

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

In re:	§	
	§	Case No. 17-31646
MONTCO OFFSHORE, INC., <i>et al.</i>,¹	§	
	§	Chapter 11
Debtors.	§	
	§	(Jointly Administered)

EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION SUPERPRIORITY SECURED FINANCING FROM JPMORGAN CHASE BANK, N.A., (II) AUTHORIZING USE OF CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION, (IV) SCHEDULING FINAL HEARING, AND (IV) GRANTING CERTAIN RELATED RELIEF

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

¹ The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor's federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors (the “Debtors”) file this *Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Superpriority Secured Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing, and (V) Granting Certain Related Relief* (the “Motion”). In support of this Motion, the Debtors incorporate the statements contained in the *Declaration of Derek C. Boudreaux in Support of Chapter 11 Petitions and First Day Pleadings* (together with all supplements thereto, the “First Day Declaration”) and respectfully submit the following:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a), 361, 362, 363, 364, 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rules 4002-1 and 9013-1 of the Local Bankruptcy Rules for the Southern District of Texas (the “Local Rules”), and the *Procedures for Complex Chapter 11 Bankruptcy Cases for the United States Bankruptcy Court for the Southern District of Texas* (the “Complex Chapter 11 Guidelines”).

EMERGENCY CONSIDERATION

4. The Debtors request emergency consideration of this Motion. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and the success of these chapter 11 cases. As discussed in detail below and in the First Day Declaration, any delay in granting the relief requested could hinder the Debtors’

operations and cause immediate and irreparable harm. As such, the Debtors believe that emergency consideration is necessary and request that this Motion be heard at the Debtors' first day hearing.

BACKGROUND

5. On March 17, 2017 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no request for the appointment of a trustee or examiner has been made and no official committee of unsecured creditors has been appointed in these chapter 11 cases.

6. Additional information regarding the Debtors and these chapter 11 cases, including the Debtors' business operations, capital structure, financial condition, and the reasons for and objectives of these chapter 11 cases, is set forth in the First Day Declaration.

RELIEF REQUESTED

7. By this Motion, the Debtors seek entry of an interim order (the "Interim Order"), substantially in the form attached hereto as Exhibit A, and subsequently a final order (the "Final Order") and together with the Interim Order, the "DIP Orders");

- a) authorizing the Debtors to obtain secured postpetition superpriority financing (the "DIP Facility") on an interim basis from JPMorgan Chase Bank, N.A. ("Chase") in its capacity as debtor-in-possession financing lender (the "DIP Lender") pursuant to the terms and conditions of that certain "Emergency Debtor-in-Possession Credit Agreement" dated on or about March 23, 2017, by and among the Debtors and Chase, substantially in the form attached to the proposed Interim Order as Exhibit 1 (as amended, supplemented, restated or otherwise modified from time to time in accordance therewith, the "Emergency DIP Credit Agreement," and together with the other documents, agreements and instruments delivered pursuant thereto or executed or filed in connection therewith, all as may

be requested by the DIP Lender (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “DIP Loan Documents”));²

- b) authorizing the Debtors to execute the DIP Loan Documents, and to perform such other acts as may be necessary or desirable in connection therewith,
- c) granting the DIP Lender a first priority security interest in and liens on all of the DIP Collateral (as defined below) and the Carve-Out (as defined below), to secure the DIP Facility and all obligations owing and outstanding thereunder and under the DIP Loan Documents, as applicable, and the Interim Order and Final Order (as defined below), as applicable (collectively, the “DIP Loan Obligations”);
- d) granting allowed superpriority administrative expense claims to the DIP Lender;
- e) authorizing the Debtors to use Cash Collateral (as defined below) (together with the DIP Facility, the “Postpetition Financing Arrangement”);
- f) authorizing the Debtors to grant adequate protection to Chase in its capacity as a prepetition lender (the “Prepetition Lender”) under that Second Amended and Restated Credit Agreement, as amended, supplemented or otherwise modified from time to time (the “Prepetition Credit Agreement”), dated as of January 29, 2016, among (i) Debtor Montco Offshore, Inc. (“MOI”), Orgeron Real Estate, LLC (“ORE”) (collectively, “Prepetition Borrowers”), and (ii) Chase, as administrative agent (the “Agent”) for the prepetition lenders thereto (collectively, the “Prepetition Lenders”) and together with all agreements, documents, notes, mortgages, security agreements, pledges, guarantees, subordination agreements, instruments, amendments, and any other agreements delivered pursuant thereto or in connection therewith, as amended, supplemented or otherwise modified from time to time, the “Prepetition Loan Documents”);
- g) scheduling a final hearing (the “Final Hearing”), pursuant to Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to consider entry of a final order (the “Final Order”), *inter alia*, approving and authorizing the Postpetition Financing Arrangement (including, without limitation, the advance of the financing pursuant to the Interim Order) on a final basis pursuant to the DIP Loan Documents.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Emergency DIP Amended Credit Agreement.

**CONCISE STATEMENT PURSUANT TO BANKRUPTCY RULE 4001 AND
THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN
DISTRICT OF TEXAS PROCEDURES FOR COMPLEX CHAPTER 11 CASES**

8. The Interim Order contains the following significant provisions (the “Significant Provisions”) listed on Exhibit B to the Complex Chapter 11 Procedures, as summarized in the *Attorney Checklist Concerning Motion and Order Pertaining to Use of Cash Collateral*, which is attached hereto as **Exhibit B**.

9. The Debtors seek entry of the DIP Orders:

- a) ***DIP Facility***: authorizing the Debtors to enter into the DIP Facility on the terms and conditions set forth in the Interim Order and the DIP Loan Documents, pursuant to which the Debtors are authorized to borrow up to the amounts provided in the Approved Budget (the “Borrowing”), with the maximum amount to be borrowed not to exceed \$3.15 million (the “Maximum Commitment”);
- b) ***Adequate Protection***: authorizing the Debtors to grant adequate protection in connection with the Prepetition Loan Documents and all of the Debtors’ secured obligations arising thereunder;
- c) ***Cash Collateral***: authorizing the Debtors to continue to use Cash Collateral subject to the restrictions set forth in the DIP Loan Documents and the Interim Order and the granting of adequate protection to the Prepetition Lenders with respect thereto;
- d) ***Debtor Stipulations***: approving certain stipulations with respect to the Prepetition Loan Documents and the liens and security interests arising therefrom;
- e) ***DIP Superpriority Claims and DIP Liens***: granting superpriority administrative claims and liens on all prepetition and postpetition property of the Debtors’ estates (other than the Permitted Liens (as defined below) and the Carve-Out (as defined below)) and all proceeds thereof;
- f) ***506(c) Waiver***: subject to entry of the Final Order, authorizing the Debtors’ waiver of the right to surcharge the Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code;
- g) ***Equities of the Case Waiver***: subject to entry of the Final Order, authorizing the Debtors’ waiver of any rights under the “equities of the case” claims under section 552(b) of the Bankruptcy Code.

- h) ***Automatic Stay***: modifying the automatic stay of section 362 of the Bankruptcy Code; and
- i) ***Final Hearing***: scheduling a final hearing on the Motion.

10. In addition, the following chart contains a summary of the material terms of the proposed DIP Facility, together with references to the applicable sections of the relevant source documents as required by Bankruptcy Rules 4001(b)(1)(B) and 4001(c)(1)(B) and the Complex Chapter 11 Guidelines.³

Bankruptcy Rule	Summary of Material Terms	Location
Borrowers <i>Bankruptcy Rule 4001(c)(1)(B)</i>	Montco Offshore, Inc. Montco Oilfield Contractors, LLC	Interim Order, ¶¶2
DIP Lender <i>Bankruptcy Rule 4001(c)(1)(B)</i>	JPMorgan Chase Bank, N.A.	Interim Order,
DIP Collateral <i>Bankruptcy Rule 4001(c)(1)(B)</i>	All of the property, assets or interests in property or assets of each Debtor, and all “property of the estate” (within the meaning of the Bankruptcy Code) of each Debtor, of any kind or nature whatsoever, real or personal, tangible or intangible or mixed, now existing or hereafter acquired or created, including, without limitation, all of each Debtor’s now owned or hereafter acquired right title, and interest in and to all cash, accounts, accounts receivable, inventory, property, plant and equipment, real estate, leaseholds, rolling stock, vehicles, trailers (subject to entry of the Final Order), all intercompany claims, all claims, and causes of action of each Debtor or its respective estate (including, without limitation, all commercial tort claims of every kind and description) and any and all proceeds therefrom, any and all proceeds arising from insurance policies, all intellectual property, and the equity interests of each direct and indirect subsidiary of each Debtor, which for the avoidance of doubt, shall include, without limiting the generality of the foregoing, all assets of each Debtor that is secured pursuant to the Prepetition Loan Documents, and all other property and assets	Interim Order, ¶¶6

³ Unless otherwise indicated, capitalized terms used and not defined in the summary below have the meanings set forth elsewhere in this Motion or in the Interim Order, as applicable. The summary below is qualified in its entirety by the Interim Order. In the event that there is a conflict between this summary and the Interim Order, the Interim Order controls in all respects.

Bankruptcy Rule	Summary of Material Terms	Location
	including, without limitation, Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, offspring and profits of any of the collateral described above (collectively, the “DIP Collateral”), subject only to (A) the Permitted Liens, and (B) the Carve-Out.	
Cash Collateral <i>Bankruptcy Rule 4001(c)(1)(B)</i>	The term “Cash Collateral” shall mean and include all “cash collateral,” as defined in section 363 of the Bankruptcy Code, in or on which the Prepetition Lenders have a lien, security interest or other interest (including, without limitation, any adequate protection liens or security interests), and shall include, without limitation: (i) all cash proceeds arising from the collection, sale, lease or other disposition, use or conversion of any property, insurance policies, or in or on which the Prepetition Lender has a lien or a replacement lien, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise, and whether such property has been converted to cash, existed as of the commencement of these Chapter 11 Cases, or arose or was generated thereafter; (ii) all of the respective deposits, refund claims and rights in retainers of the Debtors on which the Prepetition Lenders have a lien or replacement lien, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise; and (iii) the proceeds of any sale of DIP Collateral or Prepetition Collateral in connection with any sale consummated prior to entry of the Final Order.	Interim Order, ¶E
Entities with Interest in Cash Collateral <i>Bankruptcy Rule 4001(b)(1)(B)(i)</i>	The lenders party to the Prepetition Credit Agreement (the “ <u>Lenders</u> ”) and JP Morgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the “ <u>Agent</u> ”)	Interim Order, ¶E
Maximum Commitment <i>Bankruptcy Rule 4001(c)(1)(B)</i>	\$3.15 million	Interim Order, ¶2
Interest Rate <i>Bankruptcy Rule 4001(c)(1)(B)</i>	The Emergency Loans comprising each Borrowing shall bear interest at a rate equal to 10% per annum.	Emergency DIP Credit Agreement, ¶2.13(a)

Bankruptcy Rule	Summary of Material Terms	Location
Maturity Date <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i>	<p>Emergency Loans Maturity Date” means the earliest to occur of (i) April 21, 2017 (if the same is a Business Day, or if not then the immediately next succeeding Business Day), (ii) the effective date of a plan of reorganization or liquidation of a Borrower that is confirmed pursuant to an order entered by the Bankruptcy Court, (iii) the liquidation or consummation of any sale or other disposition of all or substantially all of the assets of a Borrower, (iv) the date of acceleration of the Emergency Loans and the termination of the Lender’s commitment to make Emergency Loans hereunder in accordance with the terms of the Loan Documents, (v) the appointment by the Bankruptcy Court of a trustee or an examiner with expanded powers, and (vi) the entry of any order dismissing any Chapter 11 bankruptcy case of the Loan Parties or converting any of the cases to a case under Chapter 7 of the United States Bankruptcy Code. The Emergency Loans Maturity Date may be extended without approval of the Bankruptcy Court by a written approval by the Lender.</p>	<p>Emergency DIP Credit Agreement, ¶1.01</p>
Conditions of Borrowing <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i>	<p><u>Conditions Precedent to Each Borrowing.</u> The obligation of Lender to make any Loan is subject to the satisfaction of the following conditions:</p> <p>(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects with the same effect as though made on and as of the date of such Borrowing (it being understood and agreed that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).</p> <p>(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.</p> <p>(c) No event shall have occurred and no condition shall exist which has or could be reasonably expected to have a Material Adverse Effect.</p> <p>Each Borrowing shall be deemed to constitute a representation and warranty by the Loan Parties on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.</p>	<p>Emergency DIP Credit Agreement, ¶4.02</p>
Use of DIP Facility Proceeds and Cash Collateral <i>Bankruptcy Rule</i> <i>4001(b)(1)(B)(ii)</i>	<p>The DIP Loans are needed (i) to maximize and preserve the value of their businesses, and to satisfy payroll obligations and other necessary working capital and general corporate purposes of the Debtors consistent with the terms set forth in the DIP Loan</p>	<p>Interim Order, ¶¶G and 11</p>

Bankruptcy Rule	Summary of Material Terms	Location
	<p>Documents and the Approved Budget (as defined below), (ii) to pay fees and expenses related to the DIP Loan Documents and necessary and reasonable fees incurred in connection with these Chapter 11 Cases, and (iii) for such other purpose as set forth in the DIP Loan Documents.</p> <p>no proceeds of the Postpetition Financing Arrangement, any DIP Collateral or Prepetition Collateral (including, without limitation, Cash Collateral) or any portion of the Carve-Out may be used to pay any claims for services rendered by any of the professionals retained by the Debtors, any creditor or party in interest, any committee, any trustee appointed under these Chapter 11 Cases or any Successor Cases, or any other party to (i) request authorization to obtain postpetition loans or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy Code, or otherwise, other than from the DIP Lender in accordance with the DIP Loan Documents, except as otherwise set forth herein; (ii) prevent, hinder, or otherwise delay the Prepetition Lenders', the Agent's, or the DIP Lender's, as applicable, enforcement or realization on the DIP Facility, the Prepetition Credit Agreement, Collateral, Cash Collateral and the liens, claims and rights granted to such parties under this Order, in accordance with the DIP Facility, the Prepetition Credit Agreement, or this Order, as applicable; (iii) seek to modify any of the rights and remedies granted to the Prepetition Lenders, the Agent, or the DIP Lender under this Order, the DIP Facility or the Prepetition Credit Agreement, as applicable; (iv) apply to the Bankruptcy Court for authority to approve superpriority claims or grant liens or security interests in the Collateral (including Cash Collateral) or any portion thereof that are senior to, or on parity with, the Prepetition Liens, the DIP Liens, and the DIP Superpriority Claim, unless the DIP Facility, Prepetition Credit Agreement, and claims granted to the DIP Lender or Prepetition Lenders and Agent under this Order, as applicable, have been refinanced or paid in full in cash (including the cash collateralization of any letters of credit) or otherwise agreed to in writing by the DIP Lender, Prepetition Lenders and Agent; (v) seek to pay any amount on account of any claims arising prior to the Petition Date unless such payments are agreed to in writing by the DIP Lender in its sole discretion or are</p>	

Bankruptcy Rule	Summary of Material Terms	Location
	<p>otherwise included in the Approved Budget; or (vi) investigate, assert, join, commence, support or prosecute any action or claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against the Prepetition Lenders, the DIP Lender, the Agent, or their respective officers, directors, employees, agents, attorneys, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, or action, including, without limitation, (A) any avoidance actions or other actions arising under chapter 5 of the Bankruptcy Code; (B) any action relating to any act, omission or aspect of the relationship between Chase, on the one hand, and the Debtors or any of their affiliates, on the other; (C) any action with respect to the validity and extent of the DIP Loan Obligations or the Prepetition Obligations, or the validity, extent, and priority of the DIP Liens, the Prepetition Liens or the Replacement Liens; (D) any action seeking to invalidate, set aside, avoid or subordinate, in whole or in part, the DIP Liens, the Prepetition Liens or the Replacement Liens; and/or (E) except to contest the occurrence of any Termination Event as permitted in paragraph 12, any action that has the effect of preventing, hindering or delaying (whether directly or indirectly) the DIP Lender or the Prepetition Lenders in respect of its liens and security interests in the Collateral, Cash Collateral or the Prepetition Collateral; and/or (F) pay any fees or similar amounts to any person who has proposed or may propose to purchase Chase's interests in any of the Debtors without the prior written consent of Chase; or (H) use or seek to use Cash Collateral unless otherwise permitted hereby, without the prior written consent of Chase.</p>	
<p>Fees and Costs <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i></p>	<p>Available financing and advances under the DIP Loan Documents shall, on an interim basis, be made consistent with the terms set forth in the Approved Budget and the DIP Loan Documents, and provide for the payment of interest, fees, and expenses in accordance with the Interim Order and the DIP Loan Documents, and any other amounts required or allowed to be paid in accordance with the Interim Order, but only as and to the extent authorized by the Approved Budget and the DIP Loan Documents.</p> <p>All reasonable out-of-pocket costs and expenses of the DIP Lender including, without limitation,</p>	<p>Interim Order, ¶¶2(a), 18</p>

