DISTRICT OF OREGON
FILED
August 11, 2026
Clerk, U.S. Bankruptcy Court

Below is an order of the court.

Teresa H. Pearson
TERESA H. PEARSON
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re Fairway America, LLC, Fairway America Management Group II LLC, Debtors-in-Possession.	) Case Nos. 26-32378-thp11 (Lead Case);) 26-32379-thp11 (Jointly Administered)))) SECOND INTERIM ORDER) AUTHORIZING USE OF CASH) COLLATERAL))

This matter came before the Court on Debtors' Motion for Entry of Second Interim Order Authorizing Use of Cash Collateral [Docket No. 80] (the "**Motion**")[1], filed on August 6, 2026. Based on the Court's review of the Motion, the declarations and other pleadings filed in support of the Motion, and all pleadings and evidence of record in this case:

THE COURT FINDS:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and this proceeding is core pursuant to 28 U.S.C. § 157(b)(2).

B. Venue is proper pursuant to 28 U.S.C. § 1408 and 1409.

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

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C. This is a core proceeding and adequate notice of the Motion was given.

D. The relief requested in the Motion is in the best interests of the Debtors' estates, its creditors, and other parties in interest.

E. The interests of the Secured Creditors will be adequately protected by the relief granted in this Interim Order.

F. Without the use of Cash Collateral, Debtors assert they have insufficient funds to meet their operating expenses and other payments set forth in the Second Interim Budget (**Exhibit A**). Debtors assert there is an immediate need to use Cash Collateral to pay Debtors' operating expenses and to preserve the value of Debtors' business and assets.

G. Each of the foregoing findings by this Court will be deemed a finding of fact if and to the fullest extent that it makes and contains factual findings, and will be deemed a conclusion of law if and to the fullest extent that it makes and contains legal conclusions.

H. Debtors assert they will suffer immediate and irreparable harm if Debtors are not permitted to use the amounts in the Second Interim Budget in the amount and for the purposes set forth in the Interim Budget to meet Debtors' necessary and ordinary course post-petition Operating Expenses prior a final hearing for authority to use Cash Collateral.

I. Debtors assert that the Secured Creditors appear to have security interests/liens upon the Cash Collateral as of the Petition Date; those Secured Creditors and relevant information regarding amounts owed and collateral are set out in the Motion.

J. Debtors assert that, other than the Secured Creditors, Debtors are not aware of any parties holding an interest in Cash Collateral.

K. Entry of this order is necessary to avoid immediate and irreparable harm. The requirements of Federal Rule of Bankruptcy Procedure 6003(b) have been satisfied.

L. There is good cause for granting the relief requested in the Motion.

Based upon the foregoing findings of facts and conclusions of law, and upon the record made by the Debtors before this Court at the hearing held on the Motion, and good and sufficient

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cause appearing therefor, it is hereby **ORDERED**:

1. The Motion [Docket No. 80] is **GRANTED** as set forth herein;

2. The Debtors are authorized to use cash collateral on an interim basis for the purposes of funding expenditures in accordance with the Second Interim Budget. The Debtors may make expenditures in excess of the amounts set forth in the Second Interim Budget so long as the variance does not exceed, on a line item basis twenty percent (20%) and in the aggregate ten (10%) of the total budgeted expenses through the end of the applicable period; *provided, however*, that if in any period, the Debtors' total budgeted expenses are less than predicted for that period by the Second Interim Budget, the difference may be carried forward to subsequent periods as to each line item and in the aggregate;

3. Any party holding Cash Collateral, including, but not limited to, any uncashed checks made payable to the Debtors, funds in possession of a Secured Creditor, funds in possession of an agent for a Secured Creditor on the Petition Date, or a third party on the Petition Date, shall deliver such Cash Collateral to the Debtors or deposit such funds into an approved bank account for the Debtors;

4. The Secured Creditors are entitled, pursuant to Bankruptcy Code Sections 361, 363(c), and 363(e), to adequate protection of its interests in cash collateral. Notwithstanding anything to the contrary contained in 11 U.S.C. § 552(a), as adequate protection, the Secured Creditors are granted the following adequate protection:

(a) A perfected lien and security interest on all property, whether now owned or hereafter acquired by Debtors of the same nature and kind as secured by the claim of the Secured Creditor on the Petition Date (the "**Adequate Protection Liens**"); provided, however, that such Adequate Protection Lien shall not attach to avoidance or recovery actions of Debtors' estate under chapter 5 of the Bankruptcy Code; and provided, further, that such Adequate Protection Lien shall be subject to all valid, properly perfected and enforceable liens and interests that existed as of

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the Petition Date (such property on which the Replacement Lien shall attach being referred to herein as the "**Replacement Collateral**").

(b) The interests of the Secured Creditors in the Replacement Collateral shall have the same relative priorities as the liens held by them as of the Petition Date.

(c) Debtors shall timely perform and complete all actions necessary and appropriate to protect the Cash Collateral against diminution in value.

(d) The Adequate Protection Lien on the Replacement Collateral shall be perfected and enforceable upon entry of this Order without regard to whether such Adequate Protection Lien is perfected under applicable non-bankruptcy law.

