request.

14. Milestones. Unless waived or extended by the DIP Lender in its sole discretion, the Debtors shall comply with the following milestones (the "Milestones"):

(a) by December 14, 2026, the Court shall have entered an order approving bidding procedures for the sale of substantially all of the Debtors' assets (the "Sale Process") in a form acceptable to the DIP Lender;

(b) by January 10, 2027, binding bids with respect to the Sale Process shall be due;

(c) by January 19, 2027, the Debtors shall hold an auction for the Sale Process;

(d) by January 22, 2027, the Court shall have entered an order approving one or more sales pursuant to the Sale Process (the "Sale Order"); and

(e) by no later than 21 days following entry of the Sale Order, the Sale Process shall have closed and been consummated.

15. Cash Management. Until the DIP Obligations are paid in full, the Debtors shall maintain their existing prepetition cash management system, as modified by any order of the Court

[5] The "Yum! Parties" mean, collectively, KFC US, LLC and Taco Bell Franchisor, LLC.

authorizing the continued use of the cash management system that is reasonably acceptable to the DIP Lender. Except as provided for in the DIP Documents, the Debtors shall not open any new deposit or securities account that is not subject to the liens and security interests of the DIP Lender, and any such accounts shall be subject to the lien priorities and other provisions set forth in this Interim Order.

16. Termination Events. All DIP Obligations are due and payable in full in cash (or other consideration agreed by the DIP Lender and the Borrowers) on the earliest of the following (each, a "Termination Event"):

(a) February 12, 2027;

(b) the failure of the Court to enter the Final Order on or before December 14, 2026;

(c) any filing by the Debtors seeking to vacate or modify either DIP Order over the objection of the DIP Lender;

(d) the filing by the Debtors of, or support of any other party's filing of, any pleading seeking a superpriority claim or lien senior to or *pari passu* with those granted to the DIP Lender;

(e) the granting of any superpriority claim or lien senior to or *pari passu* with those granted to the DIP Lender;

(f) the use of DIP Loan proceeds in a manner not provided for in the Approved Budget;

(g) the closing of any sale of all or substantially all of the Debtors' assets under section 363 of the Bankruptcy Code;

(h) the effective date of any chapter 11 plan for the Borrowers;

(i) the acceleration and termination of the DIP Loans under the DIP Documents;

(j) dismissal of the chapter 11 cases or their conversion to cases under chapter 7;

(k) entry of an order appointing a chapter 11 trustee or an examiner with enlarged powers;

(l) entry of an order under which any lender other than the DIP Lender provides any commitment or funding for debtor in possession financing;

(m) the filing of any motion for stay relief, temporary restraining order, or similar request seeking to terminate, enjoin, or prevent the Borrowers from operating their restaurants as Yum! branded locations;

(n) the failure to comply fully with the DIP Orders;

(o) the failure to file motions permitting the rejection of leases and Franchise Agreements for the stores on **Exhibit 2** on or before November 16, 2026 and the rejection of leases and Franchise Agreements for the stores on **Exhibit 3** on or before November 20, 2026;

(p) the failure to vacate the stores on **Exhibit 3** by December 24, 2026;

(q) the failure to obtain entry of an order rejecting the leases underlying the stores on **Exhibit 3** effective by no later than December 31, 2026;

(r) the filing of any motion, entry of any order, or other similar action that materially and adversely affects the DIP Lender's Collateral, including any general intangibles of the Debtors; or

(s) the failure by the Debtors to satisfy the Milestones by the date required herein, unless such date has been waived or extended in accordance with paragraph 14 hereof.

If the DIP Lender asserts that a Termination Event has occurred, the DIP Lender shall provide written notice of the Termination Event to Borrowers' counsel via electronic mail, with copies to the U.S. Trustee and counsel to any Committee, and file the same on the docket of these chapter 11 cases (the "Termination Notice"). The Borrowers shall have five (5) Business Days to cure the Termination Event (the "Cure Period"). Upon issuance of the Termination Notice, the DIP Lender shall not be required to fund any additional amounts until it agrees that the Termination Event has been cured, or the Court determines that no Termination Event occurred or that it was cured within the Cure Period. The Borrowers' authorization to use Cash Collateral shall expire immediately upon the Borrowers' failure to cure a Termination Event or obtain an order from the Court permitting such use within the Cure Period. After the occurrence of an uncured Termination Event, the Borrowers must petition the Court for authority to use Cash Collateral.

17. Remedies upon a Termination Event.

(a) Upon expiration of the Cure Period without cure, and unless the Court orders otherwise within that period, the automatic stay of section 362 of the Bankruptcy Code shall be vacated and modified, without further notice, hearing, motion, or order, solely to permit the DIP Lender to: (i) suspend or terminate any obligation to fund DIP Loans, and (ii) declare all DIP Obligations immediately due and payable. During the Cure Period, Borrowers shall not be entitled to use Cash Collateral without the written consent of the DIP Lender.

(b) Before exercising any other remedy against the Debtors or the DIP Collateral pursuant to the DIP Orders and applicable law as a secured lender, the DIP Lender shall file a motion with the Court seeking emergency relief from the automatic stay (a "Stay Relief Motion," and the hearing on it, the "Stay Relief Hearing"). The Stay Relief Motion may be filed with or after the Termination Notice. It shall be heard on not less than five (5) Business Days'

notice and no earlier than expiration of the Cure Period. Any exercise of remedies is subject to funding of the Carve-Out. The Borrowers and any Committee (if appointed) may be heard at the Stay Relief Hearing on whether a Termination Event has occurred and is continuing, and may seek authority for the non-consensual use of Cash Collateral. If the Court determines at the Stay Relief Hearing that a Termination Event has occurred and is continuing, the Court may fashion an appropriate remedy. That remedy may include the exercise of any or all rights available to the DIP Lender under the DIP Documents, the DIP Orders, and applicable law.