Bankruptcy Rule	Summary of Material Terms	Location
	<p>reasonable legal, accounting, collateral examination, monitoring and appraisal fees and disbursements, financial advisory fees, fees and expenses of other consultants, indemnification and reimbursement obligations with respect to fees and expenses, and other out of pocket expenses, whether or not contained in the Approved Budget and without limitation with respect to the dollar estimates contained in the Approved Budget (provided, however, that such overages shall not weigh against the Debtors in any testing related to compliance with the Approved Budget), shall promptly be paid by the Debtors. Payment of such fees shall not be subject to allowance by this Court.</p>	
<p>Budget <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i></p>	<p>The Debtors have delivered to Chase a budget that has been approved (the “<u>Approved Budget</u>”) for the time period from and including the Petition Date through April 14, 2017. A copy of the Approved Budget is attached to the Proposed Interim Order as <u>Exhibit 2</u>. The Debtors shall provide to Chase weekly updates, in form and substance acceptable to the Agent, to the Approved Budget and financial reporting with respect to the Debtors in accordance with the terms of the DIP Loan Documents. Funds borrowed under the DIP Loan Documents, and DIP Collateral used under the Interim Order, shall be used by the Debtors solely in accordance with the Interim Order and the DIP Loan Documents. The consent of Chase to the Approved Budget shall not be construed as a commitment to provide DIP Loans or to permit the use of Cash Collateral after the occurrence of a Termination Event (as defined in the Interim Order), regardless of whether the aggregate funds shown on the Approved Budget have been expended.</p> <p>Any amendments, supplements or modifications to the Approved Budget, must be consented to in writing by Chase in its sole discretion prior to the implementation thereof and shall not require further notice, hearing, or court order.</p> <p>Chase (i) may assume the Debtors will comply with the Approved Budget, (ii) shall have no duty to monitor such compliance and (iii) shall not be obligated to pay (directly or indirectly from the DIP Collateral or Prepetition Collateral) any unpaid expenses incurred or authorized to be incurred pursuant to the Approved Budget, except the Carve-Out as permitted in the Interim Order. All advances</p>	<p>Interim Order, ¶¶2(b)-(d)</p>

Bankruptcy Rule	Summary of Material Terms	Location
	and extensions of credit shall be based upon the terms and conditions of the DIP Loan Documents, as the same may be adjusted from time to time with the written consent of Chase in its sole discretion.	
Reporting Information <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i>	<p>The Debtors shall provide to Chase weekly updates, in form and substance acceptable to the Agent, to the Approved Budget and financial reporting with respect to the Debtors in accordance with the terms of the DIP Loan Documents.</p> <p>In addition to any other financial reporting and disclosures required under the Interim Order and the DIP Loan Documents, the Debtors shall fully cooperate, and provide the financial advisor retained by Chase in these cases (the “<u>Chase’s Financial Advisor</u>”) with such other information that the Chase’s Financial Advisor shall request and shall further keep Chase’s Financial Advisor fully informed of facts and developments pertinent to the Debtors’ books and records; <u>provided, however</u>, that the Debtors shall not be required to provide Chase’s Financial Advisor with any information subject to the attorney/client privilege.</p>	Interim Order ¶¶2(b), 9(d)
Liens and Priorities <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)(i)</i>	To secure the DIP Loan Obligations, the DIP Lender is hereby granted, pursuant to section 364(c)(2) and, where applicable, section 364(c)(3), valid, enforceable and fully perfected, liens and security interests (collectively, the “ <u>DIP Liens</u> ”) in all of the property, assets or interests in property or assets of each Debtor, and all “property of the estate” (within the meaning of the Bankruptcy Code) of each Debtor, of any kind or nature whatsoever, real or personal, tangible or intangible or mixed, now existing or hereafter acquired or created, including, without limitation, all of each Debtor’s now owned or hereafter acquired right, title, and interest in and to all cash, accounts, accounts receivable, inventory, property, plant and equipment, real estate, leaseholds, rolling stock, vehicles, trailers (subject to entry of the Final Order), all intercompany claims, all claims, and causes of action of each Debtor or its respective estate (including, without limitation, all commercial tort claims of every kind and description) and any and all proceeds therefrom, any and all proceeds arising from insurance policies, all intellectual property, and the equity interests of each direct and indirect subsidiary of each Debtor, which, for the avoidance of doubt, shall include, without limiting the generality of the foregoing, all assets of each	Interim Order ¶6

Bankruptcy Rule	Summary of Material Terms	Location
	<p>Debtor that is secured pursuant to the Prepetition Loan Documents, and all other property and assets including, without limitation, Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, offspring and profits of any of the collateral described above (collectively, the “<u>DIP Collateral</u>”), subject only to (i) the Permitted Liens, and (ii) the Carve-Out.</p> <p>The DIP Lender is hereby granted an allowed superpriority administrative expense claim (the “<u>DIP Superpriority Claim</u>”) pursuant to section 364(c)(1) of the Bankruptcy Code in each of the Debtor’s Chapter 11 Cases and in any successor cases under the Bankruptcy Code (including any case or cases under chapter 7 of the Bankruptcy Code, the “<u>Successor Cases</u>”) for all DIP Loan Obligations, having priority over any and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 726, 1113, and 1114 and any other provision of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed DIP Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtors. The DIP Superpriority Claim granted in this paragraph shall be subject and subordinate in priority of payment only to payment of the Carve-Out. Except as set forth in the Interim Order (a) no other superpriority claims shall be granted or allowed in these Chapter 11 Cases or in any Successor Case, and (b) the DIP Superpriority Claim shall be senior in all respects to any other superpriority claims granted in these Chapter 11 Cases.</p>	
<p>Carve-Out <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i></p>	<p>To the extent sufficient unencumbered funds are not available from the Debtors’ estates, the DIP Liens, the DIP Superpriority Claim, the Replacement Liens, and the Adequate Protection Claim and the Prepetition Liens shall be subject, in accordance with the priority as set forth in the Interim Order and subordinate only (except as otherwise provided in subparagraph (c) hereof) to, and proceeds thereof</p>	<p>Interim Order ¶ 10.</p>

Bankruptcy Rule	Summary of Material Terms	Location
	<p>may be used to pay: (i) fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) or to the Clerk of the Bankruptcy Court (the “<u>Case Administration Fees</u>”), (ii) unpaid professional fees and expenses (“<u>Professional Fees</u>”) payable to each professional retained by the Debtors (the “<u>Debtor Professionals</u>”) and, if appointed, the Creditors’ Committee (collectively with the Debtor Professionals, the “<u>Estate Professionals</u>”) that are incurred or accrued prior to the date of the occurrence of a Termination Event (as defined in the Interim Order), but subject to the aggregate amount(s) allocated to each such professional in the Approved Budget, and ultimately allowed by the Court pursuant to sections 328, 330, 331 and 503 of the Bankruptcy Code or any order of the Court (whenever such fees may be actually incurred prior to the Termination Date), and (iii) Case Administration Fees and Professional Fees paid on or after the DIP Lender’s termination of the DIP Facility following the date of DIP Lender’s written notice to the Debtors of the occurrence of a Termination Event (as defined in the Interim Order) in an aggregate amount not to exceed \$300,000, subject to the aggregate amount(s) accrued for or paid as set forth in the Approved Budget (collectively, the “<u>Carve-Out</u>”). Subject to the immediately preceding sentence, so long as a Termination Event has not occurred, the Debtors shall (A) fund the amount set forth in the Non-Recurring Disbursements section of the Approved Budget for payment of Case Administration and Professional Fees; and (B) be permitted to pay Case Administration Fees and Professional Fees allowed and payable under Bankruptcy Code sections 328, 330, 331 and 503, in accordance with the Approved Budget provided that the DIP Lender shall not be obligated to fund any amounts in excess of the Maximum Commitment. After the DIP Lender’s written notification to the Debtors of termination of the DIP Facility following the occurrence of a Termination Event, the payment of reasonable allowed professional fees and disbursements incurred by each Estate Professional (excluding any incurred and unpaid professional fees and expenses of the DIP Lender payable pursuant to the Interim Order or the Final Order) in an aggregate amount not in excess of the amounts accrued or paid for each such professional in the Approved Budget, shall permanently reduce the Carve-Out on a dollar-for-</p>	

Bankruptcy Rule	Summary of Material Terms	Location
	dollar basis. Chase's obligations to permit the use of its Cash Collateral to fund or to otherwise pay the Carve-Out expenses shall be added to and made part of the DIP Loan Obligations and secured by the DIP Collateral and otherwise entitled to the protections granted under the Interim Order, the DIP Loan Documents, the Bankruptcy Code and applicable law, as applicable.	
Stipulations to Prepetition Liens and Claims <i>Bankruptcy Rule 4001(c)(1)(B)(iii)</i>	<p>In requesting the Postpetition Financing Arrangement, and in exchange for and as a material inducement to Chase to agree to provide the Postpetition Financing Arrangement, the Debtors acknowledge, represent, stipulate, and agree, subject to the challenge rights set forth in paragraph 12 in the Interim Order, as follows:</p> <p>(i) pursuant to the Prepetition Credit Agreement, among MOI, ORE (collectively, the "<u>Prepetition Borrowers</u>"), the lenders party thereto (the "<u>Lenders</u>"), JP Morgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "<u>Agent</u>") MOI and ORE obtained secured financing from the Prepetition Lenders in the form of: (a) a revolver (the "<u>Revolver</u>") in the aggregate original principal amount of \$10,000,000; (b) a term A-1 loan in the aggregate principal amount of \$101,881,950.00; a term A-2 loan in the aggregate principal amount of 8,764,300.00; and a term C loan in the aggregate principal amount of 7,500,000. Pursuant to Amendment No. 1 to the Prepetition Credit Agreement, dated August 31, 2016, the aggregate amount of the Revolver was temporarily increased to \$15,000,000. For purposes of the Interim Order, the term "<u>Prepetition Obligations</u>" shall mean the Obligations (as such term is defined in the Prepetition Credit Agreement) owed to the Prepetition Lenders under the Prepetition Loan Documents.</p> <p>(ii) the Prepetition Obligations of the Prepetition Borrowers are secured by first-priority liens in all "Collateral" as defined in the Prepetition Credit Agreement granted or pledged by the Prepetition Borrowers and MOC pursuant to any of the Prepetition Loan Documents shall be collectively referred to as the "Prepetition Collateral."</p> <p>(iii) as of the Petition Date, (a) the aggregate amount of principal and accrued interest owed under the Prepetition Loan Documents to the Prepetition Lenders is not less than \$124,230,017.77 million, which does not include fees, expenses and</p>	Interim Order ¶ D.

Bankruptcy Rule	Summary of Material Terms	Location
	<p>other amounts which are chargeable or otherwise reimbursable under the Prepetition Loan Documents, (b) all of the Prepetition Obligations are unconditionally owing by the Debtors to the Prepetition Lenders, and (c) the Prepetition Obligations are not subject to any avoidance, reductions, set-off, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses or any other challenges of any kind under the Bankruptcy Code or any applicable law or regulation by any person or entity;</p> <p>(iv) the Prepetition Liens constitute valid, binding, enforceable, and perfected liens with priority over any and all other liens and are not subject to any challenge or defense, including, without limitation, respectively, avoidance, reductions, recharacterization, subordination (whether equitable, contractual or otherwise), claims, counterclaims, cross-claims, set-offs, offsets, recoupments, defenses or any other challenges of any kind under the Bankruptcy Code or any applicable law or regulation by any person or entity;</p> <p>(v) the Debtors have waived, discharged and released any right they may have to challenge the Prepetition Obligations, and the Prepetition Liens on the Prepetition Collateral, and to assert any offsets, set-offs, recoupments, defenses, claims, objections, challenges of any kind, causes of action and/or choses of action against the Prepetition Lenders, with respect to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Collateral;</p> <p>(vi) any payments made on account of the Prepetition Obligations before the Petition Date were (a) payments out of the Prepetition Collateral, and/or (b) made in the ordinary course of business and did not diminish any property otherwise available for distribution to unsecured creditors;</p> <p>(vii) all of the Debtors' cash, including the cash in their deposit accounts and other accounts, wherever located, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral (as defined in the Interim Order);</p> <p>(viii) Chase does not constitute a control person or insider of the Debtors by virtue of any of the actions taken by them in respect of or in connection with the Postpetition Financing Arrangement or the Prepetition Obligations;</p> <p>(ix) until such time as all DIP Loan</p>	

Bankruptcy Rule	Summary of Material Terms	Location
	<p>Obligations are indefeasibly paid in full in cash, the Debtors shall not in any way prime or seek to prime (or otherwise cause to be subordinated in any way) the liens provided to the DIP Lender by offering a subsequent lender or any party-in-interest a superior or pari passu lien or claim with respect to the DIP Collateral pursuant to section 364(d) of the Bankruptcy Code, or otherwise, except with respect to (a) Permitted Liens (as defined in the DIP Loan Documents) and (b) the Carve-Out;</p> <p>(x) until such time as all DIP Loan Obligations are indefeasibly paid in full in cash, the Debtors shall not in any way or at any time seek allowance of any administrative expense claim against the Debtors of any kind or nature whatsoever, including, without limitation, claims for any administrative expenses of the kind specified in, or arising or ordered under sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 552(b), 726, 1113 and 1114 of the Bankruptcy Code, that is superior to or pari passu with the DIP Superpriority Claim (as defined in the Interim Order) provided in the Interim Order, except with respect to the Carve-Out; and</p> <p>(xi) the Prepetition Lenders are entitled, pursuant to sections 361, 362(c)(2), 363(e), 364(d)(l) and 507 of the Bankruptcy Code, to adequate protection of their respective interests in the Prepetition Collateral, including the Cash Collateral, to the extent of any diminution in the value of the Prepetition Collateral occurring from and after the Petition Date (“<u>Diminution</u>”), in exchange for (a) the incurrence of the DIP Loan Obligations, (b) the use of Cash Collateral, (c) the granting of the DIP Liens and the DIP Superpriority Claim, (d) the subordination of the Prepetition Obligations to the Carve-Out, and (e) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code.</p>	
<p>Adequate Protection <i>Bankruptcy Rules</i> <i>4001(b)(1)(B)(iv),</i> <i>4001(c)(1)(B)(ii)</i></p>	<p>As adequate protection in respect of, and as consideration for, (a) the use of Cash Collateral, (b) the subordination of the Prepetition Obligations to the DIP Liens and the Carve-Out, (c) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, and (d) any other Diminution, the Prepetition Lenders are hereby granted the following ((a) through (d) below shall be referred to collectively as the “Prepetition Adequate Protection Rights”):</p>	<p>Interim Order ¶ 9.</p>

Bankruptcy Rule	Summary of Material Terms	Location
	<p>(a) Replacement Liens. To secure the Adequate Protection Claim (defined below), the Prepetition Lenders are hereby granted (effective and perfected upon the date of the Interim Order and without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements, and other agreements or instruments) valid, perfected, postpetition security interests and liens (the “<u>Replacement Liens</u>”) in all of the DIP Collateral, provided, however, that, notwithstanding anything to the contrary, the Replacement Liens shall only be subordinate and remain subject to (A) the DIP Liens and/or payment of any DIP Loan Obligations on account thereof, (B) the Permitted Liens, and (C) the Carve-Out.</p> <p>(b) Adequate Protection Superpriority Claim. As further adequate protection, the Prepetition Lenders are hereby granted a superpriority claim for the Diminution, which claim shall have priority over all administrative expense claims and unsecured claims, other than the DIP Superpriority Claim, against the Debtors or their estates (except to the extent of the Carve-Out), now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kind specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 552(b), 726, 1113 and 1114 and any other provision of the Bankruptcy Code (the “<u>Adequate Protection Claim</u>”).</p> <p>(c) Consent to Adequate Protection. The Agent consents to the use of Cash Collateral and the Approved Budget; provided, however, that (i) such consent is expressly conditioned upon the entry of the Interim Order; (ii) such consent shall not be deemed to extend to any other replacement financing or debtor-in-possession financing other than the DIP Loans provided under the DIP Loan Documents; (iii) such consent shall not be deemed a basis to deny or impair the Prepetition Lenders’ entitlement to the Prepetition Adequate Protection Rights; and (iv) such consent shall be of no force and effect in the event the Interim Order is not entered or is vacated or modified in any respect without the consent of the DIP Lender and the Prepetition Lenders, and the DIP Loan Documents and DIP Loans as set forth in the Interim Order and therein are not approved.</p> <p>(d) Right to Credit Bid. Subject to</p>	

