UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

EXCLUSIVE OPITCAL, INC.,

Case No.: 25-44904-JMM

Debtor.

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INTERIM STIPULATED ORDER AUTHORIZING USE OF CASH COLLATERAL

This stipulation and order (the "**Stipulated Order**") is made as of July 8, 2026, by and between Exclusive Optical, Inc., Debtor and Debtor-in-Possession ("**Debtor**"), and Webster Bank, N.A. ("**Lender**," together with the Debtor are collectively referred herein as the "**Parties**"), acting by and through their respective undersigned counsels.

RECITALS

WHEREAS, the Debtor represents and acknowledges as follows:

A. On October 9, 2025 (the "**Petition Date**"), the Debtor commenced this case by filing a voluntary petition for relief under Title 11, Chapter 11 of the United States Code (the "**Bankruptcy Code**"). The Debtor continues to operate its business as a debtor in possession pursuant to 1107 and 1108 of the Bankruptcy Code.

B. The Court has jurisdiction over this matter pursuant to 28 U.S.C. 157 and 1334. This is a "core" proceeding within the meaning of 28 U.S.C. 157(b)(2). The statutory predicates for the relief sought herein are, without limitation, 105, 361, and 363 of the Bankruptcy Code and Rules 4001 (b), 2002, and 9013 of the Bankruptcy Rules. Venue of this Chapter 11 case in this District is proper pursuant to 28 U.S.C. 1408 and 1409. No trustee, examiner, or statutory creditors' committee has been appointed in this Chapter 11 case.

C. On or about March 10, 2020, pursuant to a Revolving Line of Credit Agreement (the "**2020 RLOC Agreement**"), Webster f/k/a Sterling National Bank extended a commercial revolving line of credit loan (Loan # xxxxxx5990) to the Borrower (the "**RLOC Loan**").

D. To further secure any of the Debtor's obligations under the 2020 RLOC Agreement, pursuant to Section XIV of the 2020 RLOC Agreement, the Borrower granted a security interest in all of its collateral and general lien in all of the assets of the Borrower (the "**Collateral**").

E. Lender duly perfected the security interest in the Collateral with the filing of a UCC-1 Financing Statement with the New York State Secretary of State on March 10, 2020 as filing number "202003105133978" and continued by a UCC-3 filing on December 15, 2024 under filing number 202412156700616.

F. On or about May 12, 2022, Lender agreed to increase and extend the RLOC Loan to the Borrower, increasing and amending the terms thereof pursuant to the terms and conditions of a certain Business Revolving Line of Credit Agreement dated May 12, 2022 in the maximum principal amount of $75,000.00 (the "**2022 Agreement**" together with the 2020 RLOC Agreement, the "**RLOC Loan Documents**").

G. On or about May 12, 2022, the Plaintiff made a loan (Loan # xxxxxx5170) to the Borrower (the "**Term Loan**"), pursuant to the terms and conditions of a certain Promissory Note dated May 12, 2022 (the "**Term Note**"), in the principal amount of $50,000.00.

H. The Term Note is also secured by the Security Agreement and rights granted by the Debtor to Lender pursuant to a Commercial Security Agreement dated May 12, 2022 (the "**Security Agreement**" collectively with the RLOC Loan Documents, Term Note and any and all other documents executed in conjunction therewith, shall be referred herein as the "**Loan Documents**").

I. The Debtor acknowledges and agrees that Lender is the holder and owner of the Loan Documents.

J. The Debtor acknowledges and agrees that the Debtor owes the Lender not less than **$76,952.26** under the 2022 Agreement and not less than **$27,232.19** under the Term Loan for a total due of **$104,184.45**, plus interest, which continues to accrue, attorneys' fees and other fees and charges as provided for under the Loan Documents (collectively, the "**Webster Claim**"), and the Debtor acknowledges that the Webster Claim constitutes an allowed claim against the Debtor's estate, subject to §506(c) of the Bankruptcy Code, not subject to any offset, claim or defense by the Debtor.

K. The Debtor acknowledges and agrees that pursuant to the Loan Documents, Lender holds a first priority perfected security interest in and lien upon the Collateral and rents generated arising therefrom to secure the Debtor's indebtedness to Lender under the Loan Documents, not subject to any offset, claim or defense by the Debtor.

L. The Debtor has requested authorization to use Cash Collateral[1] to pay for expenses

[1] For purposes of this Stipulated Order, "Cash Collateral" shall be defined in accordance with Section 363(a) of the Bankruptcy Code.

incurred by it in the ordinary course of business and in connection with this Chapter 11 case. The Debtor's ability to finance its business operations is essential to its ability to preserve the value of its assets. Without the ability to use Cash Collateral, the Debtor and its estate will suffer immediate and irreparable harm.

M. This Stipulated Order has been entered into by the Debtor in good faith, is fair and reasonable under the circumstances, and has been negotiated at arms' length and due cause exists for the entry of the Stipulated Order.

NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO AND AGREED TO BY THE DEBTOR AND THE LENDER AS FOLLOWS:

1. The above recitals are incorporated by this reference and made a part of this Stipulated Order.

2. This Stipulated Order shall be effective upon entry by the Court approving it (the "**Effective Date**"). On the Effective Date, the Debtor is expressly authorized and directed to do and perform all acts, and to make, execute, deliver, and consummate all the terms and conditions of this Stipulated Order and any and all documents and instruments reasonably requested by Lender to execute, effectuate, carry out, or consummate the terms and conditions of this Stipulated Order. The Debtor shall provide full cooperation and information to Lender, and to any such interested party as identified by Lender and reasonably satisfactory to Debtor. All relief herein and provisions hereunder shall be *nunc pro tunc* to the Petition Date.

3. Notwithstanding anything herein to the contrary, this Stipulated Order shall terminate on the date which is the earliest to occur of: (a) July 30, 2027; or (b) the entry of an order by the Court confirming a chapter 11 plan.

4. The Debtor may use Cash Collateral to pay the expenses incurred by it in the ordinary course of its business and in connection with this Chapter 11 case, as provided in the

Interim Budget attached hereto as Exhibit "A," subject, however, to a per line-item variance of ten (10) percent.

5. As adequate protection for and to the extent of any decrease in the value from the Petition Date of Lender's collateral arising from the Debtor's use of Cash Collateral, commencing on **June 30, 2026** and on the **30th** day[2] of each and every month thereafter through and including May 30, 2027, if applicable, the Debtor will pay to the Lender the sum of **$1,333.33 per month**[3] as adequate protection. Commencing on **June 30, 2027**, and on the 30th day of each and every month thereafter through the confirmation of a plan of reorganization or the entry of an order dismissing this bankruptcy case, the Debtor shall pay **$800.00** per month to the Lender as adequate protection. In the event a plan of reorganization is confirmed prior to May 30, 2027, the Debtor must cure the remainder of any adequate protection arrears through said date upon entry of an order confirming a plan of reorganization. The monthly payments shall be delivered to Webster at the following address: Webster Bank, N.A., 100 Westminster Street, 11th Floor, Providence, RI 02903, Attn: Kerin Palumbo, Director.

6. As additional adequate protection for and to the extent of any decrease in the value of Lender's collateral arising from the Debtor's use of Cash Collateral, Webster is hereby granted a valid, perfected, and enforceable, post-petition replacement lien on and security interest in all of the Debtor's assets constituting Lender's Pre-Petition Collateral and the proceeds thereof (the "**Replacement Lien**"); provided, however, the Replacement Lien shall not extend to the estate's avoidance claims under 544, 547, 548, and 550 of the Bankruptcy Code.

[2] The February 2027 will be made on February 28, 2027.

[3] The monthly adequate protection payment is $800 per month. However, at the request of the Debtor, the adequate protection payments due for the months of Oct 2025 through May 2026, which total $6400.00, will be paid over the course of the twelve-month period of June 2026-May 2027 at $533.33 per month.

7. The Replacement Lien(s) granted by this Stipulated Order are hereby deemed perfected, without the necessity of filing any documents or otherwise complying with non-bankruptcy law in order to perfect security interests and record liens, with such perfection being binding upon all parties including, but not limited to, any subsequently appointed trustee either under Chapter 11 or any other Chapter of the Bankruptcy Code and shall be in the order of priority of the respective creditors interest in the assets of the Debtor prior to the Petition Date.

8. The Debtor is authorized and directed to perform all acts and to make, execute, and deliver any and all documents as may be necessary to implement and effectuate the terms and conditions of this Stipulated Order and the transaction described herein. Lender shall not be required to file financing statements in any jurisdiction or take any other action in order to validate and perfect the security interest and lien granted to it hereunder, the automatic stay of §362 of the Bankruptcy Code shall be deemed modified as to them to permit any and all such filing or recording without further order of the Court.

9. Subject to the Carve Out (as defined below), to the extent that the Replacement Liens and other relief granted in this Stipulated Order do not provide Lender with adequate protection of its respective interests in the Cash Collateral, Lender is hereinafter granted super-priority administrative expense claims (the "**Super Priority Claims**") under 507(b) Bankruptcy Code in the amount of any diminution in value from the Petition Date of Lender's collateral.

10. The Replacement Liens and the Super-Priority Claims shall be subordinate only to the following: (i) the fees and expenses of the Clerk of the Bankruptcy Court and the fees of the Office of the United States Trustee pursuant to 28 U.S.C. 1930(a) plus applicable interest on any such fees and the fees; (ii) commissions of a hypothetical Chapter 7 Trustee in an amount

not to exceed $7,500.00; and (iii) payment of professional fees to the Debtor's retained professionals up to the aggregate amount of **$20,000**, subject to properly noticed applications after a hearing and entry of an order by this Court approving such applications on a final basis (collectively, the "**Carve Out**"). However, the Carve Out shall be payable solely from assets in the possession of the Debtor and not from Lender directly and none of the Carve Out may be used for the enforcement of any objection to the Webster Claim or actions against Lender.