(c) Upon the Court's ruling with respect to the Stay Relief Motion, the Borrowers shall cooperate with the DIP Lender in its efforts to enforce its security interest in the DIP Collateral, and shall not take or direct any entity to take any action designed or intended to hinder or restrict in any respect the DIP Lender from enforcing its security interests in the DIP Collateral.

(d) For the avoidance of doubt, the DIP Lender may only enter upon a leased premises of the Borrowers after a Termination Event in accordance with (1) a separate written agreement between the DIP Lender and the applicable landlord for the leased premises, (2) pre-existing rights of the DIP Lender under applicable non-bankruptcy law, (3) written consent of the applicable landlord for the leased premises, or (4) entry of an order by this Court approving such access to the leased premises after notice and an opportunity to be heard for the applicable landlord for the leased premises.

18. Prepayment.

(a) Subject to funding the Carve-Out, the Borrowers may prepay the DIP Loans at any time on three Business Days' prior written notice to the DIP Lender specifying the amount and date of prepayment.

(b) Unless waived or extended by the DIP Lender in its sole discretion, the Loan Parties shall prepay the DIP Loans until paid in full, with any such payment subject and subordinate in all respects to the Carve-Out, as follows: (i) immediately upon any Termination Event; (ii) 100% of the net proceeds within two Business Days of any sale or disposition of any equity by any Loan Party in a single transaction or series of related transactions; (iii) 100% of the net proceeds within two Business Days of any sale or disposition of any of the Debtors' assets pursuant to section 363 of the Bankruptcy Code by any Loan Party, simultaneous with the consummation thereof, *provided* that, for the avoidance of doubt, the foregoing shall not apply to the sale of real estate by 7 Pack to Plaza Street Partners, LLC pursuant to that certain Real Estate Sale Contract dated October 28, 2026; and (iv) 100% of the DIP Loans within two Business Days of any lender other than the DIP Lender providing any commitments or funding.

(c) If the Debtors obtain credit or incur debt pursuant to sections 364(b), 364(c), or 364(d) of the Bankruptcy Code in violation of the DIP Orders at any time prior to repayment in full of the DIP Obligations, then all the cash proceeds derived from such credit or debt shall immediately be applied in accordance with the DIP Orders.

19. Credit Bidding. Pursuant to section 363(k) of the Bankruptcy Code, the DIP Lender may credit bid any amounts outstanding under the New Money DIP Loans borrowed in connection with the Interim Draw. Subject to entry of the Final Order, the DIP Lender may additionally credit bid any amounts outstanding (y) under the New Money DIP Loans borrowed in connection with the Final Draw and (z) subject to the Challenge Period set forth in paragraph 25, the Roll Up-DIP Loans and the Existing Credit Facility.

20. Indemnification. The Debtors shall indemnify and hold harmless the DIP Lender, its affiliates, and their respective officers, directors, employees, advisors, and agents from all

losses, claims, damages, liabilities, and expenses incurred in respect of the DIP Facility or the use or proposed use of its proceeds, except to the extent such losses are found by a presiding court to arise from the gross negligence or willful misconduct of the relevant indemnified person.

21. Disposition of Collateral; Records. Except as provided in this Interim Order, the Debtors shall not sell or dispose of DIP Collateral outside the ordinary course without the DIP Lender's prior written consent and shall maintain accurate records of all postpetition transfers and provide the DIP Lender reasonable access to them.

22. Insurance. To the fullest extent provided by applicable law, the DIP Lender is deemed named as an additional insured and loss payee on each insurance policy relating to the DIP Collateral.

23. Modification of Automatic Stay. Subject to paragraph 17(b), the automatic stay is modified as necessary to permit the Debtors to grant the DIP Liens, the DIP Superpriority Claims, and the 507(b) Claims, to perform under the DIP Documents, and to permit the DIP Lender to receive and apply payments under this Interim Order.

24. Waivers. Subject to entry of the Final Order: (a) no costs or expenses of administration shall be charged against the DIP Lender, the Prepetition Lenders, the DIP Collateral, or the Prepetition Collateral under section 506(c) of the Bankruptcy Code; (b) the DIP Lender and the Prepetition Lenders shall not be subject to the doctrine of marshaling; and (c) the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Lender or the Prepetition Lenders.

25. Challenge Period. The Debtors' Stipulations are binding on the Debtors upon entry of this Interim Order. The Debtors' Stipulations are binding on all other parties in interest, including any Committee and any trustee, unless a party with requisite standing files an adversary

proceeding or contested matter (a "Challenge") challenging the validity, perfection, enforceability, allowability, priority or extent of the Prepetition Obligations or otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses against the Prepetition Lenders by no later than the earlier of (x) 75 calendar days after entry of this Interim Order and (y) for a Committee, the earlier of 60 calendar days after its appointment and 90 calendar days after the Petition Date (the "Challenge Deadline" and such period, the "Challenge Period"); *provided* that any chapter 7 or chapter 11 trustee appointed prior to the expiration of the Challenge Period will have the longer of (x) the remaining Challenge Period and (y) sixty (60) calendar days from the date of such trustee's appointment to commence a Challenge, or such other time as ordered by the Court solely with respect to any such trustee. Subject to and effective upon the entry of the Final Order, the timely filing of a motion seeking standing to file a Challenge before the termination of the Challenge Period that attaches a complaint with respect to such Challenge shall toll the Challenge Deadline only as to the party that timely filed such standing motion and only with respect to the specific Challenges set forth in the complaint attached to such standing motion until such motion is resolved or adjudicated by the Court. The Court may fashion any appropriate remedy following a successful Challenge.