Bankruptcy Rule	Summary of Material Terms	Location
	<p>approval at the Final Hearing, the Prepetition Lenders shall have the right to “credit bid” the respective claims it represents up to the full amount of (x) the Prepetition Obligations and (y) in the case of Chase, the DIP Loan Obligations, during any sale of all or any portion of the DIP Collateral or Prepetition Collateral, as applicable, including, without limitation, any sales occurring pursuant to section 363(k) of the Bankruptcy Code or included as part of any reorganization plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. The Prepetition Lenders shall have the absolute right to assign, sell, or otherwise dispose of their respective rights to credit bid in connection with any credit bid or any acquisition entity or joint venture formed in connection with such bid.</p> <p>(e) Financial Reporting and Cooperation with Chase’s Financial Advisor. In addition to any other financial reporting and disclosures required under the Interim Order and the DIP Loan Documents, the Debtors shall fully cooperate, and provide the financial advisor retained by Chase in these cases (“<u>Chase’s Financial Advisor</u>”) with such other information that Chase’s Financial Advisor shall request, and shall further keep Chase’s Financial Advisor fully informed of facts and developments pertinent to the Debtors’ books and records; provided, however, that the Debtors shall not be required to provide Chase’s Financial Advisor with any information subject to the attorney/client privilege.</p> <p>(f) Further Adequate Protection. Nothing in the Interim Order shall, or shall be deemed to, limit, abridge or otherwise affect the rights of the Prepetition Lenders to request at any time that the Court provide additional or further protection of their interests in the Prepetition Collateral (including the Cash Collateral), or to seek further or additional adequate protection in the event the adequate protection provided in the Interim Order proves to be inadequate, subject to the Debtors’ rights to contest any such request.</p>	
Termination Event <i>Bankruptcy Rule</i> <i>4001(c)(1)(B)</i>	<p>Upon the DIP Lender’s termination of the DIP Facility following the occurrence of an Event of Default (as defined in the DIP Loan Documents), the Maturity Date (as defined in the DIP Loan Documents), or default by the Debtors of any of their obligations under this Order unless waived in writing by Chase in its sole discretion (the “Termination</p>	<p>Interim Order, ¶15.</p>

Bankruptcy Rule	Summary of Material Terms	Location
	Event”) (i) the Debtors’ right to use Cash Collateral shall immediately and automatically terminate, (ii) the DIP Loan Obligations shall be immediately due and payable; and (iii) free of the restrictions of Bankruptcy Code section 362 or any other section of the Bankruptcy Code, Chase may take immediate reasonable action to protect the Collateral from harm, theft and/or dissipation.	
Waiver/Modification of the Automatic Stay <i>Bankruptcy Rule 4001(c)(1)(B)(iv)</i>	(a) Subject to subparagraph 16(c), the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified without the need for further Court order to permit Chase, as applicable, upon the occurrence of a Termination Event, and without any interference from the Debtors or any other party interest but subject to three (3) business days’ prior written notice (which may be delivered by electronic mail) (the “ <u>Remedies Notice Period</u> ”) to the Debtors, their counsel, counsel to any Creditors’ Committee and counsel to the U.S. Trustee, to exercise all rights and remedies provided for in the DIP Loan Documents, the Interim Order, the Prepetition Loan Documents or under other applicable bankruptcy and non-bankruptcy law including, without limitation, the right to terminate the commitments under the DIP Loan Documents, (i) cease making DIP Loans and/or suspend or terminate the commitments under the DIP Loan Documents; (ii) declare all DIP Obligations immediately due and payable; (iii) in the case of the DIP Lender and the Prepetition Lenders, take any actions reasonably calculated to preserve or safeguard, as applicable, the DIP Collateral and/or the Prepetition Collateral or to prepare the DIP Collateral and/or the Prepetition Collateral for sale; (iv) in the case of the DIP Lender and the Prepetition Lenders, foreclose or otherwise enforce, as applicable, the DIP Liens, the Prepetition Liens and the Replacement Liens on any or all of the DIP Collateral and/or the Prepetition Collateral; and (v) exercise any other default-related rights and remedies under the DIP Loan Documents or the Interim Order.	Interim Order ¶ 16.

Bankruptcy Rule	Summary of Material Terms	Location
Waiver/Modification of Applicability of Nonbankruptcy Law Relating to Perfection or Enforceability of Liens <i>Bankruptcy Rule 4001(c)(1)(B)(vii)</i>	The Debtors have waived, discharged and released any right they may have to challenge the Prepetition Obligations, and the Prepetition Liens on the Prepetition Collateral, and to assert any offsets, defenses, claims, objections, challenges, causes of action and/or choses of action against the Prepetition Lender, with respect to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Collateral	Interim Order ¶ D(v).
Indemnification <i>Bankruptcy Rule 4001(c)(1)(B)(ix)</i>	The Loan Parties, jointly and severally, shall indemnify the Lender and each Related Party of any of the foregoing Persons (each such Person being called an “ <u>Indemnatee</u> ”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, penalties, incremental taxes, liabilities and related expenses, including the fees, charges and disbursements of any counsel whether incurred before or after the Petition Date, for any Indemnatee, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Emergency Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by a Loan Party or a Subsidiary, or any Environmental Liability related in any way to a Loan Party or a Subsidiary, (iv) the failure of a Loan Party to deliver to the Lender the required receipts or other required documentary evidence with respect to a payment made by such Loan Party for Taxes pursuant to Section 2.17, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnatee is a party thereto; <u>provided</u> that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-	Emergency DIP Credit Agreement, ¶9.03(b)

Bankruptcy Rule	Summary of Material Terms	Location
	Tax claim.	
Waiver of Equities of the Case and Section 506(c) <i>Bankruptcy Rule 4001(c)(1)(B)(x)</i>	In light of (i) the DIP Lenders' agreement to subordinate their liens and superpriority claims to the Carve-Out, and in exchange for and as a material inducement to the DIP Lender to agree to provide the DIP Facility, and (ii) the Prepetition Lender's agreement to subordinate their liens and superpriority claims to the Carve-Out and the DIP Liens, and to permit the use of their Cash Collateral for payments made in accordance with the Approved Budget and the terms of the Interim Order, the Agent and Prepetition Lenders are entitled, subject to entry of the Final Order, to (1) a waiver of any "equities of the case" claims under section 552(b) of the Bankruptcy Code and (2) a waiver of the provisions of section 506(c) of the Bankruptcy Code.	Interim Order ¶¶ H, 19(a)

BASIS FOR RELIEF

A. The Debtors Should be Authorized to Obtain Postpetition Financing.

11. The Court should authorize the Debtors, as an exercise of the Debtors' sound business judgment, to enter into the DIP Loan Documents, obtain access to the DIP Facility, and continue using the Cash Collateral. Courts grant considerable deference to a debtor's business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code. *See, e.g., In re N. Bay Gen. Hosp., Inc.*, No. 08-20368 (Bankr. S.D. Tex. July 11, 2008) (order approving postpetition financing on an interim basis as exercise of debtors' business judgment); *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) ("[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender."); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("[C]ases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy

process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest.”).

12. Specifically, to determine whether a debtor has met this business judgment standard, a court need only “examine whether a reasonable business person would make a similar decision under similar circumstances.” *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor’s business decision when that decision involves “a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor’s] authority under the [Bankruptcy] Code”).

13. Furthermore, in considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors’ Comm. Mobil Oil Corp. v. First Nat’l Bank & Trust Co. (In re Ellingsen MacLean Oil Co., Inc.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into “hard bargains” to acquire funds for its reorganization).

14. The Debtors’ determination to move forward with the DIP Facility is a sound exercise of their sound business judgment following a thorough process and careful evaluation of alternatives. Specifically, the Debtors and their advisors determined that the Debtors would require significant postpetition financing to support the administration of their chapter 11 cases and their ongoing operations. The Debtors negotiated the DIP Loan Documents with the DIP Lenders in good faith, at arms’ length, and with the assistance of their advisors, and the Debtors believe that they have obtained the best financing available. The Debtors further believe that the terms of the DIP Facility are reflective of the market for financings of this type. Accordingly,

the Court should authorize the Debtors' entry into the DIP Loan Documents as it is a reasonable exercise of the Debtors' business judgment.

B. The Debtors Should be Authorized to Grant Liens and Superpriority Claims to the DIP Lenders.

15. The Debtors propose to obtain financing under the DIP Facility, in part, by providing superpriority claims and liens pursuant to section 364(c) of the Bankruptcy Code. Significantly, the Debtors propose to provide first priority liens on substantially all of the Debtors' assets, including previously unencumbered property and "priming" liens on all of the Prepetition Collateral (as defined in the Interim Order).

16. In the event that a debtor demonstrates that it is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, section 364(c) of the Bankruptcy Code provides that a court:

[M]ay authorize the obtaining of credit or the incurring of debt
 (1) with priority over any or all administrative expenses of the
 kind
 specified in section 503(b) or 507(b) of [the Bankruptcy Code];
 (2) secured by a lien on property of the estate that is not
 otherwise
 subject to a lien; or (3) secured by a junior lien on property of
 the
 estate that is subject to a lien.

11 U.S.C. § 364(c). *See In re Crouse Grp., Inc.*, 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987)

(secured credit under section 364(c) of the Bankruptcy Code is authorized, after notice and hearing, upon showing that unsecured credit cannot be obtained). Courts have articulated a three-part test to determine whether a debtor is entitled to financing pursuant to section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- a) the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code, *i.e.*, by allowing a lender only an administrative claim;
- b) the credit transaction is necessary to preserve the assets of the estate; and

- c) the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lenders.

See In re Ames Dep't Stores, Inc., 115 B.R. 34, 37–40 (Bankr. S.D.N.Y. 1990); *see also In re St. Mary Hosp.*, 86 B.R. 393, 401-02 (Bankr. E.D. Pa. 1988); *Crouse Grp.*, 71 B.R. at 549.

17. The Debtors have sought to obtain proposals from potential third party lenders willing to provide postpetition financing to the Debtors on an unsecured non-superpriority basis but were unable to solicit any viable provision that would provide debtor-in possession financing on an unsecured or administrative expense basis. Put simply, the DIP Lenders will not fund the DIP Facility on any other terms and no other existing stakeholder or third party has presented a viable debtor-in-possession financing proposal that would only be secured by liens on unencumbered assets. Accordingly, the DIP Facility's structure is appropriate in light of the Debtors' financing needs and the lack of viable debtor-in-possession financing alternatives.

18. Further, section 364(d) of the Bankruptcy Code provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien where the debtor is "unable to obtain such credit otherwise" and "there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted." 11 U.S.C. § 364(d)(1). Consent by the secured creditors to priming obviates the need to show adequate protection. *See, e.g., Anchor Sav. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) ("[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected.").

19. Accordingly, the Debtors may incur "priming" liens under the DIP Facility if they are unable to obtain unsecured or junior secured credit and either (a) the Prepetition Lenders

have consented or (b) the Prepetition Lenders' interests in collateral are adequately protected. Here, the requisite Prepetition Lenders have consented to the DIP Orders. Further, the Prepetition Lenders will receive adequate protection of the Prepetition Collateral under the DIP Orders, as described further below. Accordingly, the relief requested pursuant to section 364(d)(1) of the Bankruptcy Code is both warranted and appropriate under the circumstances.

C. No Comparable Alternative to the DIP Facility is Reasonably Available.

20. A debtor need only demonstrate "by a good faith effort that credit was not available without" the protections afforded to potential lenders by sections 364(c) of the Bankruptcy Code. *In re Snowshoe Co., Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986); *see also In re Plabell Rubber Prods., Inc.*, 137 B.R. 897, 900 (Bankr. N.D. Ohio 1992). Moreover, in circumstances where only a few lenders likely can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *Sky Valley, Inc.*, 100 B.R. at 113; *see also In re Snowshoe Co.*, 789 F.2d 1085, 1088 (4th Cir. 1986) (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (bankruptcy court's finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that section 364 requirement was met); *In re Ames Dep't Stores*, 115 B.R. at 37–39 (debtor must show that it made reasonable efforts to seek other sources of financing under section 364(a) and (b)).

21. As noted above, alternative sources of debtor-in-possession financing are not reasonably available to the Debtors. Substantially all of the Debtors' assets are encumbered under their existing capital structure thereby greatly reducing the likelihood that a non-Prepetition Lender constituency could propose a viable debtor-in-possession financing alternative. The Debtors have determined that the DIP Facility is the best available alternative

under the circumstances to both fund these chapter 11 cases and provide a clear path toward the confirmation and consummation of the chapter 11 plan. Accordingly, the Court should approve the Debtors' entry into the DIP Facility.

D. The Court Should Authorize the Debtors to Use Cash Collateral and Provide Adequate Protection.

22. Under section 363(c)(2) of the Bankruptcy Code, a debtor may use cash collateral if “(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale or lease in accordance with the provisions of [section 363].” 11 U.S.C. § 363(c)(2). Here, the Prepetition Lenders have consented to the Debtors' use of the Cash Collateral, subject to the terms and limitations set forth in the Interim Order.

23. Section 363(e) of the Bankruptcy Code further provides that “on request of an entity that has an interest in property . . . to be used, sold or leased, by the trustee, the court . . . shall prohibit or condition such use, sale or lease as is necessary to provide adequate protection of such interest. 11 U.S.C. § 363(e). While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection on a case-by-case basis. *In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994); *In re Satcon Tech. Corp.*, No. 12-12869 (KG), 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012). The purpose of adequate protection is to ensure that a secured party's economic position is not worsened because of the filing of a bankruptcy case. *In re DeSardi*, 340 B.R. 790, 804 (Bankr. S.D. Tex. 2006).

24. As set forth in the Interim Order, the Debtors propose to provide the Prepetition Lenders with adequate protection in respect of, and as consideration for, (a) the use of Cash Collateral, (b) the subordination of the Prepetition Obligations to the Carve-Out, (c) any other

diminution in the value of the Prepetition Collateral, and (d) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (collectively, the “Diminution”), the Prepetition Lenders with replacement liens, a superpriority administrative claim, right to credit bid with respect to any sale of the DIP Collateral or Prepetition Collateral, and performance of certain reporting requirements (collectively, the “Prepetition Adequate Protection Rights”).

25. The Debtors submit, and the Prepetition Lenders have agreed, that the proposed Prepetition Adequate Protection Rights are sufficient to protect the Prepetition Lenders from any diminution in value to the Cash Collateral and are appropriate under the circumstances. Accordingly, the Court should approve the terms of the Debtors’ postpetition use of the Cash Collateral.

E. The Debtors Should be Authorized to Pay the Fees Required by the Agent and the DIP Lenders Under the DIP Loan Documents.

26. Under the DIP Loan Documents, the Debtors have agreed, subject to Court approval, to pay certain fees to the DIP Agent and the DIP Lenders. In particular, as noted above, the Debtors have agreed to pay the reasonable fees and expenses of the DIP Lenders.

27. As set forth in the First Day Declaration, the Debtors believe that the interest and fees to be paid under the DIP Facility are consistent with the market and are reasonable, consistent with the market, appropriate, particularly in light of the circumstances of these chapter 11 cases, and represent the most favorable terms available to the Debtors. The Debtors considered the fees described above when determining in their sound business judgment that the DIP Facility constituted the best terms on which the Debtors could obtain the postpetition financing necessary to continue their operations and prosecute their cases. Accordingly, the Court should authorize the Debtors to pay the interest and fees provided under the DIP Loan Documents in connection with the DIP Facility.