(e) The Adequate Protection Lien shall be in addition to all other liens and security interests securing the secured claims of the Secured Creditors in existence on the Petition Date. Nothing in this Interim Order shall abridge or limit Secured Creditors' security interests in proceeds, products or profits to extent provided under Section 552 of the Bankruptcy Code.

(f) Debtors shall keep Secured Creditors' collateral and Replacement Collateral free and clear of all other liens, encumbrances and security interests, other than those in existence on the Petition Date, absent further Court order, and shall pay when due all taxes, levies and charges arising or accruing from and after the Petition Date.

5. Nothing in this order shall: (a) impair or limit any of Secured Creditors' rights and remedies in these cases or in any superseding case, (b) prejudice Secured Creditors' rights to seek modification of this order for additional adequate protection, (c) prejudice Secured Creditors' rights to seek modification or termination of this order in the event the Debtors fail to comply with any of Debtors' obligations pursuant to this order; (d) require payment of any obligations on confirmation of a plan of reorganization; (e) alter, improve, limit or impair the rights, if any, of parties claiming to have rights of reclamation against Debtors, or Debtors' assets; or (f) enhance the secured position of any creditor as of the Petition Date. Further, nothing herein shall constitute

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a determination of the rights or interests of Secured Creditors other than as specifically set forth in this order. Without limiting the generality of the preceding sentence, nothing in this order shall constitute a determination with respect to (i) the allowability or amount of any claim, (ii) the validity, enforceability, or perfection or nonperfection of Secured Creditors' liens or security interests, or (iii) the extent or priority of Secured Creditors' liens or security interests. In the event that Secured Creditors' prepetition liens or security interests are avoided or determined to be avoidable under any applicable law, then the Adequate Protection Liens and any superpriority treatment provided herein shall also be avoided;

6. The Debtors shall be permitted to segregate in a set aside account (the "**Segregated Fees Account**"), those amounts (if any) listed in the Budget for professional fees and expenses of the Debtors' attorneys, attorneys for the Committee of Unsecured Creditors (the "**Committee**"), Debtors' Chief Restructuring Officer, accountants, and other professionals employed under Bankruptcy Code sections 327 and 1103 that may become allowed and payable under Bankruptcy Code sections 330 and 331, but subject to the rights of any party in interest to object to any fees, expenses, reimbursement, or compensation of any such professionals. Anything herein to the contrary notwithstanding, the Segregated Fees Account shall be subjected to the Adequate Protection Liens only to the extent there are funds left in the Segregated Fees Account after payment of such allowed professional fees and expenses;

7. Aside from the Expense Share Contribution from Fairway America Management Group II LLC ("**FAMG II**") to Fairway America, LLC ("**Fairway**") outlined in the Interim Budget, no additional amounts held or received by FAMG II during the period covered by this Order will be transferred to Fairway absent (a) consent of the effected Secured Creditor(s) or (b) further Order of this Court;

8. All Adequate Protection Liens are binding and perfected automatically upon the entry of this order. Secured Creditors will not be required to file or serve financing statements, mortgages, notices of lien, or similar instruments which otherwise may be required under federal

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or state law in any jurisdiction, or take any action (including taking possession) to validate and perfect the Adequate Protection Liens, as applicable. If, however, Secured Creditors, in their reasonable discretion, determine to file any such financing statements, mortgages, agreements, notices of lien, or similar instruments, or to otherwise confirm perfection of such Adequate Protection Liens, the Debtors are hereby authorized and directed to cooperate with and assist in such process, and all such documents shall be deemed to have been perfected at the time of and on the date of entry this order, with the priorities set forth herein. A certified copy of this order may, in the discretion of Secured Creditors, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this order for filing and recording;

9. No later than the 20th calendar day of each month (or if such day is not a business day, the next succeeding business day), the Debtors shall deliver to Secured Creditors and the Committee a variance report detailing the cash expenditures for the prior one-month period and a comparison of the actual performance for that period against the forecast for that period. Compliance with the Budget shall be measured on a monthly basis.

10. This order is entered pursuant to Bankruptcy Code Section 363(c)(2), granting Secured Creditors the protections afforded by Bankruptcy Code Section 361. If any or all of the provisions of this order are hereafter revised, modified, vacated, reversed or stayed, that action will not affect the validity or enforceability of any lien or priority authorized or created under this order;

11. The provisions of this order shall be binding on all parties in interest in this case and their respective successors and assigns, including, without limitation, any Chapter 11 or Chapter 7 trustee. If any or all of the provisions of this order are hereafter revised, modified, vacated, reversed, or stayed by subsequent order, such action shall not affect the priority, validity, enforceability or effectiveness of any lien, security interest, or priority authorized hereby with

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respect to the use of cash collateral prior to the effective date of such subsequent order (and all such liens, security interests, priorities, and other benefits shall be governed in all respects by the original provisions of this order);

12. Unless terminated earlier, the Debtors' authority to use cash collateral hereunder shall continue until September 4, 2026, which date may be extended at the consent of Secured Creditors, or upon further order of the Court;