26. Limitations on Use of DIP Collateral and Prepetition Collateral. Notwithstanding anything herein or in any other order of this Court to the contrary, none of the DIP Loans, the DIP Collateral, the Prepetition Collateral, any Cash Collateral or the Carve-Out (other than the Investigation Budget Cap (as defined herein)) may be used directly or indirectly, including through reimbursement of professional fees of any non-debtor party, for any of the following (each such prohibited use, a "Prohibited Action"): (a) to investigate, analyze, commence, prosecute, threaten, litigate, object to, contest or challenge in any manner or raise any defenses to the validity,

perfection, priority, extent or enforceability of any amount due under the DIP Documents or the Existing Credit Facility, including the Prepetition Liens and the DIP Liens, (b) to assert any claims, counterclaims, offset and/or defenses, including any Avoidance Actions, or any other causes of action against the DIP Lender and the Prepetition Lenders, including for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise, (c) to prevent, hinder or otherwise delay the DIP Lender's or any Prepetition Lender's assertion, enforcement or realization on the DIP Collateral or the Prepetition Collateral, in accordance with the DIP Documents or this Interim Order, the Existing Credit Facility, the exercise of rights by the DIP Lender or the Prepetition Lenders once a Termination Event has occurred and is continuing or any other rights or interests of the DIP Lender or the Prepetition Lenders following the occurrence of a Termination Event and after the relevant Cure Period and the Stay Relief Hearing, if applicable, in each case to the extent permitted under the DIP Documents, this Interim Order or the Existing Credit Facility, as applicable, (d) to seek to subordinate (other than to the Carve-Out or as set forth in this Interim Order) or recharacterize the DIP Obligations or any of the Prepetition Obligations or to disallow or avoid any claim, mortgage, security interest, lien or payment thereunder, (e) to seek to modify any of the rights granted to the DIP Lender or the Prepetition Lenders hereunder or under the DIP Documents or the Existing Credit Facility, in the case of each of the foregoing clauses (a) through (e), without such party's prior written consent, or (f) to pay any amount on account of any claims arising prior to the Petition Date unless such payments are approved by an order of this Court or otherwise permitted under the DIP Documents; *provided* that, for the avoidance of doubt, the foregoing limitations shall not apply to defending against a Prohibited Action. The "Investigation Budget Cap" means a cap of $25,000 with respect to Allowed Professional Fees to be incurred by the Committee (if any) under

the investigation budget. For the avoidance of doubt, only fees incurred to investigate but not prosecute a potential challenge shall be entitled to be paid out of the Investigation Budget Cap.

27. Proofs of Claim. The DIP Lender and the Prepetition Lenders are not required to file proofs of claim. The Debtors' Stipulations constitute timely filed proofs of claim for the Prepetition Obligations.

28. Limits on Lender Liability. The DIP Lender and the Prepetition Lenders shall not, by reason of making the DIP Loans or consenting to the use of Cash Collateral, be deemed in control of the Debtors' operations or to be a "responsible person" or "owner or operator" under any environmental or similar law.

29. Section 364(e). If any provision of this Interim Order is later modified, vacated, or stayed, that action shall not affect the validity of any DIP Obligations incurred, or any lien or priority granted, before the effective date of that action.

30. Governing Law. The DIP Term Sheet is governed by New York law, without regard to conflicts of law principles, except to the extent the Bankruptcy Code applies.

31. Binding Effect; Survival. This Interim Order binds the Debtors, the DIP Lender, the Prepetition Lenders, all creditors and parties in interest, and their successors and assigns, including any chapter 7 or chapter 11 trustee. The DIP Liens, DIP Superpriority Claims, and other protections granted herein survive entry of any order confirming a plan, converting or dismissing any case, or otherwise, until the DIP Obligations are paid in full in cash. The DIP Obligations shall not be discharged by confirmation of a plan unless paid in full on or before its effective date.

32. No Modification. The Debtors shall not seek or consent to any modification, stay, or vacatur of this Interim Order without the DIP Lender's prior written consent.

33. Rights Preserved; No Waiver; No Third-Party Rights. This Interim Order is without prejudice to the rights of the DIP Lender and the Prepetition Lenders to seek other relief. Failure to exercise rights is not a waiver. This Interim Order creates no rights for any third party.

34. No Substantive Consolidation. Nothing in this Interim Order effects a substantive consolidation of the Debtors' estates.

35. Necessary Action. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Interim Order and the transactions contemplated hereby.

36. Immediate Effect. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9014 or any Bankruptcy Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, or otherwise, this Interim Order is effective and enforceable immediately upon entry.

37. Final Hearing. The Final Hearing is scheduled for December 14, 2026, at 1:00 p.m. (prevailing Central Time). Objections to entry of the Final Order shall be filed and served by December 7, 2026. The Debtors shall serve a copy of this Interim Order on the parties served with the Motion and all parties that have requested notice under Bankruptcy Rule 2002 within two Business Days of entry.

38. Retention of Jurisdiction. The Court retains jurisdiction over all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Signed: November 17, 2026

Christopher Lopez
United States Bankruptcy Judge

Exhibit 1

DIP Term Sheet

cumulative aggregate ("**Permitted Variance**"), in form and substance reasonably acceptable to the DIP Lender, to pay:

i. transaction costs, fees and expenses that are incurred in connection with the DIP Loans;
ii. professional fees of the Debtors pursuant to the Carve-Out; and
iii. for working capital and other general corporate purposes permitted by the DIP Orders.

provided that professional fees shall not be subject to variance testing.