F. The Agent and the DIP Lenders Should be Afforded Good-Faith Protection Under Section 364(e).

28. Section 364(e) of the Bankruptcy Code protects a good-faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) of the Bankruptcy Code provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

29. The DIP Facility is the result of (i) the Debtors' reasonable and informed determination that the DIP Lenders offered the most favorable terms on which to obtain vital postpetition financing, and (ii) extensive arm's-length, good-faith negotiations between the Debtors and the Prepetition Lenders. The Debtors submit that the terms and conditions of the DIP Facility are reasonable and appropriate under the circumstances, and the proceeds of the DIP Facility will be used only for purposes that are permissible under the Bankruptcy Code. Further, no consideration is being provided to the Agent, the DIP Lenders, or any other party to the DIP Loan Documents other than as described herein. Accordingly, the Court should find that the obligations arising under the DIP Facility and other financial accommodations made to the Debtors have been extended by the Agent and the DIP Lenders in "good faith" within the meaning of section 364(e) of the Bankruptcy Code and therefore the Agent and the DIP Lenders are entitled to all of the protections afforded thereby.

G. The Automatic Stay Should be Modified on a Limited Basis.

30. The Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to allow the DIP Lenders to exercise all rights and remedies provided for in the DIP Loan Documents, the Interim Order, the Prepetition Loan Documents or under other applicable bankruptcy and nonbankruptcy law.

31. Stay modifications of this kind are ordinary and standard features of debtor-in-possession financing arrangements, and, in the Debtors' business judgment, are reasonable and fair under the circumstances of these chapter 11 cases. *See, e.g., In re Southcross Holdings LP*, No. 16-20111 (MI) (Bankr. S.D. Tex. Apr. 11, 2016) (modifying automatic stay as necessary to effectuate the terms of the order); *In re Autoseis, Inc.*, No. 14-20130 (RSS) (Bankr. S.D. Tex. Mar. 27, 2014) (same); *In re ATP Oil & Gas Corp.*, No. 12-36187 (MI) (Bankr. S.D. Tex. Aug. 17, 2012) (same).

H. Failure to Obtain the Immediate Interim Access to the DIP Facility and Cash Collateral Would Cause Immediate and Irreparable Harm.

32. Bankruptcy Rules 4001(b) and 4001(c) provide that a final hearing on a motion to obtain credit pursuant to section 364 of the Bankruptcy Code or to use cash collateral pursuant to section 363 of the Bankruptcy Code may not be commenced earlier than 14 days after the service of such motion. Upon request, however, the Court may conduct a preliminary, expedited hearing on the motion and authorize the obtaining of credit and use of cash collateral to the extent necessary to avoid immediate and irreparable harm to a debtor's estate.

33. The Debtors request that the Court hold and conduct a hearing to consider entry of the Interim Order authorizing the Debtors, from and after entry of the Interim Order until the Final Hearing, to receive the initial borrowing under the DIP Facility. The Debtors require access to the DIP Facility prior to the Final Hearing and entry of the Final Order to continue

operating, pay their administrative expenses and to implement the relief requested in the Debtors' other "first day" motions that allow the Debtors to continue to operate during these chapter 11 cases.

34. This relief will enable the Debtors to preserve and maximize value and, therefore, avoid immediate and irreparable harm and prejudice to their estates and all parties in interest, pending the Final Hearing.

I. Request for a Final Hearing.

35. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors also request that the Court set a date for a final hearing that is as soon as practicable and fix the time and date prior to the final hearing for parties to file objections to this Motion.

WAIVER OF BANKRUPTCY RULES 6004(a) and 6004(h)

36. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

RESERVATION OF RIGHTS

37. Subject to the terms of the Interim Order, the Debtors expressly reserve, and do not waive, any and all rights with respect to the relief requested in this Motion, including, but not limited to: (a) the right to dispute the amount, validity, or priority of any and all liens, claims, or causes of action asserted against their estate on any basis; and (b) the right to assert that any postpetition actions taken by any creditor or party in interest are in violation of any laws or provisions of the Bankruptcy Code, specifically including section 362 of the Bankruptcy Code. In addition, nothing in this Motion or the relief requested herein should be interpreted as the

assumption or rejection of any executory contract or unexpired lease under section 365 of the Bankruptcy Code.

NOTICE

38. Notice of this Motion has been provided by delivery to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) each of the Debtors' twenty largest unsecured creditors; (c) those persons who have formally appeared in these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (d) the Internal Revenue Service; (e) counsel to the Prepetition Agent and the Prepetition Lenders; (f) counsel to the DIP Lender; and (g) all other applicable government agencies to the extent required by the Bankruptcy Rules or the Local Rules. In light of the nature of the relief requested in this Motion, the Debtors submit that no further notice is necessary.

NO PRIOR REQUEST

39. No prior motion for the relief requested herein has been made to this Court or any other Court.

[Remainder of page left intentionally blank.]

CONCLUSION

The Debtors respectfully request that the Court enter the Interim Order, substantially in the form attached hereto as **Exhibit A**, and after a final hearing, a Final Order on this Motion, and grant such other and further relief to which the Debtors may be justly entitled.

Dated: March 20, 2017
Houston, Texas

DLA PIPER LLP (US)

By: /s/ Vincent P. Slusher
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*Proposed Counsel for the Debtors and
Debtors in Possession*

CERTIFICATE OF SERVICE

I certify that on March 20, 2017, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Vincent P. Slusher

EXHIBIT A

(Proposed Interim Order)

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

In re: MONTCO OFFSHORE, INC., <i>et al.</i>,¹ Debtors.	§ § § § § §	Case No. 17-31646 Chapter 11 (Jointly Administered)
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**INTERIM ORDER (I) AUTHORIZING DEBTORS TO OBTAIN
POSTPETITION SUPERPRIORITY SECURED FINANCING FROM JPMORGAN
CHASE BANK, N.A., (II) AUTHORIZING USE OF CASH COLLATERAL, (III)
GRANTING ADEQUATE PROTECTION, (IV) SCHEDULING A FINAL HEARING,
AND (IV) GRANTING CERTAIN RELATED RELIEF**

Upon the motion dated March 20, 2017 (the “Motion”), seeking entry of an interim order (this “Interim Order”), *inter alia*,

- (a) authorizing the Debtors to obtain secured postpetition superpriority financing (the “DIP Facility”) on an interim basis from JPMorgan Chase Bank, N.A. (“Chase”) in its capacity as debtor-in-possession financing lender (the “DIP Lender”) pursuant to the terms and conditions of that certain “Emergency Debtor-in-Possession Credit Agreement” dated as of March 23, 2017, by and among the Debtors and Chase, substantially in the form attached hereto as Exhibit 1 (as amended, supplemented, restated or otherwise modified from time to time in accordance therewith, the “Emergency DIP Credit Agreement,” and together with the other documents, agreements and instruments delivered pursuant thereto or executed or filed in connection therewith, all as may be requested by the DIP Lender (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “DIP Loan Documents”));²
- (b) authorizing the Debtors to execute the DIP Loan Documents, and to perform such other acts as may be necessary or desirable in connection therewith,
- (c) granting the DIP Lender a first priority security interest in and liens on all of the DIP Collateral (as defined below) and the Carve-Out (as defined below), to secure

¹ The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor’s federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Emergency DIP Credit Agreement.

the DIP Facility and all obligations owing and outstanding thereunder and under the DIP Loan Documents, as applicable, and this Interim Order and Final Order (as defined below), as applicable (collectively, the “DIP Loan Obligations”);

- (d) granting allowed superpriority administrative expense claims to the DIP Lender;
- (e) authorizing the Debtors to use Cash Collateral (as defined below) (together with the DIP Facility, the “Postpetition Financing Arrangement”);
- (f) authorizing the Debtors to grant adequate protection to Chase in its capacity as a prepetition lender (the “Prepetition Lender”) under that Second Amended and Restated Credit Agreement, as amended, supplemented or otherwise modified from time to time (the “Prepetition Credit Agreement”), dated as of January 29, 2016, among (i) Debtor Montco Offshore, Inc. (“MOI”), Orgeron Real Estate, LLC (“ORE”) (collectively, “Prepetition Borrowers”), and (ii) Chase, as administrative agent (the “Agent”) for the prepetition lenders “thereto (collectively, the “Prepetition Lenders”) and together with all agreements, documents, notes, mortgages, security agreements, pledges, guarantees, subordination agreements, instruments, amendments, and any other agreements delivered pursuant thereto or in connection therewith, as amended, supplemented or otherwise modified from time to time, the “Prepetition Loan Documents”);
- (g) scheduling a final hearing (the “Final Hearing”), pursuant to Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to consider entry of a final order (the “Final Order”), *inter alia*, approving and authorizing the Postpetition Financing Arrangement (including, without limitation, the advance of the financing pursuant to this Interim Order) on a final basis pursuant to the DIP Loan Documents;
- (h) and the interim hearing on the Motion (the “Interim Hearing”) having been held on March 23, 2017; and upon all of the pleadings filed with the Court and the evidence proffered or adduced and representations of counsel at the Interim Hearing; and the Court having heard and resolved or overruled any and all objections to the interim relief requested in the Motion; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and upon the record herein; and after due deliberation thereon, and good and sufficient cause appearing therefor:

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. Petition Date. On March 17, 2017 (the “Petition Date”), the Debtors commenced their chapter 11 cases (these “Chapter 11 Cases”) by filing voluntary petitions for

³ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, as applicable, pursuant to Bankruptcy Rule 7052.

relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”). The Debtors are operating their businesses and managing their affairs as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee, examiner, or official committee of creditors holding unsecured claims (a “Creditors’ Committee”) has been appointed in any of these Chapter 11 Cases.

B. Jurisdiction; Venue. The Court has jurisdiction over these Chapter 11 Cases, the parties, and the Debtors’ property pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(D). The Court is a proper venue of these Chapter 11 Cases and the Motion under 28 U.S.C. §§ 1408 and 1409.

C. 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 or the entry of this Interim Order shall be required, except as set forth in Paragraph 36 below. The interim relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing.

D. Debtors’ Acknowledgments and Stipulations. In requesting the Postpetition Financing Arrangement, and in exchange for and as a material inducement to Chase to agree to provide the Postpetition Financing Arrangement, the Debtors acknowledge, represent, stipulate, and agree, subject to the challenge rights set forth in paragraph 12 herein, as follows:

(i) pursuant to the Prepetition Credit Agreement, MOI and ORE obtained secured financing from the Prepetition Lenders in the form of: (a) a revolver (the “Revolver”) in the aggregate original principal amount of \$10,000,000; (b) a term A-1 loan in the aggregate

principal amount of \$101,881,950.00; a term A-2 loan in the aggregate principal amount of 8,764,300.00; and a term C loan in the aggregate principal amount of 7,500,000. Pursuant to Amendment No. 1 to the Prepetition Credit Agreement, dated August 31, 2016, the aggregate amount of the Revolver was temporarily increased to \$15,000,000. For purposes of this Interim Order, the term “Prepetition Obligations” shall mean the Obligations (as such term is defined in the Prepetition Credit Agreement) owed to the Prepetition Lenders under the Prepetition Loan Documents;

(ii) the Prepetition Obligations of the Prepetition Borrowers are secured, pursuant to the Prepetition Loan Documents, by first priority liens (the “Prepetition Liens”) in all “Collateral” as defined in the Prepetition Credit Agreement granted or pledged by the Prepetition Borrowers and Debtor Montco Oilfield Contractors, LLC (“MOC”), as guarantor (the “Prepetition Collateral”);

(iii) as of the Petition Date, (a) the aggregate amount of principal and accrued interest owed under the Prepetition Loan Documents to the Prepetition Lenders is not less than \$124,230,017.77 million, which does not include fees, expenses and other amounts which are chargeable or otherwise reimbursable under the Prepetition Loan Documents, (b) all of the Prepetition Obligations are unconditionally owing by the Debtors to the Prepetition Lenders, and (c) the Prepetition Obligations are not subject to any avoidance, reductions, set-off, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses or any other challenges of any kind under the Bankruptcy Code or any applicable law or regulation by any person or entity;

(iv) the Prepetition Liens constitute valid, binding, enforceable, and perfected liens with priority over any and all other liens and are not subject to any challenge or defense,

including, without limitation, respectively, avoidance, reductions, recharacterization, subordination (whether equitable, contractual or otherwise), claims, counterclaims, cross-claims, set-offs, offsets, recoupments, defenses or any other challenges of any kind under the Bankruptcy Code or any applicable law or regulation by any person or entity;

(v) the Debtors have waived, discharged and released any right they may have to challenge the Prepetition Obligations and the Prepetition Liens on the Prepetition Collateral, and to assert any offsets, set-offs, recoupments, defenses, claims, objections, challenges of any kind, causes of action and/or choses of action against the Prepetition Lenders, with respect to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Collateral;

(vi) any payments made on account of the Prepetition Obligations before the Petition Date were (a) payments out of the Prepetition Collateral, and/or (b) made in the ordinary course of business and did not diminish any property otherwise available for distribution to unsecured creditors;

(vii) all of the Debtors' cash, including the cash in their deposit accounts and other accounts, wherever located, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral (as defined below);

(viii) Chase does not constitute a control person or insider of the Debtors by virtue of any of the actions taken by them in respect of or in connection with the Postpetition Financing Arrangement or the Prepetition Obligations;

(ix) until such time as all DIP Loan Obligations are indefeasibly paid in full in cash, the Debtors shall not in any way prime or seek to prime (or otherwise cause to be subordinated in any way) the liens provided to the DIP Lender by offering a subsequent lender or any party-in-interest a superior or *pari passu* lien or claim with respect to the DIP Collateral

pursuant to section 364(d) of the Bankruptcy Code, or otherwise, except with respect to (a) Permitted Liens (as defined in the DIP Loan Documents) and (b) the Carve-Out;

(x) until such time as all DIP Loan Obligations are indefeasibly paid in full in cash, the Debtors shall not in any way or at any time seek allowance of any administrative expense claim against the Debtors of any kind or nature whatsoever, including, without limitation, claims for any administrative expenses of the kind specified in, or arising or ordered under sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 552(b), 726, 1113 and 1114 of the Bankruptcy Code, that is superior to or *pari passu* with the DIP Superpriority Claim (as defined below) provided herein, except with respect to the Carve-Out; and

(xi) the Prepetition Lenders are entitled, pursuant to sections 361, 362(c)(2), 363(e), 364(d)(l) and 507 of the Bankruptcy Code, to adequate protection of their respective interests in the Prepetition Collateral, including the Cash Collateral, to the extent of any diminution in the value of the Prepetition Collateral occurring from and after the Petition Date (“Diminution”), in exchange for (a) the incurrence of the DIP Loan Obligations, (b) the use of Cash Collateral, (c) the granting of the DIP Liens and the DIP Superpriority Claim, (d) the subordination of the Prepetition Obligations to the Carve-Out, and (e) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code.

E. Cash Collateral. For purposes of this Interim Order, the term “Cash Collateral” shall mean and include all “cash collateral,” as defined in section 363 of the Bankruptcy Code, in or on which the Prepetition Lenders have a lien, security interest or other interest (including, without limitation, any adequate protection liens or security interests), and shall include, without limitation:

(i) all cash proceeds arising from the collection, sale, lease or other disposition, use or conversion of any property, insurance policies, or in or on which the Prepetition Lender has a lien or a replacement lien, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise, and whether such property has been converted to cash, existed as of the commencement of these Chapter 11 Cases, or arose or was generated thereafter;

(ii) all of the respective deposits, refund claims and rights in retainers of the Debtors on which the Prepetition Lenders have a lien or replacement lien, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise; and

(iii) the proceeds of any sale of DIP Collateral or Prepetition Collateral in connection with any sale consummated prior to entry of the Final Order.