13. Nothing contained in this order shall constitute a waiver by the Debtors, or any subsequent Chapter 11 or Chapter 7 trustee, of any of their respective rights under the loan documents, the Bankruptcy Code, or other applicable law, at law or in equity, including, without limitation, the right to assert any claim, demand, or cause of action, whether in contract, tort or otherwise, that they had as of the Petition Date, or that the Debtors or such trustee now has, or in the future may have, against Secured Creditors. The Debtors' or a trustee's failure, at any time or times hereafter, to require strict performance by Secured Creditors of any provision of this order shall not waive, affect, or diminish any right of the Debtors or the trustee to demand strict compliance and performance therewith. No delay on the part of the Debtors or the trustee in the exercise of any right or remedy under this order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of the Debtors or the trustee under this order shall be deemed to have been suspended or waived by the Debtors or the trustee unless such suspension or waiver is in writing, signed by the Debtors or the trustee, as the case may be, directed to Secured Creditors, specifying such suspension or waiver, and approved by the Court. Nothing contained in this order or in the Debtors' or Secured Creditors' agreement to the terms hereof shall: (1) be deemed to be a consent by Secured Creditors to any extension of the terms of this order or the entry of an additional order authorizing the use of cash collateral; (2) waive any of the Debtors', a trustee's, or Secured Creditors' rights or remedies in this case or any superseding case under the Bankruptcy Code, including the right to seek conversion or dismissal; or (3) impose on the Debtors, a trustee, or Secured Creditors any

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liability or responsibility to any third party;

14. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, or 9014, the terms and conditions of this order shall be immediately effective and enforceable upon its entry;

15. Nothing in the Motion or this order, nor as a result of the Debtors' payments pursuant to this order, shall be deemed or construed as: (a) an admission as to the validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim; or (c) an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code;

16. The final hearing on the Motion shall be held on September 2, 2026 at 9:00 a.m.; the date, time, and method of the final hearing shall be sent by separate notice.

17. The Debtors are authorized to take such further actions as may be necessary or appropriate to effectuate the terms of this order; and

18. This Court retains exclusive jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this order.

# # #

CERTIFICATION OF COMPLIANCE WITH LBR 9021-1(a)

I certify that I have complied with the requirements of LBR 9021-1(a); a copy of the proposed order was served with the Motion.

PRESENTED BY:

SUSSMAN SHANK LLP

/s/ Douglas R. Ricks

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FAIRWAY AMERICA, LLC

CASH FLOW PROJECTIONS

WEEK ENDING	8/14/2026	8/21/2026	8/28/2026	9/4/2026
Cash Balance	$ 102,472	$ 114,282	$ 111,513	$ 23,983
FAIRWAY				
Expense Share Contribution - FAMG II	$ 29,410	$ -	$ -	$ -
Fund Management Fees	$ 16,929		$ -	$ -
Syndication Am Fees	$ -		$ -	$ -
Promote	$ -	$ -	$ -	$ -
Total Fairway Cash Inflows	$ 46,339	$ -	$ -	$ -
Capital Received (transferred to Verivest)	$ -	$ -	$ -	$ -
Total Fairway Cash Inflows	$ 46,339	$ -	$ -	$ -
Payroll	$ 30,000	$ 2,769	$ 31,660	$ 2,769
Payroll Bonus	$ -	$ -	$ -	$ -
Tool Stack			$ 1,276	
Professional Services [1]	$ -		$ 21,201	
Health Insurance	$ 4,529	$ -	$ -	$ 1,030
Business Licenses and Taxes	$ -		$ 32,829	$ -
Other	$ -		$ 564	
Travel and Marketing	$ -	$ -	$ -	$ -
Expenses	$ 34,529	$ 2,769	$ 87,530	$ 3,799
CAPITAL REQUIRED				
Cash Distribution				
Ending Cash Balance	$ 114,282	$ 111,513	$ 23,983	$ 20,184
Monthly Cash Burn	$ 11,810	$ (2,769)	$ (87,530)	$ (3,799)

[1] Any amounts to be paid to professionals employed under Sections 327, 1103 subject to application and approval of interim fees.

FAIRWAY AMERICA MANAGEMENT GROUP II, LLC

CASH FLOW PROJECTIONS

WEEK ENDING	8/14/2026	8/21/2026	8/28/2026	9/4/2026
Cash Balance	$ 84,107	$ 163,623	$ 163,623	$ 163,623
FAIRWAY AMERICA MANAGEMENT GROUP II, LLC				
Fund VIIQP	$ 65,485	$ -	$ -	$ -
Fund VII	$ 43,441			
Total FAMG II Cash Inflows	$ 108,926	$ -	$ -	$ -
None [1]	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
Direct Expenses	$ -	$ -	$ -	$ -
Expense Share to Fairway America, LLC	$ 29,410	$ -	$ -	$ -
Ending Cash Balance	$ 163,623	$ 163,623	$ 163,623	$ 163,623

[1] FAMG II pays no expenditures directly.