Cash Collateral Use: The DIP Orders shall contain customary terms acceptable to the DIP Lender in its sole discretion for the use of cash collateral including, *inter alia,* adequate protection, budget, notice and default provisions. For clarity, cash collateral will not be used to pay for any expenses not described in the Approved Budget without the consent of DIP Lender.

Maturity and Termination of DIP Term Loan: All DIP Loans shall be due and payable in full in cash (or such other form of consideration as the DIP Lender and the Borrowers may mutually agree) on the earliest of (any such event, a "**Termination Event**"):

i. February 12, 2027;
ii. the failure by the Debtors to obtain Bankruptcy Court approval of the Final Order on or before December 11, 2026;
iii. the failure by the Debtors to satisfy the Milestones described in the DIP Orders by the date required therein, unless such date is extended by the DIP Lender in its sole and absolute discretion;
iv. any filing by the Debtors seeking to vacate or modify the entered DIP Orders over the objection of the DIP Lender;
v. the filing by the Debtors of (or supporting any other party in the filing of) any pleading seeking entry of an order by the Bankruptcy Court granting any superpriority claim or lien that is senior to or *pari passu* with those granted to the DIP Lender hereunder;
vi. the granting of any superpriority claim or lien senior or pari passu with those granted to the DIP Lender hereunder;
vii. the use or application of DIP Loan proceeds in a manner not provided for in the Approved Budget;
viii. the closing of any sale or other disposition of all or substantially all of the assets of the Debtors pursuant to section 363 of the Bankruptcy Code;
ix. the effective date of any Chapter 11 plan of reorganization with respect to the Borrowers (a "**Plan**");
x. the date of the acceleration of the DIP Loans and the termination of the DIP Loans in accordance with the documents evidencing the DIP Loans;
xi. dismissal of the Borrowers' chapter 11 Bankruptcy Cases or conversion of the chapter 11 Bankruptcy Cases to cases under chapter 7 of the Bankruptcy Code;
xii. the date an order is entered in any Bankruptcy Case appointing a Chapter 11 trustee or examiner with enlarged powers;
xiii. the date that an order is entered pursuant to which any lender other than DIP Lender shall provide any commitments or funding regarding debtor-in-possession financing;

xiv. the filing of any motion for relief from stay, application for temporary restraining order or other similar request, seeking in any way to terminate, enjoin, or prevent Borrowers from operating the restaurants as Yum! branded locations;

xv. the failure to obtain orders permitting the rejection of leases and Franchise Agreements for the stores on **Exhibit A** on or before November 23, 2026 and the rejection of leases and Franchise Agreements for the stores on **Exhibit B** on or before December 15, 2026;

xvi. the filing of any motion, entry of any order, or other similar action that materially and adversely affects the DIP Lender's Collateral, including any general intangibles of the Debtors; or

xvii. failure to fully comply with the terms of the DIP Orders

Remedies

If the DIP Lender asserts that a Termination Event has occurred, the DIP Lender shall provide written notice thereof to Borrowers' counsel via electronic mail, with copies to the U.S. Trustee and counsel to any Committee, and file the same on the docket (the "**Termination Notice**"), and the Borrowers shall have five (5) Business Days to cure the Termination Event (the "**Cure Period**"). Upon issuance of the Termination Notice, the DIP Lender shall not be required to fund any additional amounts until it agrees that the Termination Event has been cured or the Bankruptcy Court determines that no Termination Event occurred or that it was cured within the Cure Period. Upon expiration of the Cure Period without cure, and unless the Bankruptcy Court orders otherwise within such period, the automatic stay of Section 362 of the Bankruptcy Code shall be vacated and modified, without further notice, hearing, motion, or order, solely to permit the DIP Lender to (i) suspend or terminate any obligation to fund any DIP Loans, and (ii) declare all obligations in respect of the DIP Loans to be immediately due and payable. During the Cure Period, Borrowers shall not be entitled to use Cash Collateral without the written consent of DIP Lender. Before exercising any other remedy against the Debtors or the DIP Collateral as a secured lender under the DIP Orders and applicable law, the DIP Lender shall file a motion with the Bankruptcy Court seeking emergency relief from the automatic stay (a "**Stay Relief Motion**"), which may be filed with or after the Termination Notice and shall be heard on not less than five (5) Business Days' notice and no earlier than expiration of the Cure Period. The Borrowers and any Committee may be heard at the hearing on the Stay Relief Motion on whether a Termination Event has occurred and is continuing, and may seek authority for the non-consensual use of cash collateral. If the Bankruptcy Court determines that a Termination Event has occurred and is continuing, it may fashion an appropriate remedy, which may include the exercise of any or all rights available to the DIP Lender under the DIP Credit Agreement, the DIP Orders, and applicable law.

Voluntary Prepayments:

Subject to funding the Carve-Out, voluntary prepayments of the DIP Loans shall be permitted at any time, upon three Business Days prior written notice to the DIP Lender which notice shall specify the amount of such payment and the date on which such prepayment is to be made. "**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required to close.

Mandatory Prepayments:

The Loan Parties shall pay or prepay the DIP Loans until such obligations are paid in full immediately as follows (unless waived or extended by the DIP Lender in its sole discretion), with any such payment subject and subordinate in all respects to the Carve-Out:

(i) Immediately upon any Termination Event.

(ii) 100% of the net proceeds within 2 Business Days of any sale or disposition of any equity in a single transaction or a series of related transaction, in each case by any Loan Party.

(iii) 100% of the net proceeds within 2 Business Days of any sale or disposition of any of Debtors' assets pursuant to Section 363 of the Bankruptcy Code, simultaneous with the consummation thereof, in each case, by any Loan Party, *provided* the foregoing shall not apply to the sale of real estate by 7 Pack to Plaza Street Partners, LLC pursuant to that certain Real Estate Sale Contract dated October 28, 2026.