F. Purpose and Necessity of Financing. As discussed in the Motion, the Debtors require the financing under the DIP Facility (the “DIP Loans”) (i) to maximize and preserve the value of their businesses, and to satisfy payroll obligations and other necessary working capital and general corporate purposes of the Debtors consistent with the terms set forth in the DIP Loan Documents and the Approved Budget (as defined below), (ii) to pay fees and expenses related to the DIP Loan Documents and necessary and reasonable fees incurred in connection with these Chapter 11 Cases, and (iii) for such other purpose as set forth in the DIP Loan Documents. If the Debtors do not obtain authorization to borrow under the DIP Loan Documents, they, and their estates, will suffer immediate and irreparable harm. The Debtors are unable to obtain adequate unsecured credit allowable as an administrative expense under section 503 of the Bankruptcy Code, or other sufficient financing under sections 364(c) or (d) of the Bankruptcy Code, on equal or more favorable terms than those set forth in the DIP Loan

Documents, based on the totality of the circumstances. A loan facility in the amount provided by the DIP Loan Documents is not available to the Debtors without granting the DIP Lender superpriority claims, liens, and security interests, pursuant to sections 364(c)(1), 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, as provided in this Interim Order and the DIP Loan Documents. After considering all alternatives, the Debtors have concluded, in the exercise of their sound business judgment, that the Postpetition Financing Arrangement, including, without limitation, the DIP Loans, represents the best financing available to them at this time.

G. Good and Sufficient Cause Shown. Good and sufficient cause has been shown for entry of this Interim Order. The ability of the Debtors to obtain sufficient working capital and liquidity under the DIP Loan Documents is vital to the Debtors' estates and creditors. The liquidity to be provided under the DIP Loan Documents will enable the Debtors to preserve the value of the Debtors' businesses pending a reorganization or the sale of substantially all of their assets. Among other things, entry of this Interim Order is necessary to maximize and stabilize the value of the Debtors' assets and to avoid immediate and irreparable harm to the Debtors and their estates, and, accordingly, is in the best interests of the Debtors, their estates and their creditors.

H. Sections 506(c) And 552(b) Waivers. In light of (i) the DIP Lender's agreement to subordinate its liens and superpriority claims to the Carve-Out, and in exchange for and as a material inducement to the DIP Lender to agree to provide the DIP Facility, and (ii) the Prepetition Lenders' agreement to subordinate their liens and superpriority claims to the Carve-Out and the DIP Liens, and to permit the use of their Cash Collateral for payments made in accordance with the Approved Budget and the terms of this Interim Order, the Agent and Prepetition Lenders are entitled, subject to entry of the Final Order, to (1) a waiver of any

“equities of the case” claims under section 552(b) of the Bankruptcy Code and (2) a waiver of the provisions of section 506(c) of the Bankruptcy Code.

I. Good Faith. The terms of the DIP Loan Documents are more favorable to the Debtors than those available from alternative sources. Based upon the record before the Court, the DIP Loan Documents have been negotiated by the Debtors in good faith and at arm’s-length with the DIP Lender. Any DIP Loans and other financial accommodations made to the Debtors by the DIP Lender pursuant to the DIP Loan Documents and this Interim Order shall be deemed to have been extended by the DIP Lender in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and that the DIP Lender shall be entitled to all protections and benefits afforded thereby.

J. Fair Consideration and Reasonably Equivalent Value. All of the Debtors have received and will receive fair consideration and reasonable value in exchange for access to the DIP Loans and all other financial accommodations provided under the DIP Loan Documents and this Interim Order. The terms of the DIP Loan Documents are fair and reasonable, reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

K. Immediate Entry of Interim Order. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2). The permission granted herein to enter into the DIP Loan Documents and to obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtors and their estates. This Court concludes that entry of this Interim Order is in the best interests of the Debtors’ respective estates and creditors as its implementation will, among other things, allow for access to the financing necessary to sustain the continued operations of the Debtors. Based upon the foregoing findings,

acknowledgements, and conclusions, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Disposition. The Motion is granted on an interim basis on the terms set forth in this Interim Order. Any objection to the interim relief sought in the Motion that has not previously been withdrawn or resolved is hereby overruled on its merits. The term of this Interim Order, the DIP Loan Documents, and the use of Cash Collateral authorized hereunder shall expire, and the DIP Loans made pursuant to this Interim Order and the DIP Loan Documents will mature, and together with all interest thereon and any other obligations accruing under the DIP Loan Documents, will become due and payable (unless such obligations become due and payable earlier pursuant to the terms of the DIP Loan Documents and this Interim Order by way of acceleration or otherwise) on the earlier of (a) April 21, 2017, if the Final Order has not been entered by the Court prior to such date, and (b) upon the DIP Lender's termination of the DIP Facility following the occurrence of a Termination Event (as defined below).

AUTHORIZATION FOR DIP FINANCING AND USE OF CASH COLLATERAL

2. Authorization For DIP Financing And Use of Cash Collateral.

(a) The Debtors are hereby authorized, on an interim basis, to incur the DIP Obligations immediately subject to the terms of this Interim Order, the Approved Budget, and the DIP Loan Documents, with the maximum amount to be borrowed not to exceed \$3.15 million (the "Maximum Commitment"). Available financing and advances under the DIP Loan Documents shall, on an interim basis, be made consistent with the terms set forth in the Approved Budget and the DIP Loan Documents, and provide for the payment of interest, fees, and expenses in accordance with this Interim Order and the DIP Loan Documents, and any

other amounts required or allowed to be paid in accordance with this Interim Order, but only as and to the extent authorized by the Approved Budget and the DIP Loan Documents. The Debtors are authorized to use Cash Collateral subject to and solely in accordance with the terms, conditions, and limitations set forth in this Interim Order, the Approved Budget and the DIP Loan Documents, without further approval by the Court.

(b) Approved Budget. The Debtors have delivered to Chase a budget that has been approved (the “Approved Budget”) for the time period from and including the Petition Date through April 14, 2017. A copy of the Approved Budget is attached hereto as Exhibit 2. The Debtors shall provide to Chase weekly updates, in form and substance acceptable to Chase, to the Approved Budget and financial reporting with respect to the Debtors in accordance with the terms of the DIP Loan Documents. Funds borrowed under the DIP Loan Documents, and DIP Collateral used under this Interim Order, shall be used by the Debtors solely in accordance with this Interim Order and the DIP Loan Documents. The consent of Chase to the Approved Budget shall not be construed as a commitment to provide DIP Loans or to permit the use of Cash Collateral after the occurrence of a Termination Event (as defined below), regardless of whether the aggregate funds shown on the Approved Budget have been expended.

(c) Any amendments, supplements or modifications to the Approved Budget, must be consented to in writing by Chase in its sole discretion prior to the implementation thereof and shall not require further notice, hearing, or court order.

(d) Chase (i) may assume the Debtors will comply with the Approved Budget, (ii) shall have no duty to monitor such compliance and (iii) shall not be obligated to pay (directly or indirectly from the DIP Collateral or Prepetition Collateral) any unpaid expenses

incurred or authorized to be incurred pursuant to the Approved Budget, except the Carve-Out as permitted in this Interim Order. All advances and extensions of credit shall be based upon the terms and conditions of the DIP Loan Documents, as the same may be adjusted from time to time with the written consent of Chase in its sole discretion.

(e) To the extent any court order is entered directing disgorgement of any payments made by the Debtors to Chase, either before or after the Petition Date, all proceeds recovered by the Debtors' estates in connection with such order(s) directing disgorgement shall be applied first to repayment of the DIP Loan Obligations until the DIP Loan Obligations are indefeasibly paid in full in cash.

3. Authority to Execute and Deliver Necessary Documents.

(a) Each of the Debtors is authorized to negotiate, prepare, enter into, and deliver the DIP Loan Documents, including, without limitation, any UCC financing statements, pledge and security agreements, and mortgages or deeds of trust encumbering all of the DIP Collateral and securing all of the Debtors' obligations under the DIP Loan Documents, each as may be requested by the DIP Lender.

(b) Each of the Debtors is further authorized to negotiate, prepare, enter into and deliver the DIP Loan Documents subject to approval of the Court and entry of the Final Order.

(c) Each of the Debtors is further authorized to perform all of its obligations and acts required under the DIP Loan Documents, and such other agreements as may be required by the DIP Loan Documents to give effect to the terms of the financing provided for therein, and in this Interim Order.

4. Valid and Binding Obligations. All obligations under the DIP Loan Documents shall constitute valid and binding obligations of each of the Debtors, enforceable against each of them and each of their successors and assigns, in accordance with their terms and the terms of this Interim Order, and no obligation, payment, transfer, or grant of a lien or security interest under the DIP Loan Documents or this Interim Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d) of the Bankruptcy Code) or subject to any avoidance, reduction, set off, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, or any other challenges under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. Amendments, Consents, Waivers, and Modifications. The Debtors, with the express written consent of Chase, may enter into any non-material amendments, consents, waivers or modifications to the DIP Loan Documents without the need for further notice and hearing or any order of this Court. Material amendments, consents, waivers, and modifications of the DIP Loan Documents shall require the express written consent of Chase with respect to the DIP Collateral, including any enforcement of remedies in respect of, or collection from, the DIP Collateral. Modifications or extensions of the Approved Budget shall be made in accordance with Paragraph 31 of this Interim Order.

DIP LIENS AND DIP SUPERPRIORITY CLAIMS

6. DIP Lender's Lien Priority.

(a) To secure the DIP Loan Obligations, the DIP Lender is hereby granted, pursuant to section 364(c)(2) and 364(d) and, where applicable, section 364(c)(3), valid, enforceable and fully perfected, liens and security interests (collectively, the "DIP Liens") in

all of the property, assets or interests in property or assets of each Debtor, and all “property of the estate” (within the meaning of the Bankruptcy Code) of each Debtor, of any kind or nature whatsoever, real or personal, tangible or intangible or mixed, now existing or hereafter acquired or created, including, without limitation, all of each Debtor’s now owned or hereafter acquired right, title, and interest in and to all cash, accounts, accounts receivable, inventory, property, plant and equipment, real estate, leaseholds, rolling stock, vehicles, trailers, (subject to entry of the Final Order), all intercompany claims, all claims, and causes of action of each Debtor or its respective estate (including, without limitation, all commercial tort claims of every kind and description) and any and all proceeds therefrom, any and all proceeds arising from insurance policies, all intellectual property, and the equity interests of each direct and indirect subsidiary of each Debtor, which, for the avoidance of doubt, shall include, without limiting the generality of the foregoing, all assets of each Debtor that is secured pursuant to the Prepetition Loan Documents, and all other property and assets including, without limitation, Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, offspring and profits of any of the collateral described above (collectively, the “DIP Collateral”), subject only to (i) the Permitted Liens, and (ii) the Carve-Out.

(b) The DIP Liens shall be effective immediately upon the entry of this Interim Order and shall not at any time be made subject or subordinated to, or made *pari passu* with, any other lien, security interest or claim existing as of the Petition Date, or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise, other than (i) the Permitted Liens, and (ii) the Carve-Out.

(c) The DIP Liens shall be and hereby are deemed fully perfected liens and security interests, effective and perfected upon the date of the entry of this Interim Order,

without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing agreements, financing statements or any other agreements or instruments, such that no additional actions need be taken by the DIP Lender, or any other person or entity, to perfect such interests.

7. DIP Lender's Superpriority Claim. The DIP Lender is hereby granted an allowed superpriority administrative expense claim (the "DIP Superpriority Claim") pursuant to section 364(c)(1) of the Bankruptcy Code in each of the Debtor's Chapter 11 Cases and in any successor cases under the Bankruptcy Code (including any case or cases under chapter 7 of the Bankruptcy Code, the "Successor Cases") for all DIP Loan Obligations, having priority over any and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 552, 726, 1113, and 1114 and any other provision of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed DIP Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtors. The DIP Superpriority Claim granted in this paragraph shall be subject and subordinate in priority of payment only to payment of the Carve-Out. Except as set forth herein (a) no other superpriority claims shall be granted or allowed in these Chapter 11 Cases or in any Successor Case, and (b) the DIP Superpriority Claim shall be senior in all respects to any other superpriority claims granted in these Chapter 11 Cases.

8. Survival of DIP Liens, DIP Superpriority Claim, Replacement Liens and Adequate Protection Claims. The DIP Liens, DIP Superpriority Claim, Replacement Liens, and

Adequate Protection Claim (each as defined herein), and other rights and remedies granted under this Interim Order to Chase, shall continue in this and any Successor Cases and shall be valid and enforceable against any trustee appointed in any or all of the Debtors' Chapter 11 Cases or successor cases and/or upon the dismissal of any or all of the Debtors' Chapter 11 Cases or any Successor Cases, and such liens and security interests shall maintain their first priority as provided in this Interim Order until all the DIP Loan Obligations have been indefeasibly paid in full in cash and the DIP Lender's commitments have been terminated in accordance with the DIP Loan Documents.

ADEQUATE PROTECTION

9. Adequate Protection for Prepetition Lenders. As adequate protection in respect of, and as consideration for, (a) the use of Cash Collateral, (b) the subordination of the Prepetition Obligations to the DIP Liens and the Carve-Out, (c) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, and (d) any other Diminution, the Prepetition Lenders are hereby granted the following ((a) through (d) below shall be referred to collectively as the "Prepetition Adequate Protection Rights"):

(a) Replacement Liens. To secure the Adequate Protection Claim (defined below), the Prepetition Lenders are hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements, and other agreements or instruments) valid, perfected, postpetition security interests and liens (the "Replacement Liens") in all of the DIP Collateral, provided, however, that, notwithstanding anything to the contrary, the Replacement Liens shall only be subordinate and remain subject to (A) the DIP

Liens and/or payment of any DIP Loan Obligations on account thereof, (B) the Permitted Liens, and (C) the Carve-Out.

(b) Adequate Protection Superpriority Claim. As further adequate protection, the Prepetition Lenders are hereby granted a superpriority claim for the Diminution, which claim shall have priority over all administrative expense claims and unsecured claims, other than the DIP Superpriority Claim, against the Debtors or their estates (except to the extent of the Carve-Out), now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kind specified in or ordered pursuant to sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 506(c) (subject to entry of a Final Order), 507(a), 507(b), 546(c), 552(b), 726, 1113 and 1114 and any other provision of the Bankruptcy Code (the “Adequate Protection Claim”).

(c) Interest. Unpaid interest under the Prepetition Credit Agreement owing by the Debtors thereunder shall continue to accrue at the non-default rate applicable on the Petition Date under the Prepetition Credit Agreement and shall be due and payable in cash on a monthly basis.

(d) Banking Services. As further adequate protection, the Debtors shall pay the Agent, on or before March 31, 2017, all unpaid Banking Services Obligations (as defined in the Prepetition Credit Agreement) in an amount not to exceed \$2,500.

(e) Consent to Adequate Protection. The Agent consents to the use of Cash Collateral and the Approved Budget; provided, however, that (i) such consent is expressly conditioned upon the entry of this Interim Order; (ii) such consent shall not be deemed to extend to any other replacement financing or debtor-in-possession financing other than the DIP Loans provided under the DIP Loan Documents; (iii) such consent shall not be deemed a

basis to deny or impair the Prepetition Lenders' entitlement to the Prepetition Adequate Protection Rights; and (iv) such consent shall be of no force and effect in the event this Interim Order is not entered or is vacated or modified in any respect without the consent of the DIP Lender and the Prepetition Lenders, and the DIP Loan Documents and DIP Loans as set forth herein and therein are not approved.

(f) Right to Credit Bid. Subject to approval at the Final Hearing, the Prepetition Lenders shall have the right to "credit bid" the respective claims it represents up to the full amount of (x) the Prepetition Obligations and (y) in the case of Chase, the DIP Loan Obligations, during any sale of all or any portion of the DIP Collateral or Prepetition Collateral, as applicable, including, without limitation, any sales occurring pursuant to section 363(k) of the Bankruptcy Code or included as part of any reorganization plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code. The Prepetition Lenders shall have the absolute right to assign, sell, or otherwise dispose of their respective rights to credit bid in connection with any credit bid or any acquisition entity or joint venture formed in connection with such bid.

(g) Financial Reporting and Cooperation with Chase's Financial Advisor. In addition to any other financial reporting and disclosures required under this Interim Order and the DIP Loan Documents, the Debtors shall fully cooperate, and provide the financial advisor retained by Chase in these cases ("Chase's Financial Advisor") with such other information that Chase's Financial Advisor shall request, and shall further keep Chase's Financial Advisor fully informed of facts and developments pertinent to the Debtors' books and records; provided, however, that the Debtors shall not be required to provide Chase's Financial Advisor with any information subject to the attorney/client privilege.

(h) Further Adequate Protection. Nothing in this Interim Order shall, or shall be deemed to, limit, abridge or otherwise affect the rights of the Prepetition Lenders to request at any time that the Court provide additional or further protection of their interests in the Prepetition Collateral (including the Cash Collateral), or to seek further or additional adequate protection in the event the adequate protection provided herein proves to be inadequate, subject to the Debtors' rights to contest any such request.