11. Notwithstanding any provisions herein to the contrary, the Debtor's authority to continue to use Cash Collateral shall be revoked without further order of the Court in the event of the earliest to occur of any of the following, each of which shall be deemed a "**Termination Event**":

a. Entry of any order dismissing the within case or converting the within case to Chapter 7 of the Bankruptcy Code;

b. Entry of an order authorizing the appointment of a Chapter 11 trustee, or examiner with expanded powers in this Chapter 11 case;

c. The Debtor's failure to comply with any of the material terms or conditions of this Stipulated Order and which failure is not cured after three (3) days written notice (whether by e-mail or overnight delivery) to the Debtor's counsel and the Office of the United States Trustee;

d. Entry of an order of this Court terminating this Stipulated Order; and/or

e. Except as may be authorized by Order of this Court, the Debtor granting, creating, incurring or suffering to exist any post-petition liens or security interests other than those granted pursuant to this Stipulated Order.

12. Notwithstanding the termination of the Debtor's authorization to use Cash Collateral, the provisions of this Stipulated Order and any actions taken pursuant thereto shall survive the entry of any subsequent order which may be entered confirming any plan(s) of reorganization with respect to the Debtor, appointing a Chapter 11 trustee or examiner for the Debtor, or converting this case from Chapter 11 to Chapter 7 of the Bankruptcy Code. The terms

and provisions of this Stipulated Order, as well as the priorities, liens, and security interests created hereunder shall continue in this or any superseding case in the Court, and such liens and security interests shall maintain their priority provided for by this Stipulated Order until satisfied and discharged in full.

13. Lender specifically reserves all of its rights and remedies, including but not limited to any and all objections with regard to the continued use of cash collateral either on a further interim basis or a final basis.

14. Upon the occurrence and during the continuation of a Termination Event, Lender may file a motion for relief from the automatic stay seeking to exercise the rights and remedies available under the Loan Documents, this Stipulated Order, or applicable law, as applicable, on shorten notice of not less than five (5) calendar days. Any delay or failure by Lender to exercise rights under its Loan Documents or this Stipulated Order shall not constitute a waiver of its respective rights hereunder, thereunder or otherwise.

15. Notwithstanding any order that may be entered dismissing the Chapter 11 Case under section 1112 of the Bankruptcy Code or otherwise is at any time entered: (in) the Replacement Liens and the Super priority Claims shall continue in full force and effect and shall maintain their priorities as provided in this Stipulated Order; (ii) the other rights granted by this Stipulated Order shall not be affected; and (iii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in this paragraph and otherwise in this Stipulated Order.

16. Nothing in this Stipulated Order shall be deemed a waiver of the rights and remedies of Lender pursuant to the Loan Documents, at law or equity. The failure of Lender to seek relief or otherwise exercise its rights and remedies under this Stipulated Order or its Loan Documents shall not constitute a waiver of any of its respective rights.

17. No Cash Collateral may be used to: (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of the Webster Claim, its pre-petition liens, and any other interim order authorizing the Debtor's use of cash collateral; (b) assert any claims and defenses against Lender; (c) seek to modify any of the rights granted to Lender hereunder, or (d) pay any amount on account of any claims arising prior to the Petition Date unless in accordance with the Budget or such payments are approved by an order of the Court.

18. The provisions of this Stipulated Order, including all findings herein, shall be binding upon all parties in interest in the Chapter 11 Case, including without limitation, creditors, the Debtor, the Debtor's estate, and its respective successors and assigns (including any Trustee hereinafter appointed or elected for the estate of the Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of the Debtor or with respect to the property of the estate of the Debtor) and shall inure to the benefit of Lender and the Debtor and its respective successors and assigns.

19. If any or all of the provisions of this Stipulated Order are hereafter modified, vacated, or stayed by order of this or any other court, such stay, modification, or vacation shall not affect the validity and enforceability of any obligation, indebtedness or liability to Lender incurred pursuant to this Stipulated Order prior to the effective date of such stay, modification or vacation or the validity and enforceability of any security interest, lien, right or priority authorized hereby with respect to any such obligation, indebtedness or liability to Lender or the validity of any payments made to Lender pursuant to this Stipulated Order. Notwithstanding any such stay, modification, or vacation, grant of adequate protection pursuant to this Stipulated Order prior to the effective date of such stay, modification or vacation shall be governed in all respects by the original provisions of this Stipulated Order, Lender shall be entitled to all the rights, privileges and benefits, including, without limitation, the liens, security interests and priorities granted herein, and in its Loan Documents with respect to all such claim, indebtedness, obligation or liability.

20. To the extent that this Stipulated Order and any loan documents conflict, this Stipulated Order shall govern.

21. This Stipulated Order may be signed and consented to by Debtor and Lender prior to the approval hereof by the Court.

IN WITNESS WHEREOF, the parties hereto have caused this Stipulated Order to be executed by their respective attorneys or representatives hereunto authorized.

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CONSENTED AND AGREED TO:

EXCLUSIVE OPTICAL, INC.

By: */s/ Alexander Volk*
Name: Alexander Volk
Title: President

NO OBJECTION
By: /s/ Nazar Khodorovsky
Office of the United States Trustee
Trial Attorney

Dated: August 10, 2026
Brooklyn, New York

Jil Mazer-Marino
Chief United States Bankruptcy Judge