(iv) 100% of DIP Loans within 2 Business Days of any lender other than DIP Lender providing any commitments or funding.

Security, Priority, and Adequate Protection for New Money DIP Loans and the Roll-Up DIP Loans:

In consideration of the New Money DIP Loans and the Roll-Up DIP Loans, the DIP Lender shall be granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, continuing, valid, binding, enforceable, non-avoidable, and automatically perfected, post-petition security interests and priming liens (the "**DIP Liens**") on cash, any insurance proceeds, any stalking horse deposit, all tangible, intangible, real and personal property of the Loan Parties (including, without limitation, all prepetition and post-petition property and assets of the Loan Parties and all equity interests owned by the Loan Parties and any insurance proceeds), equipment and machinery, intellectual property, general intangibles, and all other property of the Loan Parties of whatever kind, nature or description, whether acquired or created prepetition or post-petition to secure the New Money DIP Loans and the Roll-Up DIP Loans, and the proceeds of each of the foregoing (including, without limitation, proceeds from the disposition of real property, including non-residential leaseholds) (the "**DIP Collateral**"), subject to the exclusions set forth in the DIP Orders (including Avoidance Actions, Avoidance Proceeds prior to entry of the Final Order, and certain real property leases, security deposits and prepaid rent).

First priority liens on all unencumbered collateral of the Debtors, such liens on the DIP Collateral which shall be deemed perfected and no further action will be required to effect such perfection.

The DIP Liens granted under Section 364(d)(1) of the Bankruptcy Code shall prime the Prepetition Liens, and the DIP Liens shall be junior to Permitted Liens, and otherwise shall not be *pari passu* with, or subordinated to, any other liens or security interests (whether currently existing or hereafter created), subject in each case only to the Carve-Out. All liens authorized and granted by the Bankruptcy Court approving the DIP Loan shall be deemed perfected and no further action will be required to effect such perfection.

As adequate protection and in consideration for being primed by the DIP Lender's claims and liens, the secured parties under the Existing Credit Facility (collectively, the "**Prepetition Lender**") shall receive, solely to the extent of diminution in the value of the Prepetition Lender's interests in the collateral securing the amounts due under the Existing Credit Facility as of the date of the filing of the Bankruptcy Case, (a) a claim having priority over any and all expenses of the kind specified in, among other Sections of the Bankruptcy Code, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, and 1114, subordinate only to those of the DIP Lender and the Carve-Out. As additional adequate protection, Borrowers shall (i) stipulate to the amount, validity, enforceability, perfection and unavoidability of the obligations due to the Prepetition

Lenders under the Existing Credit Facility and the liens of the Prepetition Lenders on the Prepetition Collateral, (ii) acknowledge that no affirmative claims exist with respect to the Prepetition Lenders with respect to any matters, and (iii) release and waive any such matters, including affirmative causes of action and objections to claims, with respect to the Prepetition Lenders.

Conditions Precedent to any Interim Draw

The Interim Draw shall be subject to:

i. entry of the Interim Order on or before November 17, 2026, which order shall not be stayed, vacated, reversed or modified; and
ii. delivery of the initial Approved Budget acceptable to the DIP Lender in its reasonable discretion.

Conditions Precedent to Final Draw:

Customary terms for DIP facilities and in form and substance reasonably satisfactory to the DIP Lender with a sale or reorganization process on terms to be agreed upon.

i. Filing of a bid procedures motion to include such provisions acceptable to DIP Lender, including, but not limited to, milestones for the process (the "**Milestones")** a process established for pre-approval of Yum! brand bidders reasonably acceptable to DIP Lender, pre-qualification of DIP Lender as bidder for operating locations, and process for bidding from other brand operators;
ii. The Debtors shall have complied with all Milestones, unless waived by the DIP Lender in its sole discretion
iii. No Termination Event shall have occurred as of the date of such requested draw (without giving effect to any cure period); and
iv. The draw complies with the Approved Budget, subject to Permitted Variances.

Borrowers further agree that, as a condition to entry of the Final DIP Order and funding thereunder:

(i) Filing of an appropriate motion to reject the leases and Franchise Agreements associated with the stores listed on **Exhibit A**, with such rejection effective as of the Petition Date and seeking a hearing on an expedited basis;
(ii) Filing of an appropriate motion to reject the leases and Franchise Agreements associated with the stores listed on **Exhibit B**, with such rejection effective as of December 31, 2026, with the stores to be closed by the Debtors on or before December 24, 2026; and
(iii) the Borrowers' Bankruptcy Cases (and the cases for any affiliates) shall be filed in the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

Interim Order:

The interim order approving the DIP Facility, which shall be consistent with this Term Sheet, otherwise in form and substance reasonably acceptable to the DIP Lender (the "**Interim Order**"), shall, among other things, authorize and approve:

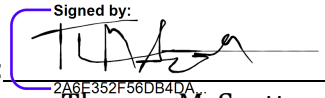
i. the Interim Draw;
ii. the making of the DIP Loans;
iii. the granting of the superpriority claims and liens against the Loan Parties and their assets;
iv. the payment of the Commitment Fee to the DIP Lender; and
v. the use of cash collateral.