CARVE-OUT; RESTRICTIONS ON USE OF FUNDS

10. Carve-Out.

(a) To the extent sufficient unencumbered funds are not available from the Debtors' estates, the DIP Liens, the DIP Superpriority Claim, the Replacement Liens, and the Adequate Protection Claim and the Prepetition Liens shall be subject, in accordance with the priority as set forth herein and subordinate only (except as otherwise provided in subparagraph (c) hereof) to, and proceeds thereof may be used to pay: (i) fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) or to the Clerk of the Bankruptcy Court (the "Case Administration Fees"), (ii) unpaid professional fees and expenses ("Professional Fees") payable to each professional retained by the Debtors (the "Debtor Professionals") and, if appointed, the Creditors' Committee (collectively with the Debtor Professionals, the "Estate Professionals") that are incurred or accrued prior to the date of the occurrence of a Termination Event (as defined below), but subject to the aggregate amount(s) accrued for or paid to each such professional as set forth in the Approved Budget, and ultimately allowed by the Court pursuant to sections 328, 330, 331 and 503 of the Bankruptcy Code or any order of the Court (whenever such fees may be actually incurred prior to the Termination Date), and (iii) Case Administration Fees and Professional Fees paid on or after the DIP Lender's

termination of the DIP Facility following the date of DIP Lender's written notice to the Debtors of the occurrence of a Termination Event (as defined below) in an aggregate amount not to exceed \$300,000, subject to the aggregate amount(s) allocated to each professional in the Approved Budget (collectively, the "Carve-Out"). Subject to the immediately preceding sentence, so long as a Termination Event has not occurred, the Debtors shall (A) fund the amount set forth in the Non-Recurring Disbursements section of the Approved Budget for payment of Case Administration and Professional Fees; and (B) be permitted to pay Case Administration Fees and Professional Fees allowed and payable under Bankruptcy Code sections 328, 330, 331 and 503, in accordance with the Approved Budget *provided* that the DIP Lender shall not be obligated to fund any amounts in excess of the Maximum Commitment. After the DIP Lender's written notification to the Debtors of termination of the DIP Facility following the occurrence of a Termination Event, the payment of reasonable allowed professional fees and disbursements incurred by each Estate Professional (excluding any incurred and unpaid professional fees and expenses of the DIP Lender payable pursuant to the Interim Order or the Final Order) in an aggregate amount not in excess of the amounts accrued or paid for each such professional as set forth in the Approved Budget, shall permanently reduce the Carve-Out on a dollar-for-dollar basis. Chase's obligations to permit the use of its Cash Collateral to fund or to otherwise pay the Carve-Out expenses shall be added to and made part of the DIP Loan Obligations and secured by the DIP Collateral and otherwise entitled to the protections granted under this Interim Order, the DIP Loan Documents, the Bankruptcy Code and applicable law, as applicable.

(b) Nothing contained in this Interim Order shall be construed: (i) to limit the ability of Debtors' Professionals and Chase to agree to additional budgeted amounts for

Debtors' Professional Fees; (ii) to exempt those persons hereafter receiving interim compensation payments or reimbursement of expenses pursuant to any such Bankruptcy Court-approved procedure from the applicable provisions of bankruptcy law, including the requirements that such compensation or reimbursement be allowed on a final basis after the filing of appropriate fee applications, and, if applicable, any subsequent order of this Court requiring that such payments be disgorged, and/or (iii) as consent to the allowance of any fees and expenses referred to above, and shall not affect any right of Chase to object to the reasonableness of such amounts.

11. Restrictions on Use of Funds. Notwithstanding anything to the contrary, no proceeds of the Postpetition Financing Arrangement, any DIP Collateral or Prepetition Collateral (including, without limitation, Cash Collateral) or any portion of the Carve-Out may be used to pay any claims for services rendered by any of the professionals retained by the Debtors, any creditor or party in interest, any committee, any trustee appointed under these Chapter 11 Cases or any Successor Cases, or any other party to (i) request authorization to obtain postpetition loans or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy Code, or otherwise, other than from the DIP Lender in accordance with the DIP Loan Documents, except as otherwise set forth herein; (ii) prevent, hinder, or otherwise delay the Prepetition Lenders', the Agent's, or the DIP Lender's, as applicable, enforcement or realization on the DIP Facility, the Prepetition Credit Agreement, Collateral, Cash Collateral and the liens, claims and rights granted to such parties under this Order, in accordance with the DIP Facility, the Prepetition Credit Agreement, or this Order, as applicable; (iii) seek to modify any of the rights and remedies granted to the Prepetition Lenders, the Agent, or the DIP Lender under this Order, the DIP Facility or the Prepetition Credit Agreement, as applicable; (iv) apply to the Bankruptcy Court

for authority to approve superpriority claims or grant liens or security interests in the Collateral (including Cash Collateral) or any portion thereof that are senior to, or on parity with, the Prepetition Liens, the DIP Liens, and the DIP Superpriority Claim, unless the DIP Facility, Prepetition Credit Agreement, and claims granted to the DIP Lender or Prepetition Lenders and Agent under this Order, as applicable, have been refinanced or paid in full in cash (including the cash collateralization of any letters of credit) or otherwise agreed to in writing by the DIP Lender, Prepetition Lenders and Agent; (v) seek to pay any amount on account of any claims arising prior to the Petition Date unless such payments are agreed to in writing by the DIP Lender in its sole discretion or are otherwise included in the Approved Budget; or (vi) investigate, assert, join, commence, support or prosecute any action or claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against the Prepetition Lenders, the DIP Lender, the Agent, or their respective officers, directors, employees, agents, attorneys, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, or action, including, without limitation, (A) any avoidance actions or other actions arising under chapter 5 of the Bankruptcy Code; (B) any action relating to any act, omission or aspect of the relationship between Chase, on the one hand, and the Debtors or any of their affiliates, on the other; (C) any action with respect to the validity and extent of the DIP Loan Obligations or the Prepetition Obligations, or the validity, extent, and priority of the DIP Liens, the Prepetition Liens or the Replacement Liens; (D) any action seeking to invalidate, set aside, avoid or subordinate, in whole or in part, the DIP Liens, the Prepetition Liens or the Replacement Liens; and/or (E) except to contest the occurrence of any Termination Event as permitted in paragraph 12, any action that has the effect of preventing, hindering or delaying (whether directly or indirectly) the DIP Lender or the

Prepetition Lenders in respect of its liens and security interests in the Collateral, Cash Collateral or the Prepetition Collateral; and/or (F) pay any fees or similar amounts to any person who has proposed or may propose to purchase Chase's interests in any of the Debtors without the prior written consent of Chase; or (H) use or seek to use Cash Collateral unless otherwise permitted hereby, without the prior written consent of Chase.

12. Reservation of Certain Third Party Rights and Bar of Challenges and Claims.

(a) The Debtors' acknowledgements and stipulations set forth in Paragraph D(i)-(viii) (the "Debtors' Stipulations") above shall be binding upon the Debtors in all circumstances upon entry of this Interim Order. The Debtors' Stipulations shall be binding upon each other party in interest, including the Creditors' Committee, if any, unless such Creditors' Committee or any other party in interest (including any chapter 11 trustee in the Chapter 11 Cases or any chapter 7 trustee in any Successor Case) other than the Debtors, first, commences, by the earlier of: (x) with respect to any Creditors' Committee, forty-five (45) calendar days from the formation of any Creditors' Committee or such later date as the DIP Lender agrees in writing to grant to any Creditors' Committee, and (y) solely if no Creditors' Committee is formed, with respect to other parties in interest with requisite standing other than the Debtors or any Creditors' Committee, sixty (60) calendar days following the date of entry of the Interim Order, or such later date as the DIP Lender agrees in writing to grant to such parties in interest (such time period established by the earlier of clauses (x) and (y), shall be referred to as the "Challenge Period," and the date that is the next calendar day after the termination of the Challenge Period in the event that either (i) no Challenge (as defined below) is properly raised during the Challenge Period or (ii) with respect only to those parties who properly file a Challenge (as defined below), such Challenge is fully and finally adjudicated,

shall be referred to as the “Challenge Period Termination Date”), (A) a contested matter, adversary proceeding, or other action or “claim” (as defined in the Bankruptcy Code) challenging or otherwise objecting to the admissions, stipulations, findings, or releases included in the Debtors’ Stipulations, or (B) a contested matter, adversary proceeding, or other action against the Prepetition Lenders and/or the Agent in connection with or related to (I) the Prepetition Obligations, (II) the pre-petition business relationship between or conduct of the Prepetition Lenders and/or the Agent with the Debtors, (III) the actions or inactions of the Prepetition Lenders and/or the Agent arising out of or related to the Prepetition Obligations or otherwise, including, without limitation, any claim against the Prepetition Lenders and/or the Agent in the nature of an “equitable subordination,” “lender liability,” “deepening insolvency” or “control person” liability, (IV) any setoff, offset, recoupment, counterclaim, or defense to the Prepetition Obligations (including, but not limited to, those under sections 506, 544, 547, 548, 549, 550, and/or 552 of the Bankruptcy Code) or (V) any avoidance of or challenge (whether pursuant to Chapter 5 of the Bankruptcy Code or otherwise) to any transfer made by or on behalf of the Debtors to or for the benefit of Chase (but excluding, solely for the purpose of this Interim Order, those under section 506(c)) ((A) and (B) collectively, the “Challenges” and, each individually, a “Challenge”), and second, obtains a final, non-appealable order in favor of such party in interest sustaining any such Challenge in any such timely-filed contested matter, adversary proceeding, or other action.

(b) Upon the Challenge Period Termination Date and for all purposes in these Cases and any Successor Cases, (i) all payments made to or for the benefit of Prepetition Lenders and/or Chase pursuant to, or otherwise authorized by, this Interim Order or otherwise (whether made prior to, on, or after the Petition Date) shall be indefeasible and not be subject

to counterclaim, set-off, subordination, recharacterization, defense, or avoidance, (ii) any and all such Challenges by any party in interest shall be deemed to be forever released, waived, and barred, (iii) the Prepetition Obligations shall be deemed to be a fully allowed secured claim within the meaning of section 506 of the Bankruptcy Code (which claim and liens shall have been deemed satisfied in full by the repayment of the Prepetition Obligations), (iv) the Prepetition Obligations shall be deemed to be a fully allowed claim, and (v) the Debtors' stipulations in paragraph D(i)-(viii) and the releases in paragraph 14 shall be binding on all parties in interest, including any Creditors' Committee or any trustee appointed in these Chapter 11 Cases or any Successor Cases.

13. Prohibition on Granting of Additional Liens and Interests. No liens, claims, interests or priority status, other than the Carve-Out and the Permitted Liens (and with respect to the Adequate Protection Claim and the Replacement Liens), having a lien or administrative priority superior to or *pari passu* with that of the DIP Liens, the Adequate Protection Claim, the Prepetition Liens, or the Replacement Liens granted by this Interim Order, shall be granted while any portion of the DIP Loan Obligations or Prepetition Obligations remain outstanding, or any commitment under the DIP Loan Documents or Prepetition Loan Documents remains in effect, without the prior written consent of Chase.

14. Release. The release, discharge, waivers, settlements, compromises, and agreements set forth in this paragraph 14 shall be deemed effective upon entry of this Interim Order and subject only to the rights set forth in paragraph 12 above. The Debtors forever and irrevocably (i) release, discharge, and acquit the Prepetition Lenders and the Agent, and each of their respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers,

consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the “Releasees”) of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations, of every type, including, without limitation, any claims arising from any actions relating to any aspect of the relationship between the Prepetition Lenders or the Agent and the Debtors and their affiliates including any equitable subordination claims or defenses, with respect to or relating to the Prepetition Obligations, the Prepetition Liens, the Prepetition Loan Documents, the Debtors’ attempts to restructure the Prepetition Obligations, any and all claims and causes of action arising under title 11 of the United States Code, and any and all claims regarding the validity, priority, perfection or avoidability of the liens or secured claims of the Prepetition Lenders and the Agent; and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability and non-avoidability of the Prepetition Obligations and the Prepetition Liens.

15. Termination. Upon the DIP Lender’s termination of the DIP Facility following the occurrence of an Event of Default (as defined in the DIP Loan Documents), the Maturity Date (as defined in the DIP Loan Documents), or default by the Debtors of any of their obligations under this Order unless waived in writing by Chase in its sole discretion (the “Termination Event”) (i) the Debtors’ right to use Cash Collateral shall immediately and automatically terminate, (ii) the DIP Loan Obligations shall be immediately due and payable; and (iii) free of the restrictions of Bankruptcy Code section 362 or any other section of the Bankruptcy Code, Chase may take immediate reasonable action to protect the Collateral from harm, theft and/or dissipation.

16. Remedies and Stay Modification.

(a) Subject to subparagraph (c) below, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified without the need for further Court order to permit Chase, as applicable, upon the occurrence of a Termination Event, and without any interference from the Debtors or any other party interest but subject to three (3) business days' prior written notice (which may be delivered by electronic mail) (the "Remedies Notice Period") to the Debtors, their counsel, counsel to any Creditors' Committee and counsel to the U.S. Trustee, to exercise all rights and remedies provided for in the DIP Loan Documents, this Interim Order, the Prepetition Loan Documents or under other applicable bankruptcy and non-bankruptcy law including, without limitation, the right to terminate the commitments under the DIP Loan Documents, (i) cease making DIP Loans and/or suspend or terminate the commitments under the DIP Loan Documents; (ii) declare all DIP Obligations immediately due and payable; (iii) in the case of the DIP Lender and the Prepetition Lenders, take any actions reasonably calculated to preserve or safeguard, as applicable, the DIP Collateral and/or the Prepetition Collateral or to prepare the DIP Collateral and/or the Prepetition Collateral for sale; (iv) in the case of the DIP Lender and the Prepetition Lenders, foreclose or otherwise enforce, as applicable, the DIP Liens, the Prepetition Liens and the Replacement Liens on any or all of the DIP Collateral and/or the Prepetition Collateral; and (v) exercise any other default-related rights and remedies under the DIP Loan Documents or this Interim Order.

(b) Immediately upon the DIP Lender's termination of the DIP Facility following the occurrence of a Termination Event, the DIP Lender may charge interest at the

default rate set forth in the DIP Loan Documents without being subject to the Remedies Notice Period.

(c) The automatic stay of section 362(a) of the Bankruptcy Code, to the extent applicable, shall be deemed terminated without the necessity of any further action by the Court in the event that the Debtors, the Creditors' Committee, if any, and/or the U.S. Trustee have not obtained an order from this Court to the contrary prior to the expiration of the Remedies Notice Period. The Debtors, the Creditors' Committee, if any, and/or the U.S. Trustee shall have the burden of proof at any hearing on any request by them to re-impose or continue the automatic stay of section 362(a) of the Bankruptcy Code or to obtain any other injunctive relief.

(d) If the DIP Lender is entitled, and has elected in accordance with the provisions hereof, to enforce its liens or security interests or exercise any other default-related remedies following expiration of the Remedies Notice Period, the Debtors (or any trustee appointed under chapter 11 or chapter 7) shall cooperate with the DIP Lender in connection with such enforcement by, among other things, (i) providing at all reasonable times access to the Debtors' premises to representatives or agents of Chase (including any collateral liquidator or consultant), (ii) providing Chase and its representatives or agents, at all reasonable times access to the Debtors' books and records and any information or documents requested by Chase or its representatives, and (iii) taking reasonable steps to safeguard and protect the DIP Collateral, and the Debtors shall not otherwise interfere with or actively encourage others to interfere with the Chase's enforcement of rights.

(e) Upon the DIP Lender's termination of the DIP Facility following the occurrence and during the continuance of Termination Event and the expiration of any

Remedies Notice Period, the DIP Lender shall have no further obligation to provide financing under the DIP Loan Documents and neither the DIP Lender nor the Prepetition Lenders shall have any obligation to permit the continued use of Cash Collateral.

(f) Upon the DIP Lender's termination of the DIP Facility following the occurrence and during the continuance of a Termination Event and the expiration of the Remedies Notice Period, Chase may at all times continue to collect and sweep cash as provided in the Prepetition Loan Documents.

(g) Neither section 105 of the Bankruptcy Code nor any other provision of the Bankruptcy Code or applicable law shall be utilized to prohibit the exercise, enjoyment and enforcement of any rights, benefits, privileges and remedies set forth in this paragraph 16 regardless of any change in circumstances.

(h) This Court shall retain exclusive jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this Interim Order and relating to the application, re-imposition or continuance of the automatic stay of section 362(a) of the Bankruptcy Code or other injunctive relief requested.

MISCELLANEOUS

17. **Limitation on Section 506(c) Claims.**

(a) Nothing contained in this Interim Order shall be deemed a consent by Chase or the Prepetition Lenders to any charge, Lien, assessment, or claim against the DIP Collateral, the DIP Liens, the Prepetition Collateral, or the adequate protection liens under section 506(c) of the Bankruptcy Code or otherwise; provided, however, that during the Interim Period there shall be no waiver of section 506(c) of the Bankruptcy Code.

(b) Upon entry of the Final Order, and provided that the DIP Lender has funded or authorized sufficient use of Cash Collateral to fund the Carve-Out, no costs or expenses of administration which have been or may be incurred in these Chapter 11 Cases or any Successor Case at any time shall be surcharged against, and no person may seek to surcharge any costs or expenses of administration against Chase, or any of their respective claims, the Carve-Out, the DIP Collateral or the Collateral, pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise, without the prior written consent, as applicable, of the DIP Lender. No action, inaction or acquiescence by Chase shall be deemed to be or shall be considered evidence of any alleged consent to a surcharge against Chase, any of its claims, the Carve-Out, the DIP Collateral or the Collateral.

18. Payment of the Prepetition Lenders and the DIP Lender's Expenses. All reasonable out-of-pocket costs and expenses of the of the Prepetition Lenders and the DIP Lender including, without limitation, reasonable legal, accounting, collateral examination, monitoring and appraisal fees and disbursements, financial advisory fees, fees and expenses of other consultants, indemnification and reimbursement obligations with respect to fees and expenses, and other out of pocket expenses, whether or not contained in the Approved Budget and without limitation with respect to the dollar estimates contained in the Approved Budget (provided, however, that such overages shall not weigh against the Debtors in any testing related to compliance with the Approved Budget), shall promptly be paid by the Debtors. Payment of such fees shall not be subject to allowance by this Court.

19. No Marshaling. The Prepetition Lenders and the Agent shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral. Without limiting the generality of the immediately

preceding sentence, no party shall be entitled, directly or indirectly, to direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal or otherwise control the disposition of the DIP Collateral after a Termination Event.

(a) Equities of the Case Waiver. Upon entry of the Final Order, the Prepetition Lenders and the Agent shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and no person may assert an “equities of the case” claim under section 552(b) of the Bankruptcy Code against Chase with respect to proceeds, product, offspring or profits of any of the DIP Collateral or the Prepetition Collateral.

20. Cash Management Systems. Subject to the Debtors’ cash management order entered by the Court, the Debtors are authorized and directed to maintain their cash management system in a manner consistent with the DIP Loan Documents, this Interim Order, and the order of this Court approving the maintenance of the Debtors’ cash management system; provided, however, that such order is and remains at all times on terms and conditions acceptable to the Chase and such order is consistent with the terms specified herein or the DIP Loan Documents.

21. Delivery of Documentation. The Debtors (and/or their legal or financial advisors) shall deliver to Chase, counsel to Chase, and any financial advisors to Chase, all financial reports, budgets, forecasts, and all other legal or financial documentation, pleadings, and/or filings that are either (i) required to be provided (by the Debtors and/or their legal or financial advisors) to the DIP Lender or such party’s legal and financial advisors pursuant to the DIP Loan Documents, or (ii) reasonably requested by the DIP Lender (or its legal and financial advisors).

22. Access to Books and Records. The Debtors (and/or their legal and financial advisors) will (a) keep proper books, records and accounts in accordance with GAAP in which full, true and correct entries shall be made of all dealings and transactions in relation to their

business and activities, (b) cooperate, consult with, and provide to the DIP Lender all such information as required or allowed under the DIP Loan Documents, the provisions of this Interim Order or that is afforded to the Creditors' Committee and/or the Creditors' Committee's respective legal or financial advisors, if any (c) permit, upon one (1) business day's notice, representatives of the DIP Lender to visit and inspect any of their respective properties, to examine and make abstracts or copies from any of their respective books and records, to conduct a collateral audit and analysis of their respective inventory and accounts, to tour the Debtors' business premises and other properties, and to discuss, and provide advice with respect to, their respective affairs, finances, properties, business operations and accounts with their respective officers, employees and independent public accountants as often as may reasonably be desired, and (d) permit representatives of the DIP Lender to consult with and advise the Debtors' management on matters concerning the general status of the Debtors' business, financial condition and operations.

23. Chase Not Responsible Person. In (a) making the decision to make the DIP Loans or consenting to the use of Cash Collateral; (b) administering the DIP Loans; (c) extending other financial accommodations to the Debtors under the DIP Loan Documents and this Interim Order; (d) making the decision to make the loans and financial accommodations under the Prepetition Loan Documents; (e) administering the loans and financial accommodations extended under the Prepetition Loan Documents; (f) extending other financial accommodations to the Debtors under the Prepetition Loan Documents; and (g) making the decision to collect the indebtedness and obligations of the Debtors, Chase shall not be considered to be exercising control over any operations of the Debtors or acting in any way as a responsible person, or as an owner or operator under any applicable law.

24. Successors and Assigns. The DIP Loan Documents and the provisions of this Interim Order shall be binding upon the Debtors, Chase and each of their respective successors and assigns, and shall inure to the benefit of the Debtors, Chase and each of their respective successors and assigns including, without limitation, any trustee, examiner with expanded powers, responsible officer, estate administrator or representative, or similar person appointed in a case for any Debtor under any chapter of the Bankruptcy Code. The terms and provisions of this Interim Order shall also be binding on all of the Debtors' creditors, equity holders, and all other parties in interest, including, but not limited to a trustee appointed under chapter 7 or chapter 11 of the Bankruptcy Code.

25. Binding Nature of Agreement. The DIP Loan Documents to which the Debtors are a party shall constitute legal, valid, and binding joint and several obligations of the Debtors party thereto, enforceable in accordance with its terms. The DIP Loan Documents have been or will be properly executed and delivered to the DIP Lender by the Debtors. Unless otherwise consented to in writing, the rights, remedies, powers, privileges, liens, and priorities of Chase provided for in this Interim Order, the DIP Loan Documents, or otherwise shall not be modified, altered or impaired in any manner by any subsequent order (including a confirmation or sale order), by any plan of reorganization or liquidation in these Chapter 11 Cases, by the dismissal or conversion of these Chapter 11 Cases or in any subsequent case under the Bankruptcy Code unless and until the DIP Loan Obligations have first been indefeasibly paid in full in cash and completely satisfied and the commitments terminated in accordance with the DIP Loan Documents.

26. Subsequent Reversal or Modification. This Interim Order is entered pursuant to section 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(b) and (c), granting the DIP

Lender all protections and benefits afforded by section 364(e) of the Bankruptcy Code. Any financial accommodations made to the Debtors by Chase pursuant to this Interim Order and the DIP Loan Documents shall be deemed to have been made by Chase in good faith, as such term is used in section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, that action will not affect (i) the validity of any obligation, indebtedness or liability incurred hereunder by any of the Debtors to Chase, prior to the date of receipt by the DIP Lender of written notice of the effective date of such action or (ii) the validity and enforceability of any lien or priority authorized or created under this Interim Order or pursuant to the DIP Loan Documents. Notwithstanding any such reversal, stay, modification or vacatur, any postpetition indebtedness, obligation or liability incurred by any of the Debtors to Chase prior to written notice to Chase of the effective date of such action, shall be governed in all respects by the original provisions of this Interim Order, and Chase shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Loan Documents with respect to all such indebtedness, obligations or liability.

27. Collateral Rights. If any party who holds a lien or security interest in DIP Collateral or Prepetition Collateral that is junior and/or subordinate to the DIP Liens, the Replacement Liens or the Prepetition Liens in such DIP Collateral or Prepetition Collateral receives or is paid the proceeds of such DIP Collateral or Prepetition Collateral, or receives any other payment with respect thereto from any other source, prior to the indefeasible payment in full in cash and the complete satisfaction of (a) all DIP Loan Obligations under the DIP Loan Documents and termination of the commitment in accordance with the DIP Loan Documents, and (b) the Prepetition Obligations under the Prepetition Loan Documents, such junior or subordinate lienholder shall be deemed to have received, and shall hold, the proceeds of any such

DIP Collateral or Prepetition Collateral in trust for Chase and shall immediately turn over such proceeds to Chase for application to repay the DIP Loan Obligations and Prepetition Obligations in accordance with the DIP Loan Documents, the Prepetition Loan Documents and this Interim Order until indefeasibly paid in full.

28. Injunction. Except as provided in the DIP Loan Documents, and this Interim Order, the Debtors shall be enjoined and prohibited from, at any time during these Chapter 11 Cases, granting liens on the DIP Collateral, the Prepetition Collateral or any portion thereof to any other parties, pursuant to section 364(d) of the Bankruptcy Code or otherwise, which liens are senior to or *pari passu* with the liens granted to the DIP Lender, and the Prepetition Lender, except in accordance with the DIP Loan Documents, the Prepetition Loan Documents and this Interim Order.

29. No Waiver. This Interim Order shall not be construed in any way as a waiver or relinquishment of any rights that Chase may have to bring or be heard on any matter brought before this Court.

30. Budget Modifications and Extension Periods. Subject to the occurrence of a Termination Event, the Postpetition Financing Arrangement shall be in effect and the budget annexed to this Interim Order shall constitute the Approved Budget, for the period commencing with the Petition Date through and including the Maturity Date. The Approved Budget may be modified and the Maturity Date otherwise extended from time to time pursuant to a mutually acceptable modified Approved Budget (the “Modified Budget”), as may be agreed to by Chase and the Debtors, without further order of the Court, upon the filing of a copy of such Modified Budget with the Court; provided however, no modification of the Approved Budget hereunder shall be required in connection with the Discretionary Line.

31. Limits on Lenders' Liability. Nothing in this Interim Order or in any of the DIP Loan Documents or any other documents related to this transaction shall in any way be construed or interpreted to impose or allow the imposition upon Chase any liability for any claims arising from any and all activities by the Debtors or any of their subsidiaries or affiliates in the operation of their businesses or in connection with their restructuring efforts.

32. Priority of Terms. To the extent of any conflict between or among (a) the express terms or provisions of any of the DIP Loan Documents, the Motion, any other order of this Court, or any other agreements, on the one hand, and (b) the terms and provisions of this Interim Order, on the other hand, unless such term or provision herein is phrased in terms of "as defined in" "as set forth in" or "as more fully described in" the DIP Loan Documents (or words of similar import), the terms and provisions of this Interim Order shall govern.

33. No Third Party Beneficiary. Except as explicitly set forth herein, no rights are created hereunder for the benefit of any third party, any creditor or any direct, indirect or incidental beneficiary.

34. Survival. Except as otherwise provided herein, (a) the protections afforded under this Interim Order, and any actions taken pursuant thereto, shall survive the entry of an order (i) dismissing any of these Chapter 11 Cases or (ii) converting any of these Chapter 11 Cases into a case pursuant to chapter 7 of the Bankruptcy Code, and (b) the DIP Liens, the Replacement Liens, the DIP Superpriority Claim and the Adequate Protection Claim shall continue in these Chapter 11 Cases, in any such Successor Case or after any such dismissal. Except as otherwise provided herein, the DIP Liens, the Replacement Liens, the DIP Superpriority Claim and the Adequate Protection Claim shall maintain their priorities as provided in this Interim Order, the Final Order, and the DIP Loan Documents, and not be modified, altered or impaired in any way

by any other financing, extension of credit, incurrence of indebtedness (except with respect to any additional financing to be provided by the DIP Lender in accordance with the Final Order), or any conversion of any of these Chapter 11 Cases into a case pursuant to chapter 7 of the Bankruptcy Code or dismissal of any of these Chapter 11 Cases, or by any other act or omission until (i) all DIP Loan Obligations are indefeasibly paid in full in cash and completely satisfied, and the commitments under the DIP Loan Documents are terminated in accordance therewith, and (ii) the Prepetition Obligations have been or are deemed to have been satisfied in accordance with the Bankruptcy Code.

35. Reservation of Rights. The terms, conditions and provisions of this Interim Order are in addition to and without prejudice to the rights of Chase to pursue any and all rights and remedies under the Bankruptcy Code, the Prepetition Loan Documents and DIP Loan Documents or any other applicable agreement or law, including, without limitation, rights to object to any sale of assets, and to object to applications for allowance and/or payment of compensation of professionals or other parties seeking compensation or reimbursement from the Debtors' estates.

36. Adequate Notice/Scheduling of Final Hearing. The notice given by the Debtors of the Interim Hearing was given in accordance with Bankruptcy Rules 2002 and 4001(c) and the local rules of this Court and, under the circumstances, was adequate and sufficient. No further notice of the request for the relief granted at the Interim Hearing is required. The Debtors shall promptly mail copies of this Interim Order and notice of the Final Hearing to any known party affected by the terms of this Interim Order and/or Final Order and any other party requesting notice after the entry of this Interim Order. Any objection to the relief sought at the Final Hearing shall be made in writing setting forth with particularity the grounds thereof, and filed

with the Court and served so as to be *actually received* no later than 5:00 p.m. (Central) by the following: counsel to the Debtors, (i) DLA Piper LLP, 1717 Main Street, Suite 4600, Dallas, Texas 75201, Attn: Vincent P. Slusher (vince.slusher@dlapiper.com); and DLA Piper LLP, 444 W. Lake Street, Suite 900, Chicago, Illinois, Attn: David E. Avraham (david.avraham@dlapiper.com); and (ii) counsel to Chase, Norton Rose Fulbright US LLP, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Kristian W. Gluck and Ryan E. Manns); and (c) the Office of the United States Trustee, 515 Rusk, Suite 3516, Houston, Texas 77002 (Attn: Christine March). **The Court shall conduct a Final Hearing on the Motion commencing on Friday, April 14, 2017, at 10:00 a.m. (Central).**

37. Immediate Binding Effect; Entry of Interim Order. This Interim Order shall not be stayed and shall be valid and fully effective immediately upon entry, notwithstanding the possible application of Bankruptcy Rules 6004(h), 7062, and 9014, or otherwise, and the Clerk of the Court is hereby directed to enter this Interim Order on the Court's docket in these Chapter 11 Cases.

38. Proofs of Claim. Chase shall not be required to file proofs of claim in any of the Chapter 11 Cases or Successor Cases for any claim allowed herein. The Debtors' Stipulations shall be deemed to constitute a timely filed proof of claim for Chase upon approval of this Interim Order, and Chase shall be treated under section 502(a) of the Bankruptcy Code as if they filed a proof of claim. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of these Chapter 11 Cases or Successor Cases to the contrary, Chase is hereby authorized and entitled, in its sole discretion, but not required, to file (and amend and/or supplement, as they see fit) a proof of claim and/or aggregate proofs of claim in each of these Chapter 11 Cases or Successor Cases for any claim allowed herein.

39. Retention of Jurisdiction. This Court shall retain exclusive jurisdiction over all matters pertaining to the implementation, interpretation, and enforcement of this Interim Order.

Dated: March __, 2017
Houston, Texas

HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

(Emergency Debtor-in-Possession Credit Agreement)

[TO BE FILED]

EXHIBIT 2

(Approved Budget)

Montco Offshore

13-Week Cash Flow

As of March 20, 2017

Preliminary - Subject to Material Revision
Private and Confidential - Subject to FRE 408

The below projections are based exclusively on information provided by the Debtor and should be read in conjunction with the associated footnotes.