Final Order:	The final order approving the DIP Loan, which shall be substantially in the same form as the Interim Order (with such modifications as are necessary to convert the Interim Order into a final order) and otherwise in form and substance acceptable to the DIP Lender in its sole and absolute discretion (the "**Final Order**"; and together with the Interim Order, the "**DIP Orders**"), shall, among other things, authorize and approve the DIP Loan on a final basis, and the total amount of the DIP Loans, and allow the full amount of the obligations due to the Prepetition Lenders under the Existing Credit Facility, and otherwise confirming the validity, enforceability, perfection and unavoidability of the liens of the Prepetition Lenders on the Prepetition Collateral.
Representations and Warranties:	As set forth in the DIP Orders.
Affirmative and Negative Covenants:	As set forth in the DIP Orders.
DIP Budget / Variance Reporting:	Every two weeks, the DIP Lender shall receive an extended budget and variance reporting for the prior two week period, in each case commencing with the week during which the Interim Order is entered, in accordance with the DIP Orders and in form and substance satisfactory to the DIP Lender. The DIP Lender shall also receive, in each case in form and substance satisfactory to the DIP Lender, financial reporting and other customary reporting requirements for similar debtor-in-possession financings
Carve-Out / Escrow	Customary carve-out provisions, consistent with the Approved Budget, for the Debtors' professionals. The Debtors will establish a professional fee escrow account, as set forth in the DIP Orders.
Release:	The Debtors shall (i) stipulate to the amount, validity, enforceability, perfection and unavoidability of the prepetition principal obligations under the Existing Credit Facility and the liens of the Midcap and each of the Lenders (as defined in the Existing Credit Facility, and collectively with Midcap, the "**Prepetition Lenders**") upon the Prepetition Collateral, (ii) acknowledge that no affirmative claims exist with respect to the Prepetition Lenders with respect to any matters, and (iii) release and waive any such matters, including affirmative causes of action and objections to claims, with respect to the Prepetition Lender. Without limiting the generality of the foregoing, in consideration of the DIP Lender furnishing of the DIP Loan, each Borrower, hereby absolutely releases and forever discharges the Prepetition Lenders and their affiliates, officers, directors, employees, attorneys, participants, and other representatives from any and all claims and causes of action of every kind and nature that any of the Debtors may hold against the released parties as of the Petition Date, other than claims and causes of action arising from the gross negligence, fraud, bad faith or willful misconduct of the released parties, and subject to the Challenge Period set forth in the DIP Orders.

Waivers:	The DIP Orders shall include terms and conditions customary for final DIP financing orders, including, without limitation, waiver of the automatic stay, credit-bidding rights, "no marshaling" provisions, the creation and priority of the liens described above, and waivers of the imposition of costs pursuant to Section 506(c) of the Bankruptcy Code and the "equities of the case" exception in Section 552(b) of the Bankruptcy Code, in each case, to the extent applicable.
Governing Law:	This DIP Term sheet shall be governed by the laws of New York, without regard to conflicts of law principles.
Indemnification:	The DIP Lender and its affiliates, all of their respective officers, directors, employees, advisors and agents shall have no liability for, and shall be indemnified and held harmless by Debtors against, any losses, claims, damages, liabilities or expenses (collectively, "**Losses**") incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent such Losses are found by a presiding court to arise from the gross negligence or willful misconduct of the relevant indemnified person(s).
Cash Management Collections and Remittances:	The Debtors shall maintain their existing, pre-petition cash management system. Any material changes from such pre-petition cash management system must be reasonably acceptable to the DIP Lender. The Interim Order and Final Order shall grant the DIP Lender the DIP Lien on the cash held in the Debtors' bank accounts to secure repayment of the DIP Loan.
Counsel to the DIP Lender:	Kane Russell Coleman Logan PC Snell & Wilmer LLP

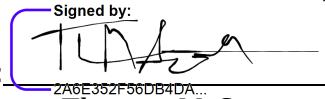
BORROWERS:

TASTY CHICK'N, LLC

By: 

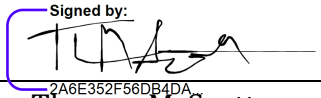
Name: Thomas M. Scott
Title: President and Chief Executive Officer

TASTY CHICK'N MIDWEST, LLC

By: 

Name: Thomas M. Scott
Title: President and Chief Executive Officer

TASTY CHICK'N SOUTHEAST, LLC

By: 

Name: Thomas M. Scott
Title: President and Chief Executive Officer

ADMINISTRATIVE AGENT:

MIDCAP FINANCIAL TRUST,
a Delaware statutory trust

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: Bernard Lajeunesse
Name: Bernard Lajeunesse
Title: Authorized Signatory

Exhibit A

Round 1 Group of Stores to Be Rejected

Store #	Store Name	Store Address
L518025	2256 Lamar	2256 Lamar Ave., Memphis, TN
L518120	Cave City KY	812 Mammoth Cave Street, Cave City, KY
L518049	Hope	2017 North Hazel, Hope, AR
L518111	Madisonville KY	197 Madison Square Drive, Madisonville, KY
L518015	D Thomas	200 N. Danny Thomas Blvd., Memphis, TN
L518083	Osceola	1001 W. Keiser, Osceola, AR
L518013	Union Ave	1699 Union Ave., Memphis, TN
L518135	Glasgow KY	120 South L. Roger Wells Blvd., Glasgow, KY
L518152	Orange Ave Roanoke VA	3401 Orange Avenue, Roanoke, VA

Exhibit B

Round 2 Group of Stores to Be Rejected

Store #	Store Name	Store Address
L518023	Perkins	3215 S. Perkins Rd., Memphis, TN
L518168	Timberlake Rd Lynchburg VA	20250 Timberlake Road, Lynchburg, VA
L518108	Herrin IL	1500 South Park Avenue, Herrin, IL
L518112	Brownsville TN	2560 Anderson Avenue, Brownsville, TN
L518155	Waynesboro VA	2015 Rosser Avenue, Waynesboro, VA
L518092	Silver Springs	3615 Silver Springs Blvd, Ocala, FL
L518066	Merrill	8003 Merrill Rd, Jacksonville, FL
L518114	Mt. Vernon IL	#1 Times Square Mall, Mount Vernon, IL
L518070	Blanding	17 Blanding Blvd, Jacksonville, FL
L518044	W Main	2602 West Main Street, Tupelo, MS

Exhibit 2

Round 1 Group of Stores to Be Rejected

Store #	Store Name	Store Address
L518025	2256 Lamar	2256 Lamar Ave., Memphis, TN
L518120	Cave City KY	812 Mammoth Cave Street, Cave City, KY
L518049	Hope	2017 North Hazel, Hope, AR
L518111	Madisonville KY	197 Madison Square Drive, Madisonville, KY
L518015	D Thomas	200 N. Danny Thomas Blvd., Memphis, TN
L518083	Osceola	1001 W. Keiser, Osceola, AR
L518146	Charlottesville	1705 Emmet St. N, Charlottesville, VA
L518135	Glasgow KY	120 South L. Roger Wells Blvd., Glasgow, KY
L518152	Orange Ave Roanoke VA	3401 Orange Avenue, Roanoke, VA

Exhibit 3

Round 2 Group of Stores to Be Rejected

Store #	Store Name	Store Address
L518023	Perkins	3215 S. Perkins Rd., Memphis, TN
L518168	Timberlake Rd Lynchburg VA	20250 Timberlake Road, Lynchburg, VA
L518108	Herrin IL	1500 South Park Avenue, Herrin, IL
L518112	Brownsville TN	2560 Anderson Avenue, Brownsville, TN
L518155	Waynesboro VA	2015 Rosser Avenue, Waynesboro, VA
L518092	Silver Springs	3615 Silver Springs Blvd, Ocala, FL
L518066	Merrill	8003 Merrill Rd, Jacksonville, FL
L518114	Mt. Vernon IL	#1 Times Square Mall, Mount Vernon, IL
L518070	Blanding	17 Blanding Blvd, Jacksonville, FL
L518044	W Main	2602 West Main Street, Tupelo, MS