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	13-Week Total
Week Beginning	3/20/2017	3/27/2017	4/3/2017	4/10/2017	4/17/2017	4/24/2017	5/1/2017	5/8/2017	5/15/2017	5/22/2017	5/29/2017	6/5/2017	6/12/2017	
Week Ending	3/26/2017	4/2/2017	4/9/2017	4/16/2017	4/23/2017	4/30/2017	5/7/2017	5/14/2017	5/21/2017	5/28/2017	6/4/2017	6/11/2017	6/18/2017	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Vessel & Contract Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,000	\$ 85,000	\$ 418,000	\$ -	\$ 875,000	\$ 1,302,000	\$ 1,246,000	\$ 4,514,000
Other Receipts	-	30,000	-	-	-	37,500	-	-	-	-	37,500	-	-	105,000
Montco Offshore Receipts	-	30,000	-	-	-	37,500	588,000	85,000	418,000	-	912,500	1,302,000	1,246,000	4,619,000
Vessel Personnel Expense	10,500	37,500	281,218	10,500	281,218	37,500	281,218	10,500	325,360	10,500	37,500	325,360	10,500	1,659,373
Vessel Operating Expenses	69,250	234,750	69,250	69,250	69,250	234,750	69,250	69,250	77,500	77,500	266,750	77,500	77,500	1,461,750
Direct Operating Disbursements	79,750	272,250	350,468	79,750	350,468	272,250	350,468	79,750	402,860	88,000	304,250	402,860	88,000	3,121,123
General & Administrative	12,750	375,295	134,942	155,250	114,785	258,905	514,785	109,250	120,785	12,750	559,905	120,785	94,250	2,584,438
Operating Disbursements	92,500	647,545	485,409	235,000	465,253	531,155	865,253	189,000	523,645	100,750	864,155	523,645	182,250	5,705,561
Operating Cash Flow	(92,500)	(617,545)	(485,409)	(235,000)	(465,253)	(493,655)	(277,253)	(104,000)	(105,645)	(100,750)	48,345	778,355	1,063,750	(1,086,561)
1 Debt Service- Pre-Petition Facilities														
Principal- Current Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest- Current Facilities	33,939	366,061	12,695	12,695	12,695	354,253	13,118	13,118	13,118	13,118	366,061	12,695	12,695	1,236,264
Debt Service- Current Facilities	33,939	366,061	12,695	12,695	12,695	354,253	13,118	13,118	13,118	13,118	366,061	12,695	12,695	1,236,264
2 DIP Proceeds	2,271,139	-	-	4,593,108	-	-	1,387,324	-	-	-	388,771	-	-	8,640,343
3 Debt Service- DIP Facility														
Principal- DIP Facility	-	-	-	-	-	-	57,202	-	-	-	71,055	-	-	147,814
Interest- DIP Facility	-	-	-	19,557	-	-	-	-	-	-	-	-	-	-
Debt Service- DIP Facility	-	-	-	19,557	-	-	57,202	-	-	-	71,055	-	-	147,814
Non-Recurring Disbursements														
Debtor Professional Fees	-	-	-	-	-	-	-	-	165,000	275,000	-	-	115,000	555,000
Creditor Professional Fees	-	-	-	-	-	-	-	-	125,000	125,000	-	-	50,000	300,000
U.S. Trustee Fees	-	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
4 Critical Vendor / Pre-Petition Disbursements														
Critical Vendor	-	-	-	3,000,000	-	-	-	-	-	-	-	-	-	3,000,000
Non-Recurring Disbursements	-	5,000	-	3,000,000	-	-	-	-	290,000	400,000	-	-	165,000	3,860,000
Net Cash Flow	2,144,700	(988,606)	(498,105)	1,325,856	(477,948)	(847,908)	1,039,751	(117,118)	(408,764)	(513,868)	-	765,659	886,055	2,309,703
Beginning Cash Balance	92,011	2,236,711	1,248,105	750,000	2,075,856	1,597,908	750,000	1,789,751	1,672,632	1,263,868	750,000	750,000	1,515,659	
Net Cash Flow	2,144,700	(988,606)	(498,105)	1,325,856	(477,948)	(847,908)	1,039,751	(117,118)	(408,764)	(513,868)	-	765,659	886,055	
Ending Cash Balance	\$ 2,236,711	\$ 1,248,105	\$ 750,000	\$ 2,075,856	\$ 1,597,908	\$ 750,000	\$ 1,789,751	\$ 1,672,632	\$ 1,263,868	\$ 750,000	\$ 750,000	\$ 1,515,659	\$ 2,401,714	
5 Projected Accrued Professional Fees														
Accrued Debtor Professional Fees Ending Balance	93,750	187,500	250,625	313,750	376,875	440,000	503,125	566,250	464,375	252,500	303,000	353,500	289,000	
Accrued Creditor Professional Fees Ending Balance	75,000	150,000	175,000	200,000	225,000	250,000	275,000	300,000	200,000	100,000	120,000	140,000	110,000	
Total Accrued Professional Fees Ending Balance	168,750	337,500	425,625	513,750	601,875	690,000	778,125	866,250	664,375	352,500	423,000	493,500	399,000	

Incorporated Notes to Budget:

- 1. Debt Service- Current Facilities:** Represents principle and interest associated with the Debtor's existing pre-petition secured credit facilities.
- 2. DIP Proceeds:** Represents an initial funding of ~\$2.3M on approval of an Interim DIP Order followed by a final DIP Order approved the week of April 10, 2017. DIP draws are assumed to occur on the first week of each month and are based on the Debtor's required cash to operate until the subsequent month's draw.
- 3. Debt Service- DIP Facility:** Represents principle and interest related to the Interim DIP and final DIP calculated and paid upon each month's draw.
- 4. Critical Vendor/ Pre-Petition Disbursements:** Represents the proposed amount for a Critical Vendor motion approved and paid upon entry and funding of the final DIP Order.
- 5. Projected Accrued Professional Fees:** Estimated accrued professional fees based on the projected monthly rates accrued on a weekly basis.

Montco Oilfield Contractors
13-Week Cash Flow
As of March 20, 2017

Preliminary - Subject to Material Revision
 Private and Confidential - Subject to FRE 408

The below projections are based exclusively on information provided by the Debtor and should be read in conjunction with the associated footnotes.

	Week 1 3/20/2017	Week 2 3/27/2017	Week 3 4/3/2017	Week 4 4/10/2017	Week 5 4/17/2017	Week 6 4/24/2017	Week 7 5/1/2017	Week 8 5/8/2017	Week 9 5/15/2017	Week 10 5/22/2017	Week 11 5/29/2017	Week 12 6/5/2017	Week 13 6/12/2017	13-Week Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
1 MOC Receipts	\$ -	\$ 1,880,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,880,504
2 2017 Related Black Elk Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	1,880,504
Current Operating Receipts														
Direct Operating Disbursements	44,737	37,003	20,737	10,000	38,737	21,613	20,737	10,000	34,168	10,000	20,000	10,000	10,000	287,729
General & Administrative	11,000	57,291	36,294	11,000	36,294	57,291	39,294	11,000	36,294	11,000	60,291	36,294	11,000	414,343
Operating Disbursements	55,736	94,294	57,030	21,000	75,030	78,904	60,030	21,000	70,462	21,000	80,291	46,294	21,000	702,072
Operating Cash Flow	(55,736)	1,786,210	(57,030)	(21,000)	(75,030)	(78,904)	(60,030)	(21,000)	(70,462)	(21,000)	(80,291)	(46,294)	(21,000)	1,178,432
3 2016 Related Black Elk Receipts	-	1,192,370	-	2,396,000	-	-	-	-	-	-	-	-	-	3,588,370
Non-Recurring Disbursements														
Debtor Professional Fees	-	-	-	-	-	-	-	-	75,000	275,000	-	-	50,000	400,000
Creditor Professional Fees	-	-	-	-	-	-	-	-	50,000	50,000	-	-	50,000	150,000
Non-Recurring Disbursements	-	-	-	-	-	-	-	-	125,000	325,000	-	-	100,000	550,000
Net Cash Flow	(55,736)	2,978,580	(57,030)	2,375,000	(75,030)	(78,904)	(60,030)	(21,000)	(195,462)	(346,000)	(80,291)	(46,294)	(121,000)	4,216,802
Beginning Cash Balance	1,144,034	1,088,297	4,066,877	4,009,847	6,384,847	6,309,816	6,230,913	6,170,882	6,149,882	5,954,420	5,608,420	5,528,129	5,481,835	
Net Cash Flow	(55,736)	2,978,580	(57,030)	2,375,000	(75,030)	(78,904)	(60,030)	(21,000)	(195,462)	(346,000)	(80,291)	(46,294)	(121,000)	
Ending Cash Balance	\$ 1,088,297	\$ 4,066,877	\$ 4,009,847	\$ 6,384,847	\$ 6,309,816	\$ 6,230,913	\$ 6,170,882	\$ 6,149,882	\$ 5,954,420	\$ 5,608,420	\$ 5,528,129	\$ 5,481,835	\$ 5,360,835	
4 Projected Accrued Professional Fees														
Accrued Debtor Professional Fees Ending Balance	81,250	162,500	209,375	256,250	303,125	350,000	396,875	443,750	415,625	187,500	225,000	262,500	250,000	
Accrued Creditor Professional Fees Ending Balance	-	-	25,000	50,000	75,000	100,000	125,000	150,000	125,000	100,000	120,000	140,000	110,000	
Total Accrued Professional Fees Ending Balance	81,250	162,500	234,375	306,250	378,125	450,000	521,875	593,750	540,625	287,500	345,000	402,500	360,000	

Incorporated Notes to Budget:

- 1. MOC Receipts:** Represents receipts related to work performed by Montco Oilfield Contractors for customers excluding the Black Elk estate.
- 2. 2017 Related Black Elk Receipts:** Represents receipts related to any work for the Black Elk estate in 2017.
- 3. 2016 Related Black Elk Receipts:** Represents the collection of existing receivables related to work completed for the Black Elk estate prior to 2017.
- 4. Projected Accrued Professional Fees:** Estimated accrued professional fees based on the projected monthly rates accrued on a weekly basis.

EXHIBIT B

(Attorney Checklist Concerning Motions And Orders Pertaining To Use Of Cash Collateral)

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

In re:	§	
	§	Case No. 17-31646
MONTCO OFFSHORE, INC., et al.,¹	§	
	§	Chapter 11
Debtors.	§	
	§	(Jointly Administered)

**ATTORNEY CHECKLIST CONCERNING MOTIONS AND ORDERS PERTAINING
TO USE OF CASH COLLATERAL AND POSTPETITION FINANCING**

The above-captioned Debtors (the “Debtors”), by and through their proposed undersigned counsel, hereby file this *Attorney Checklist Concerning Motions and Orders Pertaining to Use of Cash Collateral* pursuant to the *Uniform Texas Rules for Complex Chapter 11 Bankruptcy Cases*, adopted by this Court’s *Procedures for Complex Chapter 11 Bankruptcy Cases*.

PLEASE NOTE:

- * Means generally not favored by Bankruptcy Courts in this District.
- ** Means generally not favored by Bankruptcy Courts in this District without a reason and a time period for objections.

CERTIFICATE BY COUNSEL

This is to certify that the following checklist fully responds to the Court's inquiry concerning material terms of the motion and/or proposed order.

/s/ Vincent P. Slusher

¹ The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor’s federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

Y means yes; N means no N/A means not applicable

1. Identification of Proceedings:

(a)	Preliminary or final motion/order (circle one)	Preliminary
(b)	Continuing use of cash collateral (§ 363)	Y
(c)	New financing (§ 364)	Y
(d)	Combination of §§ 363 and 364 financing	Y
(e)	Emergency hearing (immediate and irreparable harm)	Y

2. Stipulations:

(a)	Brief history of debtor's businesses and status of debtor's prior relationships with lender	Y
(b)	Brief statement of purpose and necessity of financing.	Y
(c)	Brief statement of type of financing (i.e., accounts receivable, inventory)	Y
(d)	Are lender's pre-petition security interest(s) and liens deemed valid, fully perfected and non-avoidable	Y
(i)	Are there provisions to allow for objections to above?	Y
(e)	Is there a post-petition financing agreement between lender and debtor?	Y
(i)	If so, is agreement attached?	No (expected to be filed by 3/21)
(f)	Is there is an agreement that lender's post-petition security interests and liens deemed valid, fully perfected and non-avoidable?	Y
(g)	Is lender undersecured or oversecured (circle one)	N/A
(h)	Has lender's non-cash collateral been appraised?	N
(i)	Insert date of latest appraisal	N/A
(i)	Is debtor's proposed budget attached?	Y
(j)	Are all pre-petition loan documents identified?	Y
(k)	Are pre-petition liens on single or multiple assets? (circle one)	Multiple assets
(l)	Are there pre-petition guaranties of debt?	Y
(i)	Limited or unlimited? (circle one)	Unlimited

3. Grant of Liens:

(a)	Do post-petition liens secure pre-petition debts?	N
(b)	Is there cross-collateralization?	N
(c)	Is the priority of post-petition liens equal to or higher than existing liens?	Y
(d)	Do post-petition liens have retroactive effect?	N
(e)	Are there restrictions on granting further liens or liens of equal or	Y

	higher priority?	_____
(f)	Is lender given liens on claims under §§ 506(c), 544-50 and §§ 522?	N
	(i) Are lender's attorneys fees to be paid?.....	Y
	(ii) Are debtor's attorneys fees excepted from § 506(c)?.....	N
(g)	Is lender given liens upon proceeds of causes of action under §§ 544, 547 and 548?.....	N
4.	Administrative Priority Claims:	
(a)	Is lender given an administrative priority?.....	Y
(b)	Is administrative priority higher than § 507(a)?.....	Y
(c)	Is there a conversion of pre-petition secured claim to post-petition administrative claim by virtue of use of existing collateral?	N
5.	Adequate Protection (§361):	
(a)	Is there post-petition debt service?	Y
(b)	Is there a replacement/addition 361(/) lien? (circle one or both)	replacement
(c)	Is the lender's claim given super-priority? (§ 364(c) or (d)) [designate]	Y-364(c), (d)
(d)	Are there guaranties?	Y
(e)	Is there adequate Insurance coverage?.....	Y
(f)	Other?.....	Y
	Debtors' comment: Agent and Lenders shall have a right to credit bid.	
6.	Waiver/Release Claims v. Lender:	
(a)	Debtor waives or release claims against lender, including, but not limited to, claims under §§ 506(c), 544-550, 552, and 553 of the Code?	Y
(b)	Does the debtor waive defenses to claim or liens of lender?	Y
7.	Source of Post-Petition Financing (§ 364 Financing):	
(a)	Is the proposed lender also the pre-petition lender?	Y
(b)	New post-petition lender?	N
(c)	Is the lender an insider?	N
8.	Modification of Stay:	
(a)	Is any modified lift of stay allowed?	Y
(b)	Will the automatic stay be lifted to permit lender to exercise self-help upon default without further order?	Y
(c)	Are there any other remedies exercisable without further order of court?.....	Y
(d)	Is there a provision that any future modification of order shall not	Y

	affect status of debtor's post-petition obligations to lender?	_____

9.	Creditors' Committee:	
(a)	Has creditors' committee been appointed?	N
(b)	Does creditors' committee approve of proposed financing?.....	N/A

10.	Restrictions on Parties in Interest:	
(a)	Is a plan proponent restricted in any manner, concerning modification of lender's rights, liens and/or causes?.....	Y
(b)	Is the debtor prohibited from seeking to enjoin the lender in pursuit of rights?.....	Y
(c)	Is any party in interest prohibited from seeking to modify this order?	N
(d)	Is the entry of any order conditioned upon payment of debt to lender?	N
(e)	Is the order binding on subsequent trustee on conversion?.....	Y

11.	Nunc Pro Tunc:	
(a)	Does any provision have retroactive effect?	N

12.	Notice and Other Procedures:	
(a)	Is shortened notice requested?.....	Y
(b)	Is notice requested to shortened list?	N
(c)	Is time to respond to be shortened?	N
(d)	If final order sought, have 15 days elapsed since service of motion pursuant to Rule 4001(b)(2)?	N/A
(e)	If preliminary order sought, is cash collateral necessary to avoid immediate and irreparable harm to the estate pending a final hearing?	Y
(f)	Is a Certificate of Conference included?.....	N
(g)	Is a Certificate of Service included?	Y
(h)	Is there verification of transmittal to U.S. Trustee included pursuant to Rule 9034?.....	N
(i)	Has an agreement been reached subsequent to filing motion?.....	N/A
(i)	If so, has notice of the agreement been served pursuant to Rule 4001(d)(4)?	N/A
(ii)	Is the agreement in settlement of motion pursuant to Rule 4001(d)(4)?	N/A
(iii)	Does the motion afford reasonable notice of material provisions of agreement pursuant to Rule 4001(d)(4)?.....	N/A
(iv)	Does the motion provide for opportunity for hearing pursuant to Rule 9014?	N/A