Exhibit 4

Approved Budget

Tasty Chick'n LLC et al. - DIP Financing Budget

Week #	Forecast 1	Forecast 2	Forecast 3	Forecast 4	Forecast 5	Forecast 6	Forecast 7	Forecast 8	Forecast 9	Forecast 10	Forecast 11	Forecast 12	Forecast 13	Forecast 14	Forecast 15	Forecast 16	Forecast 17	Forecast 18	Total
Start Date ->	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	7-Nov
End Date ->	13-Nov	20-Nov	27-Nov	4-Dec	11-Dec	18-Dec	25-Dec	1-Jan	8-Jan	15-Jan	22-Jan	29-Jan	5-Feb	12-Feb	19-Feb	26-Feb	5-Mar	12-Mar	12-Mar
Operating Receipts																			
Operating Cash Receipts	$ 2,489,258	$ 2,489,258	$ 2,310,075	$ 2,310,075	$ 2,214,185	$ 2,214,185	$ 2,214,185	$ 2,008,112	$ 1,874,397	$ 1,874,397	$ 1,874,397	$ 1,874,397	$ 2,026,943	$ 2,026,943	$ -	$ -	$ -	$ -	$ 29,800,809
Total Receipts	**$ 2,489,258**	**$ 2,489,258**	**$ 2,310,075**	**$ 2,310,075**	**$ 2,214,185**	**$ 2,214,185**	**$ 2,214,185**	**$ 2,008,112**	**$ 1,874,397**	**$ 1,874,397**	**$ 1,874,397**	**$ 1,874,397**	**$ 2,026,943**	**$ 2,026,943**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 29,800,809**
Operating Disbursements																			
Food & Packaging Costs	$ 735,847	$ 735,847	$ 681,617	$ 681,617	$ 606,436	$ 606,436	$ 606,436	$ 543,002	$ 540,896	$ 540,896	$ 540,896	$ 540,896	$ 564,889	$ 564,889	$ 200,000	$ -	$ -	$ -	$ 8,690,599
Payroll	-	1,187,629	-	1,178,138	-	1,129,234	-	1,076,686	-	974,686	-	974,686	-	1,054,010	527,005	-	-	-	8,102,076
Rent & Utilities	73,853	874,708	66,424	883,468	90,494	90,494	90,494	77,490	801,135	71,296	71,296	71,296	803,335	73,496	90,000	-	-	-	4,229,278
Insurance	55,800	160,000	55,800	120,076	293,248	160,000	55,800	166,307	140,701	-	172,640	-	140,701	-	172,640	-	-	-	1,693,713
Taxes	205,295	233,877	202,622	287,131	184,717	184,717	213,299	223,541	169,393	157,943	231,525	169,797	179,968	168,518	-	-	-	-	2,812,340
Payments to Franchisor	-	-	-	-	-	1,296,799	-	-	-	947,368	-	-	-	-	829,754	-	-	-	3,073,921
Payments to Manager	131,250	131,250	117,287	117,287	117,287	117,287	117,287	103,324	103,324	103,324	-	-	-	-	-	-	-	-	1,158,910
Credit Card and Bank Fees	36,536	29,536	24,626	24,626	33,604	26,604	23,604	21,407	19,982	32,982	19,982	19,982	21,608	31,608	3,000	-	-	-	369,686
Other Operating Disbursements	202,500	282,500	202,500	202,500	202,500	273,989	202,500	202,500	202,500	265,479	202,500	202,500	202,500	202,500	80,000	-	-	-	3,129,468
Total Operating Disbursements	**$ 1,441,081**	**$ 3,635,347**	**$ 1,350,876**	**$ 3,494,844**	**$ 1,528,285**	**$ 3,885,560**	**$ 1,309,419**	**$ 2,414,258**	**$ 1,977,931**	**$ 3,093,974**	**$ 1,238,838**	**$ 1,979,157**	**$ 1,913,000**	**$ 2,095,021**	**$ 1,902,399**	**$ -**	**$ -**	**$ -**	**$ 33,259,991**
Operating Cash Flow	**$ 1,048,177**	**$ (1,146,089)**	**$ 959,199**	**$ (1,184,769)**	**$ 685,900**	**$ (1,671,375)**	**$ 904,766**	**$ (406,145)**	**$ (103,534)**	**$ (1,219,577)**	**$ 635,559**	**$ (104,760)**	**$ 113,943**	**$ (68,078)**	**$ (1,902,399)**	**$ -**	**$ -**	**$ -**	**$ (3,459,182)**
Non-Operating Receipts																			
Escrowed Proceeds / Other Receipts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,472,209	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,472,209
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Receipts	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,472,209**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,472,209**
Non-Operating Disbursements																			
Maintenance CapEx	$ 8,905	$ 8,905	$ 7,958	$ 7,958	$ 7,958	$ 7,958	$ 7,958	$ 7,011	$ 7,011	$ 7,011	$ 7,011	$ 7,011	$ 7,011	$ 7,011	$ -	$ -	$ -	$ -	$ 106,674
Closure Costs	-	195,000	-	-	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	345,000
Professional Fees & Utility Escrow	-	749,000	649,000	-	649,000	-	649,000	-	324,500	-	324,500	-	-	-	-	-	-	-	3,345,000
UST Fees	-	-	-	-	-	-	-	-	-	201,093	-	-	-	-	-	-	-	119,131	320,224
Total Non-Operating Disbursements	**$ 8,905**	**$ 952,905**	**$ 656,958**	**$ 7,958**	**$ 656,958**	**$ 7,958**	**$ 806,958**	**$ 7,011**	**$ 331,511**	**$ 208,104**	**$ 331,511**	**$ 7,011**	**$ 7,011**	**$ 7,011**	**$ -**	**$ -**	**$ -**	**$ 119,131**	**$ 4,116,898**
Net Cash Flow	**$ 1,039,272**	**$ (2,098,994)**	**$ 302,241**	**$ (1,192,727)**	**$ 28,942**	**$ (1,679,333)**	**$ 97,808**	**$ (413,156)**	**$ (435,044)**	**$ 44,528**	**$ 304,048**	**$ (111,771)**	**$ 106,933**	**$ (75,088)**	**$ (1,902,399)**	**$ -**	**$ -**	**$ (119,131)**	**$ (6,103,871)**
Cash Roll-Forward																			
Starting Cash Balance	$ 1,900,000	$ 2,939,272	$ 3,140,278	$ 3,442,519	$ 2,249,793	$ 2,278,734	$ 1,599,401	$ 1,697,209	$ 2,034,054	$ 1,599,009	$ 1,643,537	$ 1,947,585	$ 1,835,815	$ 1,942,747	$ 1,867,659	$ 300,000	$ 300,000	$ 300,000	$ 1,900,000
(+ / -) Net Cash Flow	1,039,272	(2,098,994)	302,241	(1,192,727)	28,942	(1,679,333)	97,808	(413,156)	(435,044)	44,528	304,048	(111,771)	106,933	(75,088)	(1,902,399)	-	-	(119,131)	(6,103,871)
(+) DIP Facility Draw	-	2,300,000	-	-	-	1,000,000	-	750,000	-	-	-	-	-	-	334,740	-	-	-	4,384,740
(-) DIP Facility Paydown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180,869)	(180,869)
Ending Cash Balance	**$ 2,939,272**	**$ 3,140,278**	**$ 3,442,519**	**$ 2,249,793**	**$ 2,278,734**	**$ 1,599,401**	**$ 1,697,209**	**$ 2,034,054**	**$ 1,599,009**	**$ 1,643,537**	**$ 1,947,585**	**$ 1,835,815**	**$ 1,942,747**	**$ 1,867,659**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ -**	**$ -**

Gross DIP Facility Funding	**$ 4,384,740**
Net DIP Facility Funding	**4,203,871**

Notes:

- Does not reflect potential post-closing transition services agreement.
- Release of the escrowed $1.472M to the Debtors will be subject to further discussions and agreements.
- Accrued real and personal property taxes for purchased stores anticipated to be offset against a sale purchase price. During the pendency of the case the Debtor will continue to pay ordinary course real and personal property taxes.
- Accrued sales and use taxes anticipated to be offset against purchase price. During the pendency of the case the Debtors will continue to pay ordinary course sales and use taxes.
- Assumes Debtors file with 93 locations, but 84 go-forward stores subject to lease rejection motion. 10 additional stores would be rejected as of 12/24, thereby having 74 stores post-December 2026.
- Assumes post-petition payments made to KFC and Taco Bell, subject to lease rejections.
- Rent paid on all operating stores.
- Assumes post-petition payments made to Manager for November and December fees and final month administrative Manager fees to be offset against a sale purchase price.
- Half of February rent should be a credit against purchase price.
- Assumes November stub rent paid in first week of case.

Tasty Chick'n LLC et al. - Professional Fee Build

Firm	$ Amt.
Province	$ 1,075,000
Peak Franchise Capital / Guide Boat	50,000
Gray Reed	1,225,000
LNBY&G	225,000
Epiq	450,000
Lender Counsel - KRCL	-
Lender Counsel - Snell & Wilmer	-
UCC - Counsel	150,000
UCC - FA	70,000
Total - Hourly Professional Fees	**$ 3,245,000**

Note: Doesn't include $100K utility deposit or US Trustee